

FEDERAL RESERVE SYSTEM

BB&T Corporation  
Winston-Salem, North Carolina

Order Approving the Merger of Bank Holding Companies

BB&T Corporation (“BB&T”), Winston-Salem, North Carolina, a financial holding company within the meaning of the Bank Holding Company Act of 1956 (“BHC Act”),<sup>1</sup> has requested the Board’s approval under section 3 of the BHC Act<sup>2</sup> to merge with SunTrust Banks, Inc. (“SunTrust”), Atlanta, Georgia, a financial holding company, and SunTrust Bank Holding Company, Orlando, Florida, SunTrust’s wholly owned intermediate holding company, and thereby indirectly acquire SunTrust Bank, Atlanta, Georgia.<sup>3</sup> Following the proposed acquisition, SunTrust Bank would be merged with and into BB&T’s subsidiary state non-member bank, Branch Banking and Trust Company (“Branch Bank”), Winston-Salem, North Carolina.<sup>4</sup> The resulting holding company would be renamed Truist Financial Corporation (“Truist”), and the resulting bank would be renamed Truist Bank.

BB&T, with consolidated assets of approximately \$230.9 billion, is the 16th largest insured depository organization in the United States, controlling approximately \$166.7 billion in consolidated deposits, which represent approximately

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<sup>1</sup> 12 U.S.C. § 1841 *et seq.*

<sup>2</sup> 12 U.S.C. § 1842.

<sup>3</sup> BB&T would effect the acquisition by merging SunTrust with and into BB&T, with BB&T as the survivor. Shortly thereafter, SunTrust Bank Holding Company would merge with and into BB&T, with BB&T as the survivor.

<sup>4</sup> The merger of SunTrust Bank into Branch Bank is subject to the approval of the Federal Deposit Insurance Corporation (“FDIC”) pursuant to section 18(c) of the Federal Deposit Insurance Act (“Bank Merger Act”).

1.3 percent of the total amount of deposits of insured depository institutions in the United States.<sup>5</sup> BB&T controls Branch Bank, which operates in Alabama, Florida, Georgia, Indiana, Kentucky, Maryland, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia, and the District of Columbia.

SunTrust, with consolidated assets of approximately \$222.5 billion, is the 17th largest insured depository organization in the United States, controlling approximately \$162.5 billion in consolidated deposits, which represent 1.3 percent of the total amount of deposits of insured depository institutions in the United States. SunTrust controls SunTrust Bank, which operates in Alabama, Arkansas, Florida, Georgia, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and the District of Columbia.

On consummation of this proposal, Truist, as the combined organization, would become the eighth largest insured depository organization in the United States, with consolidated assets of approximately \$453.4 billion, which represent 2.0 percent of the total amount of assets of insured depository institutions in the United States. Truist would control consolidated deposits of approximately \$330.9 billion, which represent 2.6 percent of the total deposits of insured depository institutions in the United States.<sup>6</sup>

#### Public Comments on the Proposal

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (84 Federal Register 9340 (March 14, 2019)).<sup>7</sup> The time for submitting comments has expired. The Board extended the initial period for public comment to accommodate public interest in this proposal, providing interested persons until May 3, 2019, a total of more than 50 days, to submit written comments (84 Federal Register 10517 (March 21, 2019)).

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<sup>5</sup> Asset and deposit data are as of June 30, 2019, unless otherwise noted and do not reflect adjustments for consolidation.

<sup>6</sup> See Appendix I for asset and deposit data by state, for states in which Branch Bank and SunTrust Bank both have banking operations.

<sup>7</sup> 12 CFR 262.3(b).

In addition, in light of the significant public interest in the proposal, the Board held two public meetings in Charlotte, North Carolina, and Atlanta, Georgia, to provide interested persons an opportunity to present oral testimony on the factors that the Board is required to consider under the BHC Act.<sup>8</sup> Approximately 116 individuals provided oral testimony at the public meetings, a subset of which also submitted written comments. In total, the Board received approximately 1050 comments from individuals and organizations. Commenters included community groups, nonprofit organizations, customers of the two banking organizations, and other interested organizations and individuals.

A majority of commenters supported the proposal.<sup>9</sup> Many of these commenters contended that the proposal would benefit communities and community organizations throughout the footprints of BB&T and SunTrust through increased resources and services provided by the combined organization. Commenters generally commended BB&T and SunTrust for their involvement in their communities and described positive experiences related to small business, community development, and charitable contribution and investment programs of both organizations. In addition, commenters praised both organizations for their corporate cultures, which encourage officers and employees to volunteer their time and resources and to provide services to community organizations.<sup>10</sup>

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<sup>8</sup> The public meetings were held jointly with the FDIC on April 25, 2019, at the Charlotte Branch of the Federal Reserve Bank of Richmond and on May 3, 2019, at the Federal Reserve Bank of Atlanta.

<sup>9</sup> The Board received approximately 949 comments in support of the proposal. Approximately 88 persons provided oral comments in support of the proposal.

<sup>10</sup> A commenter contended that many commenters who supported the proposal received financial support from BB&T and SunTrust. The Board invites comments from all members of the public that have an interest in the application. The Board considers all timely and substantive comments on an application without regard to the commenters' motivation for supporting or opposing the application.

A significant number of commenters either opposed the proposal, requested that the Board approve the proposal subject to certain conditions, or otherwise expressed concerns about the proposal.<sup>11</sup> Many commenters questioned whether the proposal would result in public benefits. Commenters expressed concern that the proposal would result in significant job losses and branch closures. Commenters also criticized the records of performance of both institutions in meeting the credit needs of their communities, particularly minority communities and low- and moderate-income (“LMI”) communities. Commenters expressed concerns that the proposal would result in fewer services and less focus on rural communities and that it would result in customer confusion, particularly among senior citizens. In addition, commenters expressed concern that the proposal would significantly reduce competition throughout the banking markets in which BB&T and SunTrust operate. Commenters also asserted that the combined institution would pose a risk to U.S. financial stability, with the resulting institution being “too big to fail.”

In evaluating the statutory factors under the BHC Act, the Board considered the information and views presented by all commenters, including information presented at the public meetings and in written submissions. The Board also considered all of the information presented in the application and supplemental filings by BB&T, various reports filed by the relevant companies, and publicly available information. In addition, the Board consulted with the relevant financial supervisory agencies and the Department of Justice (“DOJ”) and reviewed confidential supervisory information, including examination reports on the depository institution holding companies and the depository institutions involved. After a review of all the facts of record, and for the reasons discussed in this order, the Board concludes that the statutory factors it is required to consider under the BHC Act are consistent with approval of the proposal.

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<sup>11</sup> The Board received approximately 104 comments in opposition to the proposal. Of these comments, approximately 70 comments were individualized written comments, and approximately 34 comments were submitted as form letters. Approximately 21 persons provided oral comments in opposition to the proposal.

## Factors Governing Board Review of the Transaction

The BHC Act sets forth the factors that the Board is required to consider when reviewing the merger of bank holding companies or the acquisition of banks.<sup>12</sup> These factors include the competitive effects of the proposal in the relevant geographic markets; the financial and managerial resources and future prospects of the companies and banks involved in the proposal; the effectiveness of the involved institutions in combatting money-laundering activities; the convenience and needs of the communities to be served, including the records of performance under the Community Reinvestment Act of 1977 (“CRA”)<sup>13</sup> of the insured depository institutions involved in the transaction; and the extent to which the proposal would result in greater or more concentrated risks to the stability of the U.S. banking or financial system. For proposals involving interstate bank acquisitions by bank holding companies, the Board also must consider the concentration of deposits as a percentage of the total deposits controlled by insured depository institutions in the United States and in relevant individual states, as well as compliance with the other provisions of section 3(d) of the BHC Act.

## Interstate Analysis

Section 3(d) of the BHC Act generally provides that, if certain conditions are met, the Board may approve an application by a bank holding company that is well capitalized and well managed to acquire control of a bank located in a state other than the home state of the bank holding company without regard to whether the transaction is prohibited under state law.<sup>14</sup> The Board (1) may not approve an application that would permit an out-of-state bank holding company or bank to acquire a bank in a host state if the target bank has not been in existence for the lesser of the state statutory minimum period of time or five years;<sup>15</sup> (2) must take into account the record of the applicant bank

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<sup>12</sup> See 12 U.S.C. § 1842.

<sup>13</sup> 12 U.S.C. § 2901 et seq.

<sup>14</sup> 12 U.S.C. § 1842(d)(1)(A).

<sup>15</sup> 12 U.S.C. § 1842(d)(1)(B).

under the CRA and the applicant's record of compliance with applicable state community reinvestment laws; and (3) may not approve an interstate application if the bank holding company or resulting bank, upon consummation of the proposed transaction, would control more than 10 percent of the total deposits of insured depository institutions in the United States or, in certain circumstances, if the bank holding company or resulting bank, upon consummation, would control 30 percent or more of the total deposits of insured depository institutions in the target bank's home state or in any state in which the acquirer and target have overlapping banking operations.<sup>16</sup>

For purposes of the BHC Act, the home state of BB&T is North Carolina.<sup>17</sup> SunTrust Bank is located in Alabama, Arkansas, Florida, Georgia, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and the District of Columbia. BB&T is well capitalized and well managed under applicable law, and Branch Bank has a satisfactory rating under the CRA.<sup>18</sup> Alabama, Arkansas, Georgia, Mississippi, and Tennessee have minimum age requirements that apply to BB&T's acquisition of SunTrust.<sup>19</sup> Florida, Maryland, North Carolina, South Carolina, Virginia, and the

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<sup>16</sup> 12 U.S.C. § 1842(d)(2)(A) and (B). For purposes of section 3(d) of the BHC Act, the acquiring and target institutions have overlapping banking operations in any state in which any bank to be acquired is located and the acquiring bank holding company controls any insured depository institution or branch. The Board considers a bank to be located in any state in which the bank is chartered, headquartered, or operates a branch. See 12 U.S.C. § 1841(o)(4)–(7).

<sup>17</sup> See 12 U.S.C. § 1841(o)(4). A bank holding company's home state is the state in which the total deposits of all banking subsidiaries of such company were the largest on July 1, 1966, or the date on which the company became a bank holding company, whichever is later. A national bank's home state is the state in which the main office of the bank is located.

<sup>18</sup> Only two of the jurisdictions in which BB&T operates—West Virginia and the District of Columbia—have state community reinvestment laws. See W. Va. Code §§ 31A-8B-1 to 31-8B-5; D.C. Code § 26-431.01 et seq. However, those laws do not appear to apply to BB&T.

<sup>19</sup> See Ala. Code § 5-13B-23 (5 years); Ark. Code Ann. §§ 23-45-102(18)(A) & 23-48-505 (5 years); Ga. Code Ann. § 7-1-622 (3 years); Miss. Code Ann. § 81-8-3 (5 years); Tenn. Code Ann. §§ 45-2-1402 & 1403 (3 years).

District of Columbia do not have minimum age requirements. SunTrust Bank has been in existence for more than five years.

On consummation of the proposed transaction, Truist, as the combined organization, would control 2.6 percent of the total amount of consolidated deposits in insured depository institutions in the United States. Alabama, Florida, Georgia, Maryland, South Carolina, and Tennessee each impose a 30 percent limit on the total amount of in-state deposits that a single banking organization may control.<sup>20</sup> The combined organization would control approximately 3.5 percent of the total amount of deposits of insured depository institutions in Alabama, 11.0 percent in Florida, 26.7 percent in Georgia, 13.5 percent in Maryland, 13.1 percent in South Carolina, and 9.6 percent in Tennessee.<sup>21</sup> Accordingly, in light of all the facts of record, the Board may approve the proposal under section 3(d) of the BHC Act.

#### Competitive Considerations

Section 3 of the BHC Act prohibits the Board from approving a proposal that would result in a monopoly or would be in furtherance of an attempt to monopolize the business of banking in any relevant market.<sup>22</sup> The BHC Act also prohibits the Board from approving a proposal that would substantially lessen competition or tend to create a monopoly in any banking market, unless the anticompetitive effects of the proposal are clearly outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the communities to be served.<sup>23</sup>

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<sup>20</sup> See Ala. Code § 5-13B-23(b); Fla. Stat. § 658.2953; Ga. Code Ann. § 7-1-622(b)(2)(B); Md. Code Ann. Fin. Inst. § 5-905(b); S.C. Code Ann. § 34-25-240; Tenn. Code Ann. § 45-2-1404. North Carolina, Virginia, and the District of Columbia do not impose limits on the total amount of deposits an insured depository institution may control in those jurisdictions.

<sup>21</sup> A commenter alleged that the acquisition could result in the combined organization controlling deposits in excess of state deposit limits. As noted above, the combined organization would not control 30 percent or more of the deposits in any state.

<sup>22</sup> 12 U.S.C. § 1842(c)(1)(A).

<sup>23</sup> 12 U.S.C. § 1842(c)(1)(B).

BB&T and SunTrust have subsidiary banks that compete directly in 81 banking markets in Alabama, Florida, Georgia, Maryland, North Carolina, South Carolina, Tennessee, Virginia, and the District of Columbia.<sup>24</sup> The Board has considered the competitive effects of the proposal in these banking markets. In particular, the Board has considered the relative shares of total deposits in insured depository institutions in the markets (“market deposits”) that BB&T would control;<sup>25</sup> the concentration levels of market deposits and the increase in these levels as measured by the Herfindahl-Hirschman Index (“HHI”) under the DOJ Bank Merger Competitive

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<sup>24</sup> A commenter argued that the proposal would substantially lessen competition in the following areas: the Atlanta–Sandy Springs–Alpharetta, Georgia, Metropolitan Statistical Area (“MSA”); the Charlottesville, Virginia, MSA; the Deltona–Daytona Beach–Ormond Beach, Florida, MSA; the Durham–Chapel Hill, North Carolina, MSA; the Homosassa Springs, Florida, MSA; the Macon–Bibb County, Georgia, MSA; the Roanoke, Virginia, MSA; the Staunton–Waynesboro, Virginia, MSA; the Virginia Beach–Norfolk–Newport News, Virginia–North Carolina, MSA; and the Winston-Salem, North Carolina, MSA. These MSAs are not geographic banking markets and are not consistent with the Board’s geographic banking markets. Consistent with Supreme Court precedent, the Board examined the competitive effects of the proposal in the relevant geographic markets, defined below. See United States v. Phillipsburg National Bank, 399 U.S. 350 (1970); United States v. Philadelphia National Bank, 374 U.S. 321, 357 (1963). In defining the relevant geographic market, the Board and courts have consistently found that the relevant geographic market for analyzing the competitive effects of a proposal must reflect commercial and banking realities and should consist of the local area where customers can practicably turn for alternatives. See Philadelphia National Bank, 374 U.S. at 357; First York Ban Corp., 88 Federal Reserve Bulletin 251, 251 (2002); First Union Corporation, 84 Federal Reserve Bulletin 489, 491–92 (1998).

<sup>25</sup> Deposit and market share data are as of June 30, 2018, and unless otherwise noted, are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors to commercial banks. See, e.g., Midwest Financial Group, 75 Federal Reserve Bulletin 386 (1989); National City Corporation, 70 Federal Reserve Bulletin 743 (1984). Thus, the Board regularly has included thrift deposits in market share calculations on a 50-percent weighted basis. See, e.g., Hancock Whitney Corporation, FRB Order No. 2019-12 at 6 (September 5, 2019).

Review guidelines (“DOJ Bank Merger Guidelines”);<sup>26</sup> the number of competitors that would remain in each market; other characteristics of the markets; and, as discussed below, commitments made by BB&T to divest branches in certain markets.<sup>27</sup> The Board also has considered the public comments on the competitive effects of the proposal.<sup>28</sup>

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<sup>26</sup> Under the DOJ Bank Merger Guidelines, a market is considered unconcentrated if the post-merger HHI is under 1000, moderately concentrated if the post-merger HHI is between 1000 and 1800, and highly concentrated if the post-merger HHI exceeds 1800. The DOJ has informed the Board that a bank merger or acquisition generally would not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. Although the DOJ and the Federal Trade Commission issued revised Horizontal Merger Guidelines in 2010, the DOJ has confirmed that its Bank Merger Guidelines, which were issued in 1995, were not modified. See Press Release, Department of Justice (August 19, 2010), available at [www.justice.gov/opa/pr/2010/August/10-at-938.html](http://www.justice.gov/opa/pr/2010/August/10-at-938.html).

<sup>27</sup> BB&T has agreed to divest approximately \$2.4 billion in deposits and 30 branches across North Carolina, Virginia, and Georgia.

<sup>28</sup> Commenters expressed concern that the proposal would increase concentration in banking markets throughout the Southeast and Mid-Atlantic, including in Florida, Georgia, Maryland, North Carolina, and Virginia. Similarly, a commenter argued that the proposal would result in consolidated market power among only a few large banks. Commenters suggested that the reduced competition as a result of the merger would result in less favorable outcomes for consumers.

A commenter also specifically alleged that the proposal would result in a substantial lessening of competition in several MSAs because the resulting market share would be “presumed to likely increase market power” under the 2010 DOJ and Federal Trade Commission Horizontal Merger Guidelines. As noted above, the DOJ has confirmed that its Bank Merger Guidelines were not modified by the 2010 DOJ and Federal Trade Commission Horizontal Merger Guidelines.

A commenter also expressed concern that the combined organization would occupy a significant portion of the national mortgage banking market. Based on data reported for 2017 under the Home Mortgage Disclosure Act of 1975 (“HMDA”), the combined organization would represent less than two percent of nationwide mortgage originations.

### *Banking Markets Within Established Guidelines*

Consummation of the proposal would be consistent with Board precedent and within the thresholds in the DOJ Bank Merger Guidelines in 68 banking markets. On consummation, two banking markets would become highly concentrated; 10 banking markets would remain highly concentrated; 10 banking markets would become moderately concentrated; 41 banking markets would remain moderately concentrated; and five banking markets would remain unconcentrated, as measured by the HHI. The change in the HHI in these markets generally would be small, consistent with Board precedent, and within the thresholds in the DOJ Bank Merger Guidelines. In addition, numerous competitors would remain in most of these banking markets.<sup>29</sup>

### *Banking Markets Warranting Special Scrutiny*

The structural effects that consummation of the proposal would have in the North Lake/Sumter Area, Florida, banking market; the Atlanta, Lumpkin County, Milledgeville Area, and Wayne County banking markets, all in Georgia; the Durham–Chapel Hill and Winston-Salem banking markets, both in North Carolina; the Eastern Shore, Lexington, Martinsville, Richmond, and South Boston banking markets, all in Virginia; and the Norfolk–Portsmouth, Virginia–North Carolina, banking market warrant a detailed review because the concentration levels on consummation would exceed the thresholds in the DOJ Bank Merger Guidelines or would result in the market deposit share of BB&T equaling or exceeding 35 percent when using initial competitive screening data. In six of these markets, BB&T proposes to divest all branches to be acquired from SunTrust and, therefore, the levels of concentration as measured by the HHI would not materially increase on consummation of the merger and proposed divestitures.<sup>30</sup>

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<sup>29</sup> These banking markets and the competitive effects of the proposal in these markets are described in Appendix II.

<sup>30</sup> The six markets are the Lumpkin County banking market, the Wayne County banking market, the Eastern Shore banking market, the Martinsville banking market, the South Boston banking market, and the Winston-Salem banking market.

*Markets Without Divestitures*

North Lake/Sumter Area, Florida, Banking Market. Branch Bank is the fifth largest depository institution in the North Lake/Sumter Area banking market, controlling approximately \$345.8 million in deposits, which represent 7.7 percent of market deposits.<sup>31</sup> SunTrust Bank is the second largest depository institution in the market, controlling approximately \$650.2 million in deposits, which represent 14.5 percent of market deposits. On consummation, Branch Bank would be the second largest depository institution in the North Lake/Sumter Area banking market, controlling approximately \$996.0 million in deposits, which would represent approximately 21.7 percent of market deposits. The HHI in this market would increase 214 points, from 1878 to 2092.

The Board has considered whether factors either mitigate the competitive effects of the proposal or indicate that the proposal would not have a significantly adverse effect on competition in the North Lake/Sumter Area banking market.<sup>32</sup> In particular, four credit unions exert a competitive influence in the North Lake/Sumter Area banking market because each institution offers a wide range of consumer banking products, operates street-level branches, and has broad membership criteria that include almost all of the residents in the relevant banking market.<sup>33</sup> The Board finds that the deposits of credit unions that exhibit these characteristics should be included at a 50-percent weight in calculating its estimate of market influence (each a “qualifying credit union”). This

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<sup>31</sup> The North Lake/Sumter Area banking market is defined as Sumter County, and the Census County Divisions of Fruitland Park–Lady Lake, Leesburg, and Leesburg East in Lake County, all of Florida.

<sup>32</sup> The number and strength of factors necessary to mitigate the competitive effects of a proposal depend on the size of the increase in, and resulting level of, concentration in a banking market. See NationsBank Corporation, 84 Federal Reserve Bulletin 129 (1998).

<sup>33</sup> The Board previously has considered competition from certain active credit unions with these features as a mitigating factor. See, e.g., Huntington Bancshares Incorporated, FRB Order No. 2016-13 (July 29, 2016); BB&T Corporation, FRB Order No. 2015-18 (July 7, 2015); and Wachovia Corporation, 92 Federal Reserve Bulletin C183 (2006).

weighting takes into account the limited lending done by credit unions to small businesses relative to commercial banks' lending levels.

This adjustment suggests that the resulting market concentration in the North Lake/Sumter Area banking market is less significant than would appear from the initial competitive screening data. After consummation, and adjusting to reflect competition from credit unions in the market, the market concentration level in the North Lake/Sumter Area banking market as measured by the HHI would increase by 198 points, from 1736 to 1934, and the market share of BB&T would increase to 20.9 percent. Seventeen other insured depository institutions, including the credit unions, would remain in the market, including one insured depository institution with a market share of more than 36.0 percent.

Atlanta, Georgia, Banking Market. Branch Bank is the fourth largest depository institution in the Atlanta banking market, controlling approximately \$8.7 billion in deposits, which represent 5.1 percent of market deposits.<sup>34</sup> SunTrust Bank is the largest depository institution in the market, controlling approximately \$47.3 billion in deposits, which represent 27.8 percent of market deposits. On consummation, Branch Bank would be the largest depository institution in the Atlanta banking market, controlling approximately \$56.0 billion in deposits, which would represent approximately 32.9 percent of market deposits. The HHI in this market would increase 284 points, from 1547 to 1831.

The Board has considered whether factors either mitigate the competitive effects of the proposal or indicate that the proposal would not have a significantly adverse effect on competition in the Atlanta banking market. Two thrift institutions in the market have a commercial and industrial loan portfolio similar to those of commercial banks in the Atlanta banking market, as measured in terms of the ratios of those types of loans to

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<sup>34</sup> The Atlanta banking market is defined as Bartow, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Hall, Henry, Jasper, Newton, Paulding, Rockdale, and Walton counties; the towns of Auburn and Winder in Barrow County; and Luthersville in Meriwether County, all in Georgia.

total loans and assets.<sup>35</sup> Accordingly, the Board has concluded that deposits controlled by these institutions should be weighted at 100 percent in the market-share calculations. In addition, six qualifying credit unions exert a competitive influence in the Atlanta banking market.

These adjustments suggest that the resulting market concentration in the Atlanta banking market is less significant than would appear from the initial competitive screening data. Taking the adjustments into consideration, the market concentration level in the Atlanta banking market as measured by the HHI would increase by 270 points, from 1473 to 1743, and the market share of BB&T would increase to 32.1 percent upon consummation. Eighty-seven other insured depository institutions, including the thrifts and the credit unions, would remain in the market, including two insured depository institutions each with a market share of more than 18.0 percent.

Milledgeville Area, Georgia, Banking Market. Branch Bank is the third largest depository institution in the Milledgeville Area banking market, controlling approximately \$120.6 million in deposits, which represent 14.7 percent of market deposits.<sup>36</sup> SunTrust Bank is the fourth largest depository institution in the market,

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<sup>35</sup> The standard treatment of thrifts in the competitive analysis is to give their deposits 50 percent weight to reflect their limited lending to small businesses relative to banks' lending levels. The Board previously has indicated, however, that it may consider the competitiveness of a thrift institution at a level greater than 50 percent of its deposits when appropriate if competition from the institution closely approximates competition from a commercial bank. See, e.g., Banknorth Group, Inc., 75 Federal Reserve Bulletin 703 (1989). Where, as here, the facts and circumstances of a banking market indicate that a particular thrift serves as a significant source of commercial loans and provides a broad range of consumer, mortgage, and other banking products, the Board has concluded that competition from such a thrift closely approximates competition from a commercial bank and that deposits controlled by the institution should be weighted at 100 percent in market-share calculations. See, e.g., River Valley Bancorp, FRB Order No. 2012-10 (October 17, 2012); Regions Financial Corporation, 93 Federal Reserve Bulletin C16 (2007); and Banknorth Group, Inc., *supra*.

<sup>36</sup> The Milledgeville Area banking market is defined as Baldwin and Hancock counties; the northern half of Wilkinson county that includes the towns of Gordon, Irwinton, Ivey,

controlling approximately \$107.2 million in deposits, which represent 13.1 percent of market deposits. On consummation, Branch Bank would be the largest depository institution in the Milledgeville Area banking market, controlling approximately \$227.9 million in deposits, which would represent approximately 27.8 percent of market deposits. The HHI in this market would increase 385 points, from 1686 to 2071.

The Board has considered whether factors either mitigate the competitive effects of the proposal or indicate that the proposal would not have a significantly adverse effect on competition in the Milledgeville Area banking market. In particular, two qualifying credit unions exert a competitive influence in the Milledgeville Area market.

This adjustment for the qualifying credit unions suggests that the resulting market concentration in the Milledgeville Area banking market is less significant than would appear from the initial competitive screening data. After consummation, the market concentration level in the Milledgeville banking market as measured by the HHI would increase by 324 points, from 1457 to 1781, and the market share of BB&T would increase to 25.5 percent. Nine other insured depository institutions, including the credit unions, would remain in the market, including two insured depository institutions each with a market share of more than 21.0 percent.

Lexington, Virginia, Banking Market. Branch Bank is the largest depository institution in the Lexington banking market, controlling approximately \$153.5 million in deposits, which represent 22.8 percent of market deposits.<sup>37</sup> SunTrust Bank is the sixth largest depository institution in the market, controlling approximately \$59.0 million in deposits, which represent 8.8 percent of market deposits. On consummation, Branch Bank would remain the largest depository institution in the Lexington banking market, controlling approximately \$212.5 million in deposits, which

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and McIntyre; and the Little River Census County Division in Putnam County, all in Georgia.

<sup>37</sup> The Lexington banking market is defined as the independent cities of Lexington and Buena Vista and Rockbridge County, all in Virginia.

would represent approximately 31.6 percent of market deposits. The HHI in this market would increase 401 points, from 1478 to 1879.

The Board has considered whether other factors either mitigate the competitive effects of the proposal or indicate that the proposal would not have a significantly adverse effect on competition in the Lexington banking market. In particular, two qualifying credit unions exert a competitive influence in the banking market.

This adjustment for the qualifying credit unions suggests that the resulting market concentration in the Lexington banking market is less significant than would appear from the initial competitive screening data. After consummation, and adjusting to reflect competition from the two credit unions referenced above, the market concentration level in the Lexington banking market as measured by the HHI would increase by 376 points, from 1395 to 1771, and the market share of BB&T would increase to 30.6 percent. Eight other insured depository institutions, including the credit unions, would remain in the market, including four insured depository institutions each with a market share of more than 10.0 percent.

Norfolk–Portsmouth, Virginia–North Carolina, Banking Market.

Branch Bank is the fourth largest depository institution in the Norfolk–Portsmouth banking market, controlling approximately \$2.3 billion in deposits, which represent 12.7 percent of market deposits.<sup>38</sup> SunTrust Bank is the third largest depository institution in the market, controlling approximately \$2.8 billion in deposits, which represent 16.0 percent of market deposits. On consummation, Branch Bank would be the largest depository institution in the Norfolk–Portsmouth banking market, controlling approximately \$5.1 billion in deposits, which would represent approximately

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<sup>38</sup> The Norfolk–Portsmouth banking market is defined as the cities of Chesapeake, Norfolk, Portsmouth, Suffolk, and Virginia Beach; the Carrsville District in Isle of Wight County, all in Virginia; and Currituck and Gates counties, both in North Carolina.

28.7 percent of market deposits. The HHI in this market would increase 407 points, from 1667 to 2074.

The Board has considered whether factors either mitigate the competitive effects of the proposal or indicate that the proposal would not have a significantly adverse effect on competition in the Norfolk–Portsmouth banking market. In particular, one thrift institution in the market has a commercial and industrial loan portfolio similar to those of commercial banks in the Norfolk–Portsmouth banking market, as measured in terms of the ratios of those types of loans to total loans and assets. The Board has concluded that deposits controlled by this institution should be weighted at 100 percent in the market-share calculations. In addition, eight qualifying credit unions exert a competitive influence in the Norfolk–Portsmouth banking market.

These adjustments suggest that the resulting market concentration in the Norfolk–Portsmouth banking market is less significant than would appear from the initial competitive screening data. After consummation, and adjusting to reflect competition from the eight credit unions and the deposits of the thrift being weighted at 100 percent in the market, the market concentration level in the Norfolk–Portsmouth banking market as measured by the HHI would increase by 347 points, from 1435 to 1782, and the market share of BB&T would increase to 26.5 percent. Twenty-four other insured depository institutions, including the thrift and the credit unions, would remain in the market, including two insured depository institutions each with a market share of more than 20.0 percent.

Richmond, Virginia, Banking Market. Branch Bank is the fourth largest depository institution in the Richmond banking market, controlling approximately \$3.2 billion in deposits, which represent 8.5 percent of market deposits.<sup>39</sup> SunTrust Bank

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<sup>39</sup> The Richmond banking market is defined as the independent cities of Colonial Heights, Hopewell, Petersburg, and Richmond; the counties of Amelia, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, King and Queen, King William, New Kent, Powhatan, and Prince George; and the Cuckoo, Jackson, Mineral, and Mountain Road districts in Louisa County, all in Virginia.

is the third largest depository institution in the market, controlling approximately \$4.5 billion in deposits, which represent 12.0 percent of market deposits. On consummation, Branch Bank would be the second largest depository institution in the Richmond banking market, controlling approximately \$7.7 billion in deposits, which would represent approximately 20.5 percent of market deposits. The HHI in this market would increase 205 points, from 2078 to 2283.

The Board has considered whether factors either mitigate the competitive effects of the proposal or indicate that the proposal would not have a significantly adverse effect on competition in the Richmond banking market. In particular, one qualifying credit union exerts a competitive influence in the Richmond banking market.

This adjustment for the qualifying credit union suggests that the resulting market concentration in the Richmond banking market is less significant than would appear from the initial competitive screening data. After consummation, and adjusting to reflect competition from the credit union, the market concentration level in the Richmond banking market as measured by the HHI would increase by 194 points, from 1963 to 2157, and the market share of BB&T would increase to 20.0 percent. Twenty-nine other insured depository institutions, including the credit union, would remain in the market, including one insured depository institution with a market share of more than 38.0 percent.

*Markets with Divestitures*<sup>40</sup>

Eastern Shore, Virginia, Banking Market. Branch Bank is the fourth largest depository institution in the Eastern Shore banking market, controlling approximately

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<sup>40</sup> As a condition of consummation of the proposed merger, BB&T has committed that it will execute, before consummation of the proposed merger, a sales agreement with a competitively suitable banking organization. BB&T has provided a similar commitment to the DOJ. BB&T also has committed to complete the divestiture of branches within 180 days after consummation of the proposed transaction. In addition, BB&T has committed that if the proposed divestiture is not completed within the 180-day period, BB&T would transfer the unsold branches to an independent trustee, who would be instructed to sell them to an alternate purchaser or purchasers in accordance with the terms of this order and without regard to price. Both the trustee and any alternate

\$107.1 million in deposits, which represent 16.1 percent of market deposits.<sup>41</sup> SunTrust Bank is the third largest depository institution in the market, controlling approximately \$125.6 million in deposits, which represent 19.0 percent of market deposits. On consummation, Branch Bank would be the largest depository institution in the Eastern Shore banking market, controlling approximately \$232.7 million in deposits, which would represent approximately 35.1 percent of market deposits. The HHI in this market would increase 613 points, from 2663 to 3276.

To mitigate the potentially adverse competitive effects of the proposal in the Eastern Shore banking market, BB&T has committed to divest SunTrust's only two branches in the banking market, accounting for a total of approximately \$129.3 million in deposits, to a competitively suitable institution.<sup>42</sup> Other factors also mitigate the competitive effects of the proposal in the Eastern Shore banking market. Two qualifying credit unions exert a competitive influence in the Eastern Shore banking market.

After accounting for the divestiture of SunTrust's only two branches in the market and weighting the deposits of the credit unions at 50 percent, the combined

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purchaser must be deemed acceptable to the Board. See, e.g., BankAmerica Corporation, 78 Federal Reserve Bulletin 338 (1992); United New Mexico Financial Corporation, 77 Federal Reserve Bulletin 484 (1991). For each branch to be divested, the amount of deposits to be divested has been determined through a householding methodology approved by the DOJ. This householding methodology assigns particular customers to a household and then assigns certain households to the divested branch, generally where the customers execute teller transactions most frequently. Therefore, subject to certain limited exceptions, the proposed divestitures include all deposits of customers that are householded to the divested branches, which is intended to minimize the chance that those customers would revert to the combined organization following the divestitures. Because of this householding methodology, there are de minimis increases in the HHI in several markets despite the divestiture of all of SunTrust Bank's branches in several markets.

<sup>41</sup> The Eastern Shore banking market is defined as Accomack and Northampton counties, both in Virginia.

<sup>42</sup> As noted above, the difference between the amount of deposits included in the initial competitive screening data and those deposits to be divested is attributable to the householding methodology approved by the DOJ.

organization would control approximately 12.3 percent of market deposits, the HHI would increase by 3 points to a level of 2043, and seven other insured depository institutions, including the credit unions, would remain in the market, including two insured depository institutions each with a market share of more than 29.0 percent.

Martinsville, Virginia, Banking Market. Branch Bank is the second largest depository institution in the Martinsville banking market, controlling approximately \$336.6 million in deposits, which represent 22.5 percent of market deposits.<sup>43</sup>

SunTrust Bank is the third largest depository institution in the market, controlling approximately \$253.4 million in deposits, which represent 17.0 percent of market deposits. On consummation, Branch Bank would become the largest depository institution in the Martinsville banking market, controlling approximately \$590.1 million in deposits, which would represent approximately 39.6 percent of market deposits. The HHI in this market would increase 767 points, from 2252 to 3019.

To mitigate the potentially adverse competitive effects of the proposal in the Martinsville banking market, BB&T has committed to divest all three of SunTrust's branches in the Martinsville banking market, accounting for a total of approximately \$255.7 million in deposits, to a competitively suitable institution.<sup>44</sup> Other factors also mitigate the competitive effects of the proposal in the Martinsville banking market. Two qualifying credit unions exert a competitive influence in the Martinsville banking market.

After accounting for the divestiture of all three of SunTrust's branches in the Martinsville banking market and weighting the deposits of the credit unions at 50 percent, the combined organization would control approximately 21.7 percent of market deposits, the HHI would decrease by 2 points from 2127 to a level of 2125,<sup>45</sup> and

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<sup>43</sup> The Martinsville banking market is defined as the independent city of Martinsville; Henry County; and Patrick County (excluding the Dan River District), all in Virginia.

<sup>44</sup> See supra note 42.

<sup>45</sup> The pro forma HHI decrease in the Martinsville banking market is attributable to the householding methodology for assigning accounts to particular branches approved by the DOJ, which results in SunTrust assigning additional deposits to its branch in the

twelve other insured depository institutions, including the credit unions, would remain in the market, including one insured depository institution with a market share of more than 36.0 percent.

South Boston, Virginia, Banking Market. Branch Bank is the fourth largest depository institution in the South Boston banking market, controlling approximately \$88.2 million in deposits, which represent 16.0 percent of market deposits.<sup>46</sup> SunTrust Bank is the fifth largest depository institution in the market, controlling approximately \$68.5 million in deposits, which represent 12.4 percent of market deposits. On consummation, Branch Bank would be the largest depository institution in the South Boston banking market, controlling approximately \$156.7 million in deposits, which would represent approximately 28.3 percent of market deposits. The HHI in this market would increase 395 points, from 1844 to 2239.

To mitigate the potentially adverse competitive effects of the proposal in the South Boston banking market, BB&T has committed to divest SunTrust's only branch in the banking market, accounting for a total of approximately \$67.9 million in deposits, to a competitively suitable institution. Other factors also mitigate the competitive effects of the proposal in the South Boston banking market. Three qualifying credit unions exert a competitive influence in the South Boston banking market.

After accounting for the divestiture of SunTrust's only branch in the market and weighting the deposits of the credit unions at 50 percent, the combined organization would control approximately 15.1 percent of market deposits, the HHI would increase by 1 point to a level of 1638, and eight other insured depository institutions, including the credit unions, would remain in the market, including four insured depository institutions each with a market share of more than 17.0 percent.

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Martinsville banking market that exceed the standard Summary of Deposits ("SOD") data used to generate the initial HHI screening data. See supra note 40.

<sup>46</sup> The South Boston banking market is defined as Halifax County, Virginia.

Lumpkin County, Georgia, Banking Market. Branch Bank is the second largest depository institution in the Lumpkin County banking market, controlling approximately \$107.2 million in deposits, which represent 26.9 percent of market deposits.<sup>47</sup> SunTrust Bank is the fourth largest depository institution in the market, controlling approximately \$56.7 million in deposits, which represent 14.2 percent of market deposits. On consummation, Branch Bank would be the largest depository institution in the Lumpkin County banking market, controlling approximately \$164.0 million in deposits, which would represent approximately 41.2 percent of market deposits. The HHI in this market would increase 767 points, from 2284 to 3051.

To mitigate the potentially adverse competitive effects of the proposal in the Lumpkin County banking market, BB&T has committed to divest SunTrust's only branch in the banking market, accounting for a total of approximately \$63.2 million in deposits, to a competitively suitable institution.<sup>48</sup>

After accounting for the divestiture of SunTrust's only branch in the market, the combined organization would control approximately 25.3 percent of market deposits, the HHI would decrease by 36 points to a level of 2248, and five other insured depository institutions would remain in the market, including two insured depository institutions each with a market share of more than 15.0 percent.<sup>49</sup>

Wayne County, Georgia, Banking Market. Branch Bank is the second largest depository institution in the Wayne County banking market, controlling approximately \$47.1 million in deposits, which represent 18.9 percent of market deposits.<sup>50</sup> SunTrust Bank is the fourth largest depository institution in the market,

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<sup>47</sup> The Lumpkin County banking market is defined as Lumpkin County, Georgia.

<sup>48</sup> See supra note 42.

<sup>49</sup> The pro forma HHI decrease in the Lumpkin County banking market is attributable to the householding methodology approved by the DOJ, which results in SunTrust assigning additional deposits to its branch in the Lumpkin County banking market that exceed the SOD data used to generate the initial competitive screening data.

<sup>50</sup> The Wayne County banking market is defined as Wayne County, Georgia.

controlling approximately \$36.7 million in deposits, which represent 14.7 percent of market deposits. On consummation, Branch Bank would remain the second largest depository institution in the Wayne County banking market, controlling approximately \$83.8 million in deposits, which would represent approximately 33.7 percent of market deposits. The HHI in this market would increase 558 points, from 2501 to 3059.

To mitigate the potentially adverse competitive effects of the proposal in the Wayne County banking market, BB&T has committed to divest SunTrust's only branch in the banking market, accounting for a total of approximately \$35.4 million in deposits, to a competitively suitable institution.<sup>51</sup> Other factors also mitigate the competitive effects of the proposal in the Wayne County banking market. Two qualifying credit unions exert a competitive influence in the Wayne County banking market.

After accounting for the divestiture of SunTrust's only branch in the market and weighting the deposits of the credit unions at 50 percent, the combined organization would control approximately 17.4 percent of market deposits, the HHI would increase by 4 points to a level of 2057, and six other insured depository institutions, including the credit unions, would remain in the market, including two insured depository institutions each with a market share of more than 15.0 percent.

Winston–Salem, North Carolina, Banking Market. Branch Bank is the largest depository institution in the Winston-Salem banking market, controlling approximately \$24.7 billion in deposits, which represent 80.2 percent of market deposits.<sup>52</sup> SunTrust Bank is the fourth largest depository institution in the market, controlling approximately \$627.0 million in deposits, which represent 2.0 percent of market deposits. On consummation, Branch Bank would remain the largest depository institution in the Winston–Salem banking market, controlling approximately \$25.3 billion

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<sup>51</sup> See supra note 42.

<sup>52</sup> The Winston–Salem banking market is defined as Davie, Forsyth, Stokes, and Yadkin counties, all in North Carolina.

in deposits, which would represent approximately 82.3 percent of market deposits. The HHI in this market would increase 327 points, from 6521 to 6848.

To mitigate the potentially adverse competitive effects of the proposal in the Winston-Salem banking market, BB&T has committed to divest all nine of SunTrust's branches in the Winston-Salem banking market, accounting for a total of approximately \$577.8 million in deposits, to a competitively suitable institution.<sup>53</sup> Other factors also mitigate the competitive effects of the proposal in the Winston-Salem banking market. Five qualifying credit unions exert a competitive influence in the Winston-Salem banking market.

After accounting for the divestiture of all nine of SunTrust's branches in the market and weighting the deposits of the credit unions at 50 percent, the combined organization would control approximately 79.7 percent of market deposits, and the HHI would increase by 30 points to a level of 6429. In addition, 21 other insured depository institutions, including the credit unions, would remain in the Winston-Salem banking market.

Durham–Chapel Hill, North Carolina, Banking Market. Branch Bank is the fifth largest depository institution in the Durham–Chapel Hill banking market, controlling approximately \$1.3 billion in deposits, which represent 8.7 percent of market deposits.<sup>54</sup> SunTrust Bank is the third largest depository institution in the market, controlling approximately \$2.2 billion in deposits, which represent 14.7 percent of market deposits. On consummation, Branch Bank would be the second largest depository institution in the Durham–Chapel Hill banking market, controlling approximately \$3.6 billion in deposits, which would represent approximately 23.4 percent of market deposits. The HHI in this market would increase 255 points, from 2220 to 2475.

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<sup>53</sup> See supra note 42.

<sup>54</sup> The Durham–Chapel Hill banking market is defined as Chatham, Durham, Orange, and Person counties, all in North Carolina.

To mitigate the potentially adverse competitive effects of the proposal in the Durham–Chapel Hill banking market, BB&T has committed to divest 11 SunTrust branches, accounting for a total of approximately \$1.1 billion in deposits, to a competitively suitable institution. Other factors also mitigate the competitive effects of the proposal or indicate that the proposal would not have a significantly adverse effect on competition in the Durham–Chapel Hill banking market. In particular, one thrift institution in the market has a commercial and industrial loan portfolio similar to those of commercial banks in the Durham–Chapel Hill banking market, as measured in terms of the ratios of those types of loans to total loans and assets. The Board has concluded that deposits controlled by this institution should be weighted at 100 percent in the market-share calculations. In addition, four qualifying credit unions exert a competitive influence in the Durham–Chapel Hill banking market.

After accounting for the 11 branch divestitures and weighting the deposits of the thrift at 100 percent and the deposits of the four credit unions at 50 percent, the combined organization would control approximately 15.7 percent of market deposits, the HHI would increase by 29 points to a level of 2162, and 19 other insured depository institutions, including the credit unions, would remain in the market, including two insured depository institutions each with a market share of more than 14.0 percent.

#### *Conclusion Regarding Competitive Effects*

The DOJ conducted a review of the potential competitive effects of the proposal and has advised the Board that consummation of the proposal with the proposed divestitures of branches in the banking markets, as discussed above, would not likely have a significantly adverse effect on competition in those markets or in any other relevant banking market. In addition, the appropriate banking agencies have been afforded an opportunity to comment and have not objected to the proposal.

Based on all of the facts of record, including the proposed divestitures, and for the reasons explained above, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition or on the concentration of

resources in the banking markets in which BB&T and SunTrust compete directly or in any other relevant banking market. Accordingly, the Board determines that competitive considerations are consistent with approval.

#### Financial, Managerial, and Other Supervisory Considerations

In reviewing a proposal under section 3 of the BHC Act, the Board considers the financial and managerial resources and the future prospects of the institutions involved. In its evaluation of the financial factors, the Board reviews information regarding the financial condition of the organizations involved on both parent-only and consolidated bases, as well as information regarding the financial condition of the subsidiary depository institutions and the organizations' significant nonbanking operations. In this evaluation, the Board considers a variety of public and supervisory information regarding capital adequacy, asset quality, liquidity, and earnings performance, as well as the public comments on the proposal. The Board evaluates the financial condition of the combined organization, including its capital position, asset quality, liquidity, earnings prospects, and the impact of the proposed funding of the transaction. The Board also considers the ability of the organization to absorb the costs of the proposal and to complete effectively the proposed integration of the operations of the institutions. In assessing financial factors, the Board considers capital adequacy to be especially important. The Board considers the future prospects of the organizations involved in the proposal in light of their financial and managerial resources and the proposed business plan.

BB&T, SunTrust, and their subsidiary depository institutions are each well capitalized, and the combined organization would remain so on consummation of the proposed merger.<sup>55</sup> The proposed transaction is a bank holding company merger that is

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<sup>55</sup> Because BB&T determined that the proposed acquisition of SunTrust would result in a material change in BB&T's risk profile and corporate structure, BB&T submitted an updated capital plan ("Resubmitted Capital Plan") to reflect the proposed acquisition. See 12 CFR 225.8(e)(4)(i). In reviewing the Resubmitted Capital Plan, the Federal Reserve assessed the combined organization's ability to maintain capital levels

structured as a share exchange.<sup>56</sup> The asset quality, earnings, and liquidity of both Branch Bank and SunTrust Bank are consistent with approval, and BB&T and SunTrust appear to have adequate resources to absorb the costs of the proposal and to complete the integration of the institutions' operations. In addition, future prospects are considered consistent with approval.

The Board also has considered the managerial resources of the organizations involved and of the proposed combined organization. The Board has reviewed the examination records of BB&T, SunTrust, and their subsidiary depository institutions, including assessments of their management, risk-management systems, and operations. In addition, the Board has considered information provided by BB&T, the Board's supervisory experiences and those of other relevant bank supervisory agencies with the organizations, and the organizations' records of compliance with applicable banking, consumer protection, and anti-money-laundering laws.

BB&T, SunTrust, and their subsidiary depository institutions are each considered to be well managed.<sup>57</sup> The combined organization's proposed directors and

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above minimum regulatory capital ratios, after undertaking all capital actions included in the updated capital plan under baseline and stressful conditions throughout a nine-quarter planning horizon. Based on this assessment, the Board does not object to BB&T's Resubmitted Capital Plan.

<sup>56</sup> At the time of the proposed acquisition, each share of SunTrust common stock would be converted into a right to receive shares of BB&T common stock based on an exchange ratio. In addition, each share of certain noncumulative perpetual preferred SunTrust stock would be converted into a right to receive substantially similar newly issued preferred BB&T stock.

<sup>57</sup> Commenters expressed concerns that the combined institution would lack robust risk-management practices and policies, putting individuals at risk, and suggested that the merger could present heightened cybersecurity and privacy risks. BB&T represents that it has made enhancements to its enterprise-wide risk-management program in recent years, including rebuilding its cybersecurity framework and investing in new cybersecurity technologies and tools. BB&T further represents that the combined organization would increase its investment in the Truist Bank's cyber protections and information technology resiliency.

senior executive officers have knowledge of and experience in the banking and financial services sectors, and the proposed risk-management program for the combined organization appears consistent with approval of this expansionary proposal.

The Board also has considered BB&T's plans for implementing the proposal. BB&T has conducted comprehensive due diligence and is devoting significant financial and other resources to address all aspects of the post-integration process for this proposal.<sup>58</sup> BB&T represents that the combined organization would select strong capabilities and systems from the respective existing risk-management governance, operations, and systems of BB&T and SunTrust to create a firm-wide risk-management program for the combined organization. Both BB&T's and SunTrust's existing risk-management policies, procedures, and controls are considered acceptable from a supervisory perspective. In addition, BB&T's and SunTrust's management have the experience and resources to operate the combined organization in a safe and sound manner, and the combined organization would integrate existing management and

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Some commenters also expressed concerns about managerial resources of SunTrust and BB&T generally, given negative prior experiences with branch-level staff at both banks. BB&T represents that the combined organization would strive to maintain a customer-focused culture. In addition, complaints based on an individual customer transaction, such as a complaint relating to an individual loan denial or a loan foreclosure proceeding, generally are not considered to be substantive comments (see SR Letter 97-10 at <https://www.federalreserve.gov/boarddocs/srletters/1997/SR9710.HTM>), and, thus, generally are not take into consideration by the Board in its evaluation of the statutory factors governing the transaction.

<sup>58</sup> A commenter alleged that BB&T has not successfully integrated past acquisitions, including the acquisitions of Susquehanna Bank and National Penn Bank. As noted above, BB&T is devoting sufficient resources to address the post-integration process of this proposal. BB&T further represents that it would conduct detailed planning and multiple integration testing exercises prior to the implementation of any systems conversions or other IT migration/integration actions involving customer accounts. BB&T and SunTrust also represented that the combined organization would conduct extensive training of branch and call-center personnel designed to ensure that upon consummation of the proposal, the systems conversion would not adversely impact customers, and that any questions from customers could be answered promptly.

personnel from both BB&T and SunTrust.<sup>59</sup> Similarly, BB&T represents that an experienced team of management and other personnel is overseeing the integration planning process across all business lines and support units of both BB&T and SunTrust.

BB&T also represents that it has allocated additional staff and resources to satisfy the additional regulatory requirements that apply to bank holding companies with \$250 billion or more in total consolidated assets.<sup>60</sup> Specifically, Category III standards would apply to a bank holding company with assets of \$250 billion or more that does not meet the criteria for Category I or Category II standards.<sup>61</sup> Category III standards include annual supervisory stress tests, company-run stress tests every other year, the countercyclical capital buffer, a supplementary leverage ratio, a liquidity coverage ratio requirement, and other reporting and liquidity requirements.<sup>62</sup>

Based on all the facts of record, including BB&T's and SunTrust's supervisory records, managerial and operational resources, and plans for operating the combined organization after consummation, the Board determines that considerations relating to the financial and managerial resources and future prospects of the

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<sup>59</sup> The combined organization would have a board of 22 directors, 11 each from BB&T and SunTrust. In addition, the 14 senior executive officers at the combined organization would be composed of seven current senior executive officers from each of BB&T and SunTrust.

<sup>60</sup> See 12 CFR 249 & 252.

<sup>61</sup> On October 10, 2019, the Board adopted final rules tailoring the application of prudential standards to large banking organizations based on the risk profile of the banking organization (tailoring rules). See 84 Fed. Reg. 59032, 59035 (November 1, 2019). The tailoring rules will be effective December 31, 2019.

<sup>62</sup> To facilitate continuity of requirements, BB&T has committed that the combined organization would remain subject to certain prudential standards that currently apply to BB&T and SunTrust, as well as certain standards that would apply to a bank holding company that would be subject to Category III standards after the effective date of the tailoring rules.

organizations involved in the proposal, as well as the records of effectiveness of BB&T and SunTrust in combatting money-laundering activities, are consistent with approval.<sup>63</sup>

### Convenience and Needs Considerations

In acting on a proposal under section 3 of the BHC Act, the Board considers the effects of the proposal on the convenience and needs of the communities to be served.<sup>64</sup> In its evaluation, the Board considers whether the relevant institutions are helping to meet the credit needs of these communities, as well as other potential effects of the proposal on the convenience and needs of the communities to be served, and places particular emphasis on the records of the relevant depository institutions under the CRA. The CRA requires the federal financial supervisory agencies to encourage insured

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<sup>63</sup> A commenter alleged that the Board should not have lifted its consent order against BB&T regarding anti-money laundering issues, suggesting that such issues were not fully remediated. On January 25, 2017, BB&T entered into a Cease and Desist Order Issued Upon Consent Pursuant to the Federal Deposit Insurance Act with the Board and the North Carolina Office of the Commissioner of Banks relating to deficiencies in BB&T's overall program for Bank Secrecy Act/anti-money-laundering ("BSA/AML") compliance (the "BSA/AML Order"). The BSA/AML Order required BB&T to, among other things, take the following actions: strengthen board oversight of BB&T's firm-wide compliance risk-management program with regard to compliance with BSA/AML requirements; develop and implement a comprehensive BSA/AML plan, including an effective institution-wide BSA risk-assessment program that clearly defined acceptable BSA/AML risks; ensure that BSA/AML issues were appropriately tracked, escalated, and reviewed by senior management; create a process for periodically reevaluating staffing needed in relation to its compliance risk profile; and identifying procedures for periodic testing of the effectiveness of the compliance risk management program.

The North Carolina Office of the Commissioner of Banks terminated its participation in the BSA/AML Order on June 28, 2018. On April 18, 2019, the Board terminated the BSA/AML Order with BB&T in light of the corrective actions taken by BB&T to remediate its BSA/AML deficiencies. In particular, BB&T took a number of corrective actions, including hiring a new leadership team for its BSA/AML compliance; establishing a BSA/AML oversight committee to provide oversight of the BSA/AML compliance program; implementing an enhanced BSA/AML policy; developing and implementing new customer risk rating processes; and conducting new BSA/AML compliance training.

<sup>64</sup> 12 U.S.C. § 1842(c)(2).

depository institutions to help meet the credit needs of the local communities in which they operate, consistent with their safe and sound operation,<sup>65</sup> and requires the appropriate federal financial supervisory agency to assess a depository institution's record of helping to meet the credit needs of its entire community, including LMI neighborhoods.<sup>66</sup>

In addition, the Board considers the banks' overall compliance record and recent fair lending examinations. Fair lending laws require all lending institutions to provide applicants with equal access to credit, regardless of their race, ethnicity, or certain other characteristics. The Board also considers assessments of other relevant supervisors, the supervisory views of examiners, other supervisory information, information provided by the applicant, and public comments on the proposal. The Board also may consider the institution's business model, marketing and outreach plans, and plans after consummation, and any other information the Board deems relevant.

In assessing the convenience and needs factor in this case, the Board has considered all the facts of record, including reports of examination of the CRA performance of Branch Bank and SunTrust Bank, the fair lending and compliance records of both banks, the supervisory views of the FDIC and the Consumer Financial Protection Bureau ("CFPB"), confidential supervisory information, information provided by BB&T, and the public comments on the proposal.

*Summary of Public Comments on Convenience and Needs*

As noted above, in total, the Board received approximately 1050 public comments on the proposal from community groups, nonprofit organizations, customers of the two banking organizations, and other interested organizations and individuals. The Board held two public meetings to facilitate receiving comments on the proposal from interested members of the public. A significant number of comments were submitted, both orally and in writing, through this process.

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<sup>65</sup> 12 U.S.C. § 2901(b).

<sup>66</sup> 12 U.S.C. § 2903.

Many commenters supported the proposal. In general, these commenters asserted that BB&T and SunTrust provide valuable services to their communities. Commenters contended that the proposal would expand opportunities for community groups, LMI persons, and small businesses. These commenters also praised BB&T and SunTrust and their management for each bank's community outreach efforts and support for community programs and initiatives.

The Board also received a large number of comments opposing the proposal. Several commenters alleged that BB&T and SunTrust were not meeting the credit needs of minority and LMI communities and borrowers, particularly in Florida and Durham, North Carolina, or unbanked and underbanked populations. One commenter alleged that BB&T made a disproportionately low number of home purchase loans to African American and Latino borrowers in the Houston, Texas, New York, New York, and Charleston, West Virginia, areas based on data reported for 2017 under HMDA. Commenters also alleged that BB&T and SunTrust engaged in economic exclusion in the communities in which they operate, including in certain African American neighborhoods and communities. Another commenter objecting to the proposal alleged that BB&T has engaged in redlining in Dallas and Houston, Texas.<sup>67</sup> Specifically, the commenter alleged that BB&T disfavors certain African American neighborhoods in Dallas and Houston and has limited its lending, marketing activities, community development activities, and branching in those areas.

Several commenters expressed concern that branch closures or changes in customer accounts could adversely affect communities served by BB&T and SunTrust, especially in Durham, North Carolina, The Villages, Florida, and in rural communities,

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<sup>67</sup> Redlining is the practice of providing unequal access to credit, or unequal terms of credit, because of the race, color, national origin, or other prohibited characteristics of the residents of the area in which a credit seeker resides or will reside or in which a property to be mortgaged is located. See Interagency Fair Lending Examination Procedures at <https://www.ffiec.gov/pdf/fairlend.pdf> (August 2009).

including in West Virginia.<sup>68</sup> Commenters also expressed concern that any branch closures or account changes could have a disproportionately adverse effect on senior citizens<sup>69</sup> or persons with disabilities.<sup>70</sup>

Many commenters also expressed concern that the proposed merger could result in job losses, particularly in Winston-Salem and Durham, both in North Carolina, as well as rural areas generally.<sup>71</sup> Other commenters contended that the larger combined bank would be less concerned with customer service in local communities, such as Luzerne County, Pennsylvania. One commenter expressed concern about potential abuses of consumers by SunTrust.<sup>72</sup>

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<sup>68</sup> Commenters representing organizations located in West Virginia expressed a heightened concern regarding branch closures because BB&T is the largest bank in West Virginia, and SunTrust recently closed all of its branches in the state.

<sup>69</sup> For example, some commenters expressed concern that the proposed merger may result in changes in accounts or services currently provided by SunTrust Bank or Branch Bank that could inconvenience or confuse customers. In particular, commenters asserted that any change in sign-on procedures and other website navigation protocols could cause confusion for seniors. Another commenter expressed concerns that changes in account numbers could inconvenience those who rely on online banking.

<sup>70</sup> A commenter alleged that the closure of branches that are highly accessible or close to public transportation could adversely affect persons with disabilities.

<sup>71</sup> BB&T represents that the combined organization would take a number of steps to minimize job losses. For example, BB&T has indicated that all performing customer-facing employees would have a position with the combined organization upon consummation. Additionally, BB&T has indicated that any displaced employees would receive priority consideration for internal job opportunities and would be actively encouraged to apply for positions for which they are interested and qualified. Those displaced employees who do not remain with the combined organization would receive a market-based severance package and be offered outplacement services to assist with external job searches. Nevertheless, the potential for job losses resulting from a merger is outside of the limited statutory factors that the Board is authorized to consider when reviewing an application or notice under the BHC Act. See Western Bancshares, Inc. v. Board of Governors, 480 F.2d 749 (10th Cir. 1973); see also Wells Fargo & Company, 82 Federal Reserve Bulletin 445 (1996); Community Bank System, Inc., FRB Order No. 2015-34 (November 18, 2015); and KeyCorp, FRB Order No. 2016-12 (July 12, 2016).

<sup>72</sup> The Board also received several comments arguing that SunTrust should not provide loans or other funding to private prisons. In addition, the Board received a comment

Several commenters requested that the Board condition its approval on a variety of commitments by BB&T regarding racial equity and diversity and inclusion; affordable housing for and lending to LMI communities and individuals; community development programs in the combined organization’s footprint; financial and nonfinancial commitments in West Virginia; recruitment from and engagement with Historically Black Colleges and Universities (“HBCUs”); support of public and technical schools; programs targeted at home retention, adult literacy, workforce development, disability services, and extending credit to the unbanked and underbanked; a specified hourly minimum wage for employees; a specified level of philanthropic giving in relation to corporate earnings; and robust risk assessment tools. Several commenters requested that the Board condition approval of the application on establishment of and performance under a Community Benefits Plan.<sup>73</sup>

*Businesses of the Involved Institutions and Response to Comments*

BB&T and Branch Bank offer financial products and services to individual customers and businesses, primarily through Branch Bank’s branch network in Alabama, Florida, Georgia, Indiana, Kentucky, Maryland, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia, and the

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urging BB&T to cease doing business with and lending money to firearm and ammunition manufacturers. These comments are outside the limited statutory factors that the Board is authorized to consider when reviewing an application or notice under the BHC Act. See Western Bancshares, 480 F.2d at 752–54.

<sup>73</sup> On July 16, 2019, BB&T and SunTrust announced a Community Plan, under which they have indicated that the combined organization would lend or invest \$60 billion to LMI borrowers and in LMI communities over a three-year period, from 2020 to 2022. The Board has consistently found that neither the CRA nor the federal banking agencies’ CRA regulations require depository institutions to make pledges or enter into commitments or agreements with any organization. See, e.g., CIT Group, Inc., FRB Order No. 2015-20 at 24 n.54 (July 19, 2015); Citigroup Inc., 88 Federal Reserve Bulletin 485 (2002); and Fifth Third Bancorp, 80 Federal Reserve Bulletin 838, 841 (1994). In its evaluation, the Board reviews the existing CRA performance record of an applicant and the programs that the applicant has in place to serve the credit needs of its CRA AAs.

District of Columbia. Branch Bank offers a broad range of banking products and services to its customers, including retail consumer and commercial banking, mortgage and consumer lending, lease financing, asset-based lending, discount brokerage services, annuities and mutual funds, life insurance, property and casualty insurance, health insurance, loan servicing for third-party investors, private bank and trust services, payments processing, and cash management and treasury services.

SunTrust and SunTrust Bank also offer financial products and services to individual customers and businesses, primarily through SunTrust Bank's branch network in Alabama, Arkansas, Florida, Georgia, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and the District of Columbia. SunTrust offers a broad range of banking products and services to its customers, including mortgage lending, student lending, consumer lending, small business lending, commercial loan and lease financing, trust and wealth management services, insurance products on an agency basis, investment and mergers and acquisition advisory services, capital markets and investment banking services, and treasury and cash management services.

BB&T denies the commenters' HMDA-related allegations regarding the Newark–Jersey City, New York–New Jersey–Pennsylvania, MSA (“New York MSA”); the Charleston, West Virginia, MSA (“Charleston MSA”); the Dallas–Fort Worth–Arlington, Texas, MSA (“Dallas MSA”); and the Houston–The Woodlands–Sugar Land, Texas, MSA (“Houston MSA”); arguing that Branch Bank's record of home mortgage lending does not disproportionately or discriminatorily impact African Americans or Hispanics. BB&T represents that in the New York MSA, the bank only has one branch, and the market demographics near the branch provide limited opportunities to extend mortgage loans to minority applicants in any one year. BB&T asserts that in the Charleston MSA, the market demographics similarly limit Branch Bank's opportunities to extend mortgage loans to minority applicants, but notes that the bank's complete HMDA data reflect additional applications from minority borrowers beyond home purchase applications. BB&T notes that Branch Bank has significantly increased its receipt of home mortgage loan applications from and home mortgage loan originations to

minorities in Houston and Dallas. BB&T also represents that the bank maintains a robust and comprehensive compliance program to ensure credit and financial products are available for all the communities it services. In addition, BB&T asserts that Branch Bank offers many programs and community development activities to increase affordable housing opportunities for LMI individuals and majority-minority communities.

BB&T asserts that Branch Bank is actively involved in West Virginia and has maintained a high level of CRA activity in the state. Specifically, BB&T represents that the bank has actively assisted affordable housing, social services, economic development and community revitalization and stabilization efforts in West Virginia through its community development lending and qualified investment and grant activities. BB&T asserts that, in Florida, both Branch Bank and SunTrust Bank have increased their lending to and community development activities in minority communities. BB&T notes that both banks have strong CRA, fair lending, and consumer compliance programs throughout their footprints, including in Durham, North Carolina, and the banks have conducted outreach initiatives to increase mortgage and small business lending in majority-minority and LMI communities in Durham, North Carolina, and elsewhere.<sup>74</sup>

BB&T represents that both Branch Bank and SunTrust Bank are assisting in meeting the needs of the unbanked and underbanked by offering a full range of loan and deposit products, including numerous affordable home mortgage programs, government-sponsored loan programs for home mortgage borrowers and small businesses, affordable deposit products for small businesses and nonprofit organizations

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<sup>74</sup> Commenters alleged that BB&T did not provide the same level of leadership training to African American residents in Durham and students at HBCUs. These commenters suggested that the combined organization could address the alleged inequities by ensuring that any advisory committees established to advise on community needs include representatives from African American communities and organizations, as well as HBCUs. BB&T represents that its Leadership Institute has partnered with 14 HBCUs to provide enhanced leadership training to more than 730 college students.

and low-cost deposit products for consumers. Similarly, both banks represent that they provide free financial education resources for consumers and small businesses.

BB&T represents that Truist Bank would consider accessibility when making decisions on products and services and branching, and would form an Enterprise Accessibility Center of Excellence to implement physical and digital accessibility improvements. BB&T asserts that these efforts would make Truist Bank's products and services more accessible to all customers, including senior citizens and persons with disabilities. BB&T represents that Truist Bank would develop written communications and would mobilize call centers to minimize the effects of the merger on customers, including senior citizens.

#### *Records of Performance under the CRA*

In evaluating the convenience and needs factor and the CRA performance of an institution, the Board generally considers the institution's most recent CRA evaluation as well as other information and supervisory views from the relevant federal supervisor or supervisors,<sup>75</sup> which in this case, are the FDIC for Branch Bank, the Federal Reserve Bank of Atlanta for SunTrust Bank, and the CFPB for both banks. In addition, the Board considers information provided by the applicant and by public commenters.

The CRA requires that the appropriate federal financial supervisor for a depository institution prepare a written evaluation of the institution's record of helping to meet the credit needs of its entire community, including LMI neighborhoods.<sup>76</sup> An institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation by the institution's primary federal supervisor of the institution's overall record of lending in its communities.

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<sup>75</sup> See Interagency Questions and Answers Regarding Community Reinvestment, 81 Fed. Reg. 48506, 48548 (July 25, 2016).

<sup>76</sup> 12 U.S.C. § 2906.

In general, federal financial supervisors apply a lending test (“Lending Test”), an investment test (“Investment Test”), and a service test (“Service Test”) to evaluate the performance of large insured depository institutions, such as Branch Bank and SunTrust Bank, in helping to meet the credit needs of the communities they serve. The Lending Test specifically evaluates the institution’s home mortgage, small business, small farm, and community development lending to determine whether the institution is helping to meet the credit needs of individuals and geographies of all income levels. As part of the Lending Test, examiners review and analyze an institution’s data reported under HMDA, in addition to small business, small farm, and community development loan data collected and reported under the CRA regulations, to assess an institution’s lending activities with respect to borrowers and geographies of different income levels. The institution’s lending performance is based on a variety of factors, including (1) the number and amounts of home mortgage, small business, small farm, and consumer loans (as applicable) in the institution’s assessment areas (“AAs”); (2) the geographic distribution of the institution’s lending, including the proportion and dispersion of the institution’s lending in its AAs and the number and amounts of loans in low-, moderate-, middle-, and upper-income geographies; (3) the distribution of loans based on borrower characteristics, including, for home mortgage loans, the number and amounts of loans to low-, moderate-, middle-, and upper-income individuals;<sup>77</sup> (4) the institution’s community development lending, including the number and amounts of community development loans and their complexity and innovativeness; and (5) the institution’s use of innovative or flexible lending practices to address the credit needs of LMI individuals and geographies. The Investment Test evaluates the number and amounts of qualified investments that benefit the institution’s AAs, and the Service Test

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<sup>77</sup> Examiners also consider the number and amounts of small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less, small business and small farm loans by loan amount at origination, and consumer loans, if applicable, to low-, moderate-, middle-, and upper-income individuals. See, e.g., 12 CFR 228.22(b)(3).

evaluates the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of the institution's community development services.<sup>78</sup>

The Board is concerned when HMDA data reflect disparities in the rates of loan applications, originations, and denials among members of different racial or ethnic groups in local areas. These types of disparities may indicate weaknesses in the adequacy of policies and programs at an institution for meeting its obligations to extend credit fairly. However, other information critical to an institution's credit decisions is not available from HMDA data.<sup>79</sup> Consequently, HMDA data disparities must be evaluated in the context of other information regarding the lending record of an institution.

#### *CRA Performance of Branch Bank*

Branch Bank was assigned an overall "Outstanding" rating at its most recent CRA performance evaluation by the FDIC, as of January 17, 2017 ("Branch Bank Evaluation").<sup>80</sup> Branch Bank received a "High Satisfactory" rating for the Lending Test

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<sup>78</sup> See 12 CFR 228.21 *et seq.*

<sup>79</sup> Other data relevant to credit decisions could include credit history, debt-to-income ratios, and loan-to-value ratios. Accordingly, when conducting fair lending examinations, examiners analyze such additional information before reaching a determination regarding an institution's compliance with fair lending laws.

<sup>80</sup> The Branch Bank Evaluation was conducted using Large Bank CRA Examination Procedures. Examiners reviewed home mortgage lending data, other CRA data (small loans to businesses and farms), community development loans, qualified investments, branching activities, and community development services from January 1, 2014, through December 31, 2016. The Branch Bank Evaluation covered Branch Bank's 138 AAs located in 13 states and nine multistate metropolitan statistical areas ("MSAs"): Alabama; Florida; Georgia; Kentucky; Maryland; New Jersey; North Carolina; Pennsylvania; South Carolina; Tennessee; Texas; Virginia; West Virginia; Cincinnati, Kentucky–Ohio, MSA; Charlotte–Concord–Gastonia, North Carolina–South Carolina, MSA; Columbus, Alabama–Georgia, MSA; Cumberland, Maryland–West Virginia, MSA; Hagerstown–Martinsburg, Maryland–West Virginia, MSA; Kingsport–Bristol–Bristol, Tennessee–Virginia, MSA; Louisville–Jefferson County, Indiana–Kentucky, MSA; Myrtle Beach–Conway–North Myrtle Beach, North Carolina–South Carolina, MSA; and Washington–Arlington–Alexandria, District of Columbia–Maryland–Virginia–West Virginia, MSA. The Branch Bank Evaluation included a full-scope

and “Outstanding” ratings for the Investment Test and the Service Test. The Board has consulted with the FDIC regarding the Branch Bank Evaluation.

*Lending Test*

Examiners found that Branch Bank’s overall lending levels reflected good responsiveness to community credit needs. According to examiners, a high percentage of the loans made by Branch Bank were made in its AAs, and the distribution of such loans reflected good penetration among retail customers of different income levels and businesses of different sizes. Examiners noted that Branch Bank used innovative and flexible lending practices in order to serve AA credit needs. Examiners identified Branch Bank as a leader in making community development loans.

*Areas of Concern to Commenters*—In the Charleston MSA, examiners noted that the bank’s lending reflected adequate responsiveness to AA credit needs. Examiners found that the geographic distribution of home mortgage loans reflected adequate penetration throughout the AA and the borrower profile reflected a good distribution. Examiners noted that the bank used flexible lending practices and made a relatively high level of community development loans.

In the Dallas MSA, examiners found that Branch Bank’s lending levels reflected good responsiveness to AA credit needs. Examiners noted that the bank’s geographic distribution and distribution of borrowers reflected good penetration throughout the AA. Examiners further noted that the bank used flexible lending practices and made a relatively high level of community development loans.

In the Houston MSA, examiners found that Branch Bank’s lending levels reflected good responsiveness to AA credit needs. Examiners noted that the bank’s geographic distribution of home mortgage loans reflected good penetration, while the distribution of borrowers reflected adequate penetration, throughout the AA. In addition,

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review of 51 of these AAs, including all nine multistate MSAs. A limited-scope review was conducted of the remaining 87 AAs.

examiners noted that the bank used flexible lending practices and was a leader in making community development loans.

In Florida, examiners found that the bank's geographic distribution of loans reflected adequate penetration throughout the bank's AAs, and the borrower profile also reflected an adequate distribution. In addition, examiners noted that the bank used flexible lending practices and was a leader in making community development loans.

In the New York MSA, examiners noted that Branch Bank's lending reflected adequate responsiveness to AA credit needs, and the geographic distribution reflected adequate penetration throughout the AA. Examiners found that the bank used innovative and/or flexible lending practices to serve the AA.

In North Carolina, Branch Bank received an overall "High Satisfactory" rating for the Lending Test. In the Durham–Chapel Hill, North Carolina, MSA ("Durham MSA"), examiners found that the bank's performance was consistent with the bank's statewide performance.

In Pennsylvania, Branch Bank received an overall "High Satisfactory" rating for the Lending Test. In the Scranton–Wilkes Barre, Pennsylvania, MSA ("Scranton MSA"), which includes Luzerne County, Pennsylvania, examiners found that Branch Bank's lending performance in the AA was consistent with the bank's statewide performance.

In West Virginia, examiners found that the geographic distribution of loans reflected adequate penetration throughout the bank's AAs and the borrower profile reflected a good distribution. In addition, examiners noted that the bank used flexible lending practices and made a relatively high level of community development loans.

#### *Investment Test*

Examiners found that Branch Bank had an excellent level of qualified community development investments and grants and often was in a leadership position with respect to such investments, particularly those that were not routinely provided by private investors. Examiners noted that Branch Bank exhibited excellent responsiveness

to credit and community economic development needs and made significant use of innovative and/or complex investments to support community development initiatives.

*Areas of Concern to Commenters*—In the Charleston MSA, examiners noted that Branch Bank provided a significant level of qualified investments in the AA. Examiners found that the bank’s investments were responsive to credit and community development needs and were considered innovative and complex.

In the Dallas MSA, examiners found that Branch Bank provided a significant level of qualified investments in the AA. Examiners noted that the investments were responsive to credit and community development needs and were considered innovative and complex.

In the Houston MSA, examiners found that Branch Bank provided an excellent level of qualified investments in the AA. Examiners noted that the bank’s investments were responsive to credit and community development needs and were considered innovative and complex.

In Florida, examiners noted that the bank had an excellent level of qualified investments, which were responsive to community development needs and included innovative and complex characteristics.

In the New York MSA, examiners noted that Branch Bank provided an adequate level of qualified investments in the AA, and that the investments were responsive to AA credit and community development needs.

In North Carolina, Branch Bank received an overall “Outstanding” rating for the Investment Test. In the Durham MSA, examiners found that the bank’s performance was consistent with its overall statewide performance.

In Pennsylvania, Branch Bank received an overall “High Satisfactory” rating for the Investment Test. In the Scranton MSA, examiners found that Branch Bank’s performance was not inconsistent with the bank’s statewide performance in this category.

In West Virginia, examiners noted that the bank had an excellent level of qualified investments, which were responsive to community development needs and included innovative and complex characteristics.

*Service Test*

Examiners noted that Branch Bank's delivery systems were accessible to essentially all portions of its AAs. Examiners also noted that, to the extent changes were made, Branch Bank's opening and closing of branches did not adversely affect the accessibility of its delivery systems, particularly in LMI geographies or to LMI individuals. Examiners found that Branch Bank's services were tailored to the convenience and needs of the AAs, particularly of LMI geographies and individuals. Examiners characterized Branch Bank as a leader in providing community development services.<sup>81</sup>

*Areas of Concern to Commenters*—In the Charleston MSA, examiners noted that the bank's delivery systems were readily accessible to all portions of the AA, and the opening and closing of branches generally had not adversely affected the accessibility of the bank's delivery systems.

In the Dallas MSA, examiners found that Branch Bank's delivery systems were reasonably accessible to essentially all portions of the AA, and the opening and closing of branches had improved the accessibility of the bank's delivery systems. Examiners noted that the bank's services and business hours were tailored to the

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<sup>81</sup> Some commenters objected to the proposal noting that examiners cited a substantive violation of Regulation B, which implements the Equal Credit Opportunity Act, in the Branch Bank Evaluation. According to the Branch Bank Evaluation, the violations were limited to one loan product, and the bank implemented changes to policies, procedures, training programs, internal assessments, and other practices to prevent future discriminatory or other illegal credit practices. Examiners concluded that the violations did not warrant a downgrade of Branch Bank's CRA rating, considering the bank's overall CRA performance, the extent and impact of the findings, and the immediate corrective actions taken by Branch Bank.

convenience and needs of the AA, and the bank provided a relatively high level of community development services.

In the Houston MSA, examiners found that Branch Bank's delivery systems were reasonably accessible to essentially all portions of the AA. Examiners noted that the opening and closing of branches had improved the accessibility of the bank's delivery systems. Examiners also noted that the services and business hours provided by the bank were tailored to the convenience and needs of the AA.

In Florida, examiners found that the bank's delivery systems were accessible to essentially all portions of the institution's AAs. Examiners noted that Branch Bank's opening and closing of branches did not adversely affect the accessibility of the bank's delivery systems, particularly in LMI geographies or to LMI individuals.

In the New York MSA, examiners found that Branch Bank's delivery systems were reasonably accessible to essentially all portions of the AA. Examiners noted that the opening and closing of branches generally had not adversely affected the accessibility of the bank's delivery systems.

In North Carolina, Branch Bank received an overall "Outstanding" rating for the Service Test. In the Durham MSA, examiners found that the bank's performance was consistent the bank's statewide performance.

In Pennsylvania, Branch Bank received an overall "High Satisfactory" rating for the Service Test. In the Scranton MSA, examiners found that Branch Bank's lending activities were consistent with the bank's statewide performance.

In West Virginia, examiners found that the bank's delivery systems were accessible to essentially all portions of the institution's AAs. Examiners noted that Branch Bank's opening and closing of branches did not adversely affect the accessibility of the bank's delivery systems, particularly in LMI geographies or to LMI individuals.

*Branch Bank's Efforts Since the Branch Bank Evaluation*

BB&T represents that, since the Branch Bank Evaluation, Branch Bank has continued to provide levels and types of CRA services, investments, and activities in all

of its AAs that are consistent with its overall “Outstanding” CRA performance rating. BB&T contends that Branch Bank has continued to originate a substantial number of home mortgage loans to LMI borrowers and in LMI census tracts. BB&T notes that the bank also originated a number of small business and farm loans, including in LMI census tracts, and made significant community development investments and loans throughout the bank’s local communities. BB&T represents that Branch Bank has continued to support affordable housing through its community development lending, investments, grants and services activities, including through its participation in various Federal Housing Finance Agency mortgage loan programs targeted toward first-time homebuyers and LMI borrowers.

In addition, Branch Bank represents that it has made a wide range of community development loans to support affordable housing, economic development, revitalization of communities, and the provision of community services for the LMI community. BB&T asserts that Branch Bank’s management and employees have continued to dedicate volunteer hours to community service projects, including to community organizations that provide employment services, financial education, and literacy training for children and families.

*Areas of Concern to Commenters*—In the Dallas MSA, BB&T asserts that Branch Bank has strong fair lending and consumer compliance risk-management programs and has undertaken efforts to increase its mortgage and small business lending in majority-minority and LMI communities.

In the Houston MSA, BB&T asserts that Branch Bank has provided community development loans and investments focused on serving the needs of minority communities through programs that support affordable housing and minority-owned businesses. BB&T represents that Branch Bank has provided a number of homebuyer and financial literacy courses that benefited minority individuals and communities.

In the Durham MSA, BB&T asserts that Branch Bank has conducted a number of individual and community outreach activities to enhance lending to minority individuals and communities. BB&T represents that the bank’s outreach has included

support for programs for homebuyer education, financial literacy, community and economic stabilization, as well as for other organizations addressing affordable housing in majority-minority communities in the Durham MSA.

In Florida, BB&T asserts that Branch Bank has taken a number of steps to increase home mortgage lending to minorities. BB&T represents that Branch Bank plans to open de novo branches in LMI and/or majority- minority census tracts in Miami and Tampa in 2019.

In West Virginia, BB&T represents that the bank has maintained a high level of home mortgage lending, small business lending, community development lending and qualified investments or grants. BB&T asserts that Branch Bank has provided community development loans, investments, and grants to support affordable housing, social services, economic development, and community revitalization and stabilization in the state.

#### *CRA Performance of SunTrust Bank*

SunTrust Bank was assigned an overall “Satisfactory” rating at its most recent CRA performance evaluation by the Federal Reserve Bank of Atlanta, as of September 16, 2016 (“SunTrust Bank Evaluation”).<sup>82</sup> SunTrust Bank received “High Satisfactory” ratings for the Lending and Investment tests and a “Low Satisfactory” rating for the Service Test.

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<sup>82</sup> The SunTrust Bank Evaluation was conducted using Large Bank CRA Examination Procedures. Examiners reviewed HMDA-reportable and CRA small business lending data from January 1, 2014, to December 31, 2015, as well as community development loans, investments, and services from January 1, 2013, to December 31, 2015. The SunTrust Bank Evaluation covered SunTrust Bank’s 107 AAs located in nine states and four multistate MSAs: Alabama; Florida; Georgia; Maryland; North Carolina; South Carolina; Tennessee; Virginia; West Virginia; Charlotte, North Carolina–South Carolina MSA; Chattanooga, Tennessee–Georgia MSA; Memphis, Tennessee–Mississippi–Arkansas MSA; and Washington–Arlington–Alexandria, District of Columbia–Maryland–Virginia–West Virginia, MSA. The SunTrust Bank Evaluation included a full-scope review of 18 of these AAs, including the four multistate MSAs. A limited-scope review was conducted in the remaining 89 AAs.

### *Lending Test*

Examiners noted that the overall geographic distribution of HMDA-reportable lending reflected adequate penetration in LMI geographies, and the overall geographic distribution of small business lending reflected good penetration in LMI geographies. Examiners found that the overall distribution of HMDA-reportable lending among borrowers of different income levels was good, and the overall distribution of small business lending among businesses of different sizes was adequate. Examiners noted that SunTrust Bank made a relatively high level of community development loans.

*Areas of Concern to Commenters*—In Florida, SunTrust Bank received a “High Satisfactory” rating for the Lending Test. Examiners found that the geographic distribution of loans reflected good penetration throughout the AAs, and the distribution of loans by borrower income reflected good penetration among customers of different income levels and businesses of different revenue sizes. Examiners noted that the bank made a relatively high level of community development loans in its AAs. In The Villages MSA, examiners noted that the bank’s Lending Test performance in the AA was below the bank’s overall statewide performance.

In North Carolina, although SunTrust Bank received an overall “High Satisfactory” rating for the Lending Test, in the Durham MSA, examiners found that the bank’s lending performance was adequate. Examiners noted that the bank’s geographic distribution of loans reflected adequate penetration throughout the AA. Examiners further noted that SunTrust Bank’s distribution of borrowers reflected good penetration among borrowers of different income levels and businesses of different revenue sizes.

### *Investment Test*

Examiners found that SunTrust Bank made a significant level of qualified community development investments in response to AA community development needs. Examiners noted that most of SunTrust Bank’s investments supported affordable housing, primarily through the purchase of government guaranteed mortgage-backed securities and investments in Low-Income Housing Tax Credit equity funds that financed

affordable multifamily rental housing. Examiners identified SunTrust Bank as a national leader in utilizing the New Market Tax Credit Program.

*Areas of Concern to Commenters*—In Florida, SunTrust Bank received an overall rating of “High Satisfactory” for the Investment Test. Examiners found that the bank provided a significant level of qualified community development investments and grants that were responsive to several identified community development needs of its AAs. In The Villages MSA, examiners noted that the bank’s investment performance in the AA was below the bank’s overall statewide performance.

In North Carolina, SunTrust Bank received an overall “High Satisfactory” rating for the Investment Test. In the Durham MSA, examiners found that SunTrust Bank made an adequate level of qualified investments and grants in the AA relative to the bank’s presence and community development investment opportunities in the AA.

*Service Test*

Examiners found that SunTrust Bank’s retail delivery systems were reasonably accessible to geographies and individuals of different income levels in the bank’s AAs. Examiners also found that SunTrust Bank provided a relatively high level of community development services. Examiners noted that eight branch closures were located in low-income tracts and 21 were in moderate-income tracts, which may have adversely affected the accessibility of banking services in some AAs.

*Area of Concern to Commenters*—In Florida, SunTrust Bank received an overall “Low Satisfactory” rating for the Service Test. Examiners found that the bank’s retail services were reasonably accessible to the bank’s geographies and individuals of different income levels in the bank’s AAs. Examiners noted that the bank provided an adequate level of community development services throughout the AAs. In The Villages MSA, examiners noted that the bank’s Service Test performance was below the bank’s overall statewide performance.

In North Carolina, SunTrust Bank received an overall “High Satisfactory” rating for the Service Test. In the Durham MSA, examiners found that SunTrust Bank’s

Service Test performance was good based on the accessibility of the bank's retail services and leadership in providing community development services.

*SunTrust Bank's Efforts Since the SunTrust Bank Evaluation*

SunTrust represents that SunTrust Bank's CRA performance since the 2016 evaluation generally has been consistent with the bank's overall "Satisfactory" rating, and the bank's performance in several categories of CRA activity has significantly improved. SunTrust represents that the bank has made a significant number of HMDA loans to LMI borrowers and in LMI census tracts. SunTrust further represents that the bank has made small business loans in LMI census tracts and community development loans and investments geared toward revitalizing LMI geographies, providing affordable housing, and serving low-income communities.

In addition, SunTrust represents that SunTrust Bank has made a significant number of contributions and grants to nonprofit entities focused on providing affordable housing, community services, economic development, and revitalization and stabilization to LMI customers and communities. SunTrust further represents that the bank has made significant strides in providing services throughout its communities through volunteer community development service hours focused on financial education, professional development, and affordable housing.

*Areas of Concern to Commenters*—In the Durham MSA, SunTrust asserts that SunTrust Bank has implemented initiatives focused on benefitting LMI and minority individuals and communities. SunTrust represents that the bank has increased its community development loans, investments, and grants to and in minority communities, with a focus on affordable housing, economic development, revitalization and stabilization of distressed and underserved communities, and community services to assist LMI individuals and communities.

In Florida, SunTrust asserts that SunTrust Bank's community development services focus on affordable housing, financial education, professional development, and other community services that benefit LMI and minority communities. SunTrust represents that SunTrust Bank has provided community development loans and grants to

and qualified investments in projects or organizations that served minority communities throughout Florida.

### *Branch Closures*

As noted above, many commenters expressed concern that the proposal could result in a significant number of branch consolidations and closures, which could negatively impact LMI and rural communities. The federal banking supervisory agencies evaluate a bank's record of opening and closing branches, particularly branches located in LMI geographies or primarily serving LMI individuals, as part of the CRA examination process.<sup>83</sup> Examiners noted in the Branch Bank Evaluation that Branch Bank's opening and closing of branches had not adversely affected the accessibility of the bank's delivery systems, particularly in LMI geographies or to LMI individuals. With respect to SunTrust Bank, examiners noted that some branch closures and consolidations by SunTrust Bank may have adversely affected the accessibility of banking services in some of the bank's AAs.

The Board also has considered the fact that federal banking law provides a specific mechanism for addressing branch closings, including the provision of notice to the public and the appropriate federal supervisory agency before the branch is closed.<sup>84</sup> BB&T represents that any branch closures or consolidations would be subject to the combined organization's framework for ensuring that individual branch closure and consolidation decisions comply with applicable laws and regulations. In particular, BB&T represents that any branch closures or consolidations would take account of the potential impact to LMI neighborhoods and/or majority-minority census tracts, and

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<sup>83</sup> See, e.g., 12 CFR 228.24(d)(2). In addition, the Board notes that the FDIC, as the primary federal supervisor of Truist Bank, would continue to evaluate the bank's branch closures in the course of conducting CRA performance evaluations.

<sup>84</sup> See 12 U.S.C. § 1831r-1. As federal banking law requires, a bank must provide the public with at least 30 days' notice and the appropriate federal supervisory agency with at least 90 days' notice before the date of the proposed branch closing. The bank also is required to provide reasons and other supporting data for the closure, consistent with the institution's written policy for branch closings.

would be subject to a thorough CRA and fair lending analysis. BB&T further represents that any merger-related closures or consolidations would not occur in any states in which BB&T and SunTrust have overlapping operations for at least one year after consummation of the proposal. BB&T also represents that Truist Bank would not close any branches in communities of 2,500 or fewer persons for three years following consummation of the proposal. Finally, BB&T represents that Truist Bank would seek to open at least 15 new branches throughout its footprint in LMI and/or majority-minority census tracts through 2022.

*Additional Supervisory Views*

In connection with its review of the proposal, the Board consulted the FDIC as the primary federal supervisor of Branch Bank. The FDIC is reviewing the bank merger underlying this proposal and, in acting on the bank merger application, must consider similar statutory factors under the Bank Merger Act, including regarding convenience and needs, that the Board must consider under the BHC Act. The FDIC received the same comments on the Bank Merger Act application as the Board received on the BHC Act application, and the FDIC is evaluating these comments in connection with its review of the Bank Merger Act application. The Board considered the views of the FDIC regarding Branch Bank's CRA and consumer compliance records, record of compliance with fair lending laws and regulations, and policies and procedures relating to fair lending and other consumer protection laws and regulations. This included consideration of Branch Bank's lending record. The Board also considered the views of the Federal Reserve Bank of Atlanta regarding SunTrust Bank's CRA and consumer compliance records, record of compliance with fair lending laws and regulations, and policies and procedures relating to fair lending and other consumer protection laws and regulations. In addition, the Board considered the views of the CFPB regarding the consumer compliance records of both Branch Bank and SunTrust Bank.

The Board has taken the views of the FDIC, Federal Reserve Bank of Atlanta, and CFPB, as well as all of the information discussed above, into account in evaluating this proposal. The Board has considered whether BB&T and SunTrust have

the experience and resources to ensure that the combined organization effectively implements policies and programs that would allow the combined organization to help meet the credit needs of the communities within its AAs. The Board expects Truist to ensure that Truist Bank complies with any commitments or conditions that the FDIC may obtain or impose in connection with its action on the bank merger proposal.

*Additional Convenience and Needs Considerations*

The Board also considers other potential effects of the proposal on the convenience and needs of the communities to be served. BB&T represents that the combined organization would be better able to leverage increased scale to invest further in innovation and technology for the benefit of its customers. In addition, BB&T represents that existing customers of both Branch Bank and SunTrust Bank would have access to a more extensive branch and ATM network, as well as a broader offering of products and services. BB&T also represents that corporate customers of both Branch Bank and SunTrust Bank would benefit from Truist Bank's larger lending limit for individual corporate borrowers.

On November 19, 2019, the Board issued a consent order against SunTrust Bank under the Federal Deposit Insurance Act ("Consent Order") addressing concerns that SunTrust Bank engaged in certain unfair or deceptive acts or practices ("UDAP") in violation of section 5 of the Federal Trade Commission Act of 1914.<sup>85</sup> The conduct addressed in the Consent Order related to misleading or deceptive disclosures or unfair practices connected with the marketing of, enrollment in, and billing for several types of add-on and similar products offered to business customers with deposit accounts or that utilized SunTrust credit card and debit card processing services.

SunTrust Bank terminated the practices addressed in the Consent Order in 2016 and 2017, and has cooperated with the Board's investigation. SunTrust Bank has taken steps on its own initiative to address the Board's concerns and to initiate UDAP

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<sup>85</sup> 15 U.S.C. § 45.

compliance enhancements, including by changing disclosures related to the terms and conditions for add-on products and stopping automatic enrollment of accountholders in other products. Following the receipt of complaints in 2016, SunTrust Bank issued approximately \$3 million in fee refunds to business accountholders. In addition, SunTrust Bank proactively conducted an internal review in 2016 to determine if other products presented similar concerns. Upon the identification of related issues as part of its internal review, SunTrust Bank initiated an additional \$4.25 million in fee refunds to business accountholders related to other products. In total, SunTrust Bank has indicated that, it has repaid approximately \$8.8 million in fees to business accountholders affected by these practices since 2016.

Among other things, the Consent Order requires SunTrust Bank to create a procedure for verifying that the restitution previously provided by SunTrust Bank has been appropriate and for providing additional restitution if required. This Order is conditioned on BB&T's commitment to cause Branch Bank and any successor subsidiary bank to comply with the obligations of the Consent Order.

Although the Consent Order requires SunTrust Bank to submit a plan to enhance its UDAP compliance risk-management program, BB&T represents that the UDAP compliance program of Branch Bank, including detection and monitoring controls, would be implemented at Truist Bank. BB&T also represents that the board of directors and executive management of Truist would set a tone and culture from the top of the combined organization regarding Truist Bank's UDAP compliance program.

Regarding the UDAP compliance program, BB&T represents that the roles and functions of BB&T's first, second, and third lines of defense structure would be transitioned to Truist, although some responsibilities would be reallocated to be better aligned to Truist's reporting hierarchy. BB&T also represents that a newly hired Chief Compliance Officer ("CCO") would report directly to Truist's Chief Risk Officer ("CRO"), and BB&T's current CRO would lead Truist's risk-management function. The CCO and the CCO's direct report, the leader of the Fair Lending and Responsible Banking team at the combined organization, would be primarily responsible for UDAP

compliance, as well as implementation of an enhanced, firm-wide compliance risk-management program. That program would include oversight of compliance with all laws, rules, regulations, regulatory guidance, and policies and procedures. BB&T also represents that the Truist CCO would have responsibility for identifying, assessing, controlling, measuring, monitoring, and reporting all compliance risks across the combined organization. In addition to reporting to the CRO, the CCO would report to appropriate executive-level risk management committees and the combined organization's board-level risk committee. Finally, BB&T represents that all Truist Bank staff would be required to take training specific to UDAP compliance annually.

Based on its review of the record, the Board finds that BB&T's existing UDAP compliance program is satisfactory and, in light of BB&T's representations, that the UDAP compliance program of the combined company would be consistent with approval of the proposal.

*Conclusion on Convenience and Needs Considerations*

The Board has considered all the facts of record, including the records of the relevant depository institutions under the CRA; the institutions' records of compliance with fair lending and other consumer protection laws; the views of the FDIC, the Federal Reserve Bank of Atlanta, and CFPB; confidential supervisory information; information provided by BB&T; public comments on the proposal; and other potential effects of the proposal on the convenience and needs of the communities to be served. Based on that review, the Board determines that the convenience and needs factor is consistent with approval. The Board expects Truist to implement policies, programs, and procedures that are commensurate with the increased size and complexity of the institution.

## Financial Stability

Section 3 of the BHC Act requires the Board to consider “the extent to which a proposed acquisition, merger, or consolidation would result in greater or more concentrated risks to the stability of the United States banking or financial system.”<sup>86</sup>

To assess the likely effect of a proposed transaction on the stability of the U.S. banking or financial system, the Board considers a variety of metrics that capture the systemic “footprint” of the resulting firm and the incremental effect of the transaction on the systemic footprint of the acquiring firm. These metrics include measures of the size of the resulting firm, the availability of substitute providers for any critical products and services offered by the resulting firm, the interconnectedness of the resulting firm with the banking or financial system, the extent to which the resulting firm contributes to the complexity of the financial system, and the extent of the cross-border activities of the resulting firm.<sup>87</sup> These categories are not exhaustive, and additional categories could inform the Board’s decision. In addition to these quantitative measures, the Board considers qualitative factors, such as the opaqueness and complexity of an institution’s internal organization, that are indicative of the relative degree of difficulty of resolving the resulting firm. A financial institution that can be resolved in an orderly manner is less likely to inflict material damage to the broader economy.<sup>88</sup>

In this case, the Board has considered information relevant to risks to the stability of the U.S. banking or financial system.<sup>89</sup> The Board also has considered the

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<sup>86</sup> 12 U.S.C. § 1842(c)(7).

<sup>87</sup> Many of the metrics considered by the Board measure an institution’s activities relative to the U.S. financial system.

<sup>88</sup> For further discussion of the financial stability standard, see Capital One Financial Corporation, FRB Order No. 2012-2 (February 14, 2012).

<sup>89</sup> Forty-three commenters (including 34 who submitted form comments) expressed concerns that the proposed merger would have adverse effects on U.S. financial stability. Some commenters specifically alleged that the combined bank would be viewed as “too big to fail,” while other commenters expressed general concerns about the potential for the merger or the combined organization to have a significant effect on the economy.

relative degree of difficulty of resolving the resulting firm. The Board reviewed publicly available data, comments received from the public, data compiled through the supervisory process, and data obtained through information requests to the institutions involved in the proposal, as well as qualitative information.

*Size.* An organization's size is one important indicator of the risk that the organization may pose to the U.S. banking or financial system. Congress has imposed specific size-based limitations on the amount of deposits and liabilities a banking organization may control.<sup>90</sup> In addition, section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), as amended by the Economic Growth, Regulatory Relief, and Consumer Protection Act ("EGRRCPA"), requires the Board to apply enhanced prudential standards to bank holding companies with \$250 billion or more in total consolidated assets.<sup>91</sup> Size also is among the factors that the Board must take into consideration in differentiating among banking organizations under section 165.<sup>92</sup>

In this case, the Board has considered measures of the combined organization's size relative to the U.S. financial system, including the combined organization's consolidated assets, consolidated liabilities,<sup>93</sup> total leverage exposure, and U.S. deposits. As a result of the proposed acquisition, the combined organization would

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One commenter expressed specific concern about the elevated risk to the Southeast and Mid-Atlantic regions if the combined institution were to fail.

<sup>90</sup> 12 U.S.C. §§ 1842(d)(2)(A) & 1852 (imposing a 10 percent nationwide deposit limit and a 10 percent nationwide liabilities limit on potential combinations by banking organizations).

<sup>91</sup> See 12 U.S.C. § 5365.

<sup>92</sup> See EGRRCPA § 401(a)(1)(B)(i) (codified at 12 U.S.C. § 5365(a)(2)(A)). The Board also has previously used size as a simple measure of a banking organization's potential systemic impact and risk, and has differentiated the stringency of capital and liquidity requirements based on total consolidated asset size.

<sup>93</sup> The Board has considered both consolidated liabilities on the combined organization's pro forma balance sheet and liabilities as computed under the limitations on consolidated liabilities in section 622 of the Dodd-Frank Act. See 12 U.S.C. § 1852.

become either the eighth or ninth largest U.S. financial institution<sup>94</sup> based on assets, liabilities, and total leverage exposure with 1.8, 1.7, and 1.8 percent of the U.S. financial system total, respectively. Based on deposits, the combined organization would become the sixth largest U.S. financial institution, with 2.5 percent of the total deposits. These measures suggest that, although the combined organization would be large on an absolute basis, its shares of United States financial system assets, liabilities, total leverage exposure, and deposits would remain modest, and its shares of national deposits and liabilities would fall well below the 10 percent limitations set by Congress.

Although the proposed transaction would increase BB&T's overall size and result in Truist Bank becoming the sixth largest commercial bank in the United States based on U.S. deposits, the combined organization's larger size must be viewed in conjunction with other metrics. Accordingly, the Board has considered other factors, both individually and in combination with size, to evaluate the likely impact of this transaction on the stability of the U.S. banking or financial system.<sup>95</sup>

*Substitutability.* The Board has examined whether BB&T or SunTrust engage in any activities that are critical to the functioning of the U.S. financial system and whether there would be adequate substitute providers that could quickly perform such activities should the combined organization suddenly be unable to do so as a result of severe financial distress. The Board primarily evaluated the roles of BB&T and

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<sup>94</sup> In this context, a U.S. financial institution includes all insured depository institutions, insured depository institution holding companies, nonbank financial companies supervised by the Board under Title I of the Dodd-Frank Act, and any foreign bank or company treated as a bank holding company. See 12 U.S.C. § 1852(a)(2).

<sup>95</sup> In addition, the Board also considered the Globally Systemic Important Banks ("GSIB") Surcharge score of the combined organization. The GSIB Surcharge score is a measure of a firm's systemic importance. See 80 Fed. Reg. 49082 (August 14, 2015). On consummation of the proposal, the combined organization would have a GSIB method 1 score of 29 points, well below the minimum threshold (130 basis points) that identifies a financial institution as a GSIB. In addition, the combined organization's score suggests that Truist poses relatively little systemic risk, with a score that is under 10 percent of the average of the top five institutions.

SunTrust in payments activities, assets under custody activities, and underwriting activities. Neither BB&T nor SunTrust is a major provider of these services. The combined organization would account for approximately 0.2 percent of payments activities, 0.1 percent of assets under custody, and 0.8 percent of underwriting activities in the U.S. financial system. In addition, bilateral repurchase transactions by BB&T and SunTrust, respectively, are relatively de minimis. The combined organization would account for less than 0.2 percent of total U.S. repurchase transactions in both the bilateral and triparty market segments.

For most of these activities, the combined organization would have a small share on a nationwide basis, and numerous competitors would remain.

*Interconnectedness.* The Board has examined data to determine whether financial distress experienced by the combined organization could create financial instability by being transmitted to any other institutions or markets within the U.S. banking or financial system. Specifically, the Board considered measures of interconnectedness between the combined organization and the rest of the financial system during financial distress, such as potential direct losses to counterparties, asset price declines due to fire sales, and contagion effects.

BB&T and SunTrust do not engage in business activities or participate in markets to a degree that would pose significant risk to other institutions in the event of financial distress of the combined organization. The combined organization's use of wholesale funding, as a share of the U.S. financial system wholesale funding usage, is approximately 0.6 percent and is well below its corresponding share of U.S. financial system consolidated assets. The combined organization's shares of U.S. financial system intra-financial system assets and liabilities also are less than 1 percent.

*Complexity.* The Board has considered the extent to which the combined organization would contribute to the overall complexity of the U.S. banking or financial system. In this analysis, the Board considered BB&T's and SunTrust's over-the-counter

derivatives exposures (“OTC derivatives”), holdings of Level 3 assets,<sup>96</sup> and volume of trading book and available-for-sale securities. The combined organization’s level of notional OTC derivatives exposures would represent approximately 0.1 percent of the total U.S. market. Similarly, the combined organization’s Level 3 assets represent approximately 2.4 percent of the total U.S. market share. This amount is mitigated further by the fact that the majority of these assets consist of mortgage servicing rights, which generally can be separated easily from a bank organization’s other assets. Finally, the combined trading activity of BB&T and SunTrust is minor, accounting for less than 0.1 percent of trading of equity securities and equity derivatives and of corporate bond U.S. market segments.

The Board also has considered whether the complexity of the combined organization’s assets and liabilities would hinder the organization’s timely and efficient resolution in the event the organization were to experience financial distress. BB&T and SunTrust do not engage in complex activities, such as being a core clearing and settlement organization for critical financial markets, that might complicate the resolution process by increasing the complexity, costs, or timeframes involved in a resolution. Under the circumstances, resolving the combined organization would not appear to involve a level of cost, time, or difficulty such that it would cause a significant increase in risk to the stability of the U.S. banking or financial system.

*Cross-Border Activity.* The Board has examined the cross-border activities of BB&T and SunTrust to determine whether the cross-border presence of the combined organization would create difficulties in coordinating any resolution, which could significantly increase the risk to stability of the U.S. banking or financial system. At

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<sup>96</sup> Level 3 assets are defined in the Statement of Financial Accounting Standards No. 157 (“Fair Value Measurements”) as assets whose accounting valuations are derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable. These assets are deemed complex to evaluate and cannot be measured at fair value because there is not a clear market price or a standard valuation model. A higher share of these assets could lead to disorderly resolution of an entity in case of failure.

consummation, the combined organization would engage in limited activities outside the United States. In particular, the combined organization would account for less than 0.1 percent of either total cross-border claims or total cross-border liabilities of banking organizations filing an FR Y-15.

*Financial Stability Factors in Combination.* The Board has assessed the foregoing factors individually and in combination to determine whether interactions among them might mitigate or exacerbate risks suggested by looking at them individually. The Board also has considered whether the proposed transaction would provide any stability benefits and whether prudential standards applicable to the combined organization would offset any potential risks.<sup>97</sup>

For instance, concerns regarding the combined organization's size would be greater if BB&T or SunTrust also were highly interconnected to many different segments of the U.S. banking or financial system through counterparty relationships or other channels, or if the combined organization were to participate to a larger extent than BB&T or SunTrust do in short-term funding and capital markets. The Board's level of concern also would be greater if the structure and activities of the combined organization were sufficiently complex that, if the combined organization were to fail, it would be difficult to resolve the organization without causing significant disruptions to other financial institutions or markets.

As discussed above, the combined organization would not be highly interconnected. Furthermore, the organizational structure and operations of the combined organization would be centered on a commercial banking business, and in the event of distress, the resolution process would be handled in a predictable manner by relevant authorities. The Board also has considered other measures that are suggestive of the degree of difficulty with which the combined organization could be resolved in the event of a failure, such as the organizational and legal complexity and cross-border activities of

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<sup>97</sup> See 12 U.S.C. § 5365.

the resulting firm. These measures suggest that the combined organization would be significantly less complicated to resolve than the largest U.S. financial institutions.

In addition, both BB&T and SunTrust are predominately engaged in retail commercial banking activities.<sup>98</sup> The combined organization would have minimal cross-border activities and would not exhibit an organizational structure, complex interrelationships, or unique characteristics that would complicate resolution of the firm in the event of financial distress. In addition, the combined organization would not be a critical services provider or so interconnected with other firms or the markets that it would pose significant risk to the financial system in the event of financial distress.

In light of all the facts and circumstances, this transaction would not appear to result in meaningfully greater or more concentrated risks to the stability of the U.S. banking or financial system. Based on these and all other facts of record, the Board determines that considerations relating to financial stability are consistent with approval.

#### Conclusion

Based on the foregoing and all the facts of record, the Board determines that the application should be, and hereby is, approved.<sup>99</sup> In reaching its conclusion, the

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<sup>98</sup> Truist would primarily offer retail consumer and commercial banking, mortgage and consumer lending, lease financing, asset-based lending, discount brokerage services, annuities and mutual funds, life insurance, property and casualty insurance, health insurance, loan servicing for third-party investors, private bank and trust services, payments processing, cash management and treasury services, student lending, small business lending, trust and wealth management services, investment and mergers and acquisition advisory services, capital markets, and investment banking services. In each of its activities, the combined firm would have a small market share on a nationwide basis, and numerous competitors would remain for these services.

<sup>99</sup> A commenter requested that the Board hold public hearings or additional public meetings on the proposal. The Board has considered the commenter's request in light of all the facts of record. As noted above, the Board held public meetings in Charlotte, North Carolina, and Atlanta, Georgia. In addition, the Board extended the initial period for public comment to accommodate public interest in this proposal, providing interested persons until May 3, 2019, a total period of more than 50 days, to submit written comments. In the Board's view, the commenter has had ample opportunity to submit comments on the proposal and, in fact, submitted written comments that the Board has

Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act and other applicable statutes. The Board's approval is specifically conditioned on compliance by Truist with all the conditions imposed in this order, including receipt of all required regulatory approvals, and on the commitments and representations made to the Board in connection with the application. For purposes of this action, the conditions and commitments are deemed to be conditions imposed in writing by the Board in connection with its findings and decision herein and, as such, may be enforced in proceedings under applicable law.

The proposal may not be consummated before the fifteenth calendar day after the effective date of this order or later than three months thereafter, unless such period is extended for good cause by the Board or the Federal Reserve Bank of Richmond, acting under delegated authority.

By order of the Board of Governors,<sup>100</sup> effective November 19, 2019.

*Ann E. Misback (signed)*

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Ann E. Misback  
Secretary of the Board

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considered in acting on the proposal. For these reasons, and based on all the facts of record, the Board has determined that public hearings or additional public meetings are not required or warranted in this case. Accordingly, the request for public hearings or additional public meetings on the proposal is denied.

In addition, two commenters requested a further extension of the comment period for the proposal. As noted above, the Board provided for an extended comment period of more than 50 days. During this time, the commenters submitted detailed comments in writing regarding the proposal. The Board's rules contemplate that the public comment period will not be extended absent a clear demonstration of hardship or other meritorious reason for seeking additional time. The commenters' request for additional time to comment does not identify circumstances that would warrant an extension of the public comment period for this proposal. Accordingly, the Board has determined not to further extend the comment period.

<sup>100</sup> Voting for this action: Chair Powell, Vice Chair Clarida, Vice Chair for Supervision Quarles, and Governors Brainard and Bowman.

## Appendix I

<i>Asset and Deposit Data in States where Branch Bank and SunTrust Bank Both Operate</i>									
State / District	Branch Bank			SunTrust Bank			Truist Bank		
	Rank of Insured Depository Institution <sup>101</sup> by Assets	Deposits Controlled (in billions)	Percent of Total Deposits	Rank of Insured Depository Institution by Assets	Deposits Controlled (in billions)	Percent of Total Deposits	Rank of Insured Depository Institution by Assets	Deposits Controlled (in billions)	Percent of Total Deposits
Alabama	6 <sup>th</sup>	3.7	3.7	56 <sup>th</sup>	0.2	<1	6 <sup>th</sup>	3.9	3.9
Florida	7 <sup>th</sup>	18.3	3.1	3 <sup>rd</sup>	50.6	8.6	3 <sup>rd</sup>	68.9	11.8
Georgia	5 <sup>th</sup>	12.6	5.0	1 <sup>st</sup>	54.4	21.7	1 <sup>st</sup>	66.9	26.7
Maryland	7 <sup>th</sup>	10.1	7.0	6 <sup>th</sup>	10.4	7.2	2 <sup>nd</sup>	20.5	14.1
North Carolina	3 <sup>rd</sup>	52.7	14.4	5 <sup>th</sup>	8.5	2.3	2 <sup>nd</sup>	61.2	16.7
South Carolina	3 <sup>rd</sup>	8.4	9.8	7 <sup>th</sup>	3.0	3.5	3 <sup>rd</sup>	11.4	13.3
Tennessee	9 <sup>th</sup>	3.0	1.9	3 <sup>rd</sup>	13.9	9.0	3 <sup>rd</sup>	16.9	10.9
Virginia	5 <sup>th</sup>	23.5	7.3	6 <sup>th</sup>	20.6	6.4	3 <sup>rd</sup>	44.1	13.6
District of Columbia	9 <sup>th</sup>	1.2	2.3	5 <sup>th</sup>	3.4	6.7	5 <sup>th</sup>	4.6	9.0

<sup>101</sup> In this context, insured depository institutions include commercial banks, savings and loan associations, and savings banks.

## Appendix II

<b>BB&amp;T/SunTrust Banking Markets Consistent with Board Precedent and DOJ Bank Merger Guidelines</b>						
Data are as of June 30, 2018. All rankings, market deposit shares, and HHIs are based on thrift deposits weighted at 50 percent. The remaining number of competitors noted in each market includes thrift institutions.						
<b>Washington, District of Columbia–Maryland–Virginia–West Virginia</b> – Washington, District of Columbia; Charles, Calvert, Frederick, Montgomery, and Prince George’s counties; District 7 in Anne Arundel County; the Clarksville and Savage districts in Howard County, all in Maryland; Arlington, Culpeper, Fairfax, Fauquier, Loudoun, Prince William, Rappahannock, Stafford, and Warren counties; the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park, all of Virginia; and Jefferson County, West Virginia.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>BB&amp;T Pre-Consummation</i>	6	\$14.0B	6.7	1106	121	75
<i>SunTrust</i>	4	\$19.1B	9.1			
<i>BB&amp;T Post-Consummation</i>	2	\$33.1B	15.8			
<b>Brevard County, Florida</b> – Brevard County, Florida.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>BB&amp;T Pre-Consummation</i>	6	\$650.9M	7.0	1428	198	18
<i>SunTrust</i>	3	\$1.3B	14.2			
<i>BB&amp;T Post-Consummation</i>	1	\$1.9B	21.2			
<b>Citrus County, Florida</b> – Citrus County, Florida.						
	Rank	Amount of Deposits	Market Deposit Shares (%)	Resulting HHI	Change in HHI	Remaining Number of Competitors
<i>BB&amp;T Pre-Consummation</i>	7	\$81.0M	3.5	1761	192	11
<i>SunTrust</i>	1	\$631.2M	27.3			
<i>BB&amp;T Post-Consummation</i>	1	\$712.2M	30.8			

<b>Dayton Beach Area, Florida</b> – Flagler County; the towns of Allandale, Daytona Beach, Daytona Beach Shores, Edgewater, Holly Hill, New Smyrna Beach, Ormond Beach, Ormond-by-the-Sea, Pierson, Port Orange, and South Daytona in Volusia County; and the town of Astor in Lake County, all in Florida.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	6	\$386.0M	4.1	1679	223	19
<i>SunTrust</i>	1	\$2.6B	27.2			
<i>BB&amp;T Post-Consummation</i>	1	\$2.9B	31.3			
<b>Fort Myers Area, Florida</b> – Lee County (less the towns located on Gasparilla Island) and the town of Immokalee in Collier County, both in Florida.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	5	\$928.4M	6.0	1074	161	30
<i>SunTrust</i>	3	\$2.1B	13.4			
<i>BB&amp;T Post-Consummation</i>	1	\$3.0B	19.4			
<b>Fort Pierce Area, Florida</b> – St. Lucie and Martin counties (less the towns of Indiantown and Hobe Sound), both in Florida.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	11	\$286.6M	3.3	1131	55	16
<i>SunTrust</i>	6	\$716.1M	8.3			
<i>BB&amp;T Post-Consummation</i>	3	\$1.0B	11.7			
<b>Fort Walton Beach Area, Florida</b> – Okaloosa and Walton counties and the western half of Holmes County, including the town of Ponce de Leon, all in Florida.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	18	\$56.4M	1.0	813	10	27
<i>SunTrust</i>	10	\$231.0M	4.4			
<i>BB&amp;T Post-Consummation</i>	9	\$287.4M	5.4			

<b>Jacksonville Area, Florida</b> – Baker, Clay, Duval, and Nassau counties; the towns of Fruit Cove, Ponte Vedra, Ponte Vedra Beach, Jacksonville, St. Johns, and Switzerland in St. Johns County, all in Florida; and the city of Folkston in Charlton County, Georgia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	8	\$606.1M	1.2	2719	9	32
<i>SunTrust</i>	5	\$1.8B	3.7			
<i>BB&amp;T Post-Consummation</i>	5	\$2.4B	4.9			
<b>Miami–Fort Lauderdale Area, Florida</b> – Broward and Miami-Dade counties, both in Florida.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	9	\$5.6B	3.0	834	29	76
<i>SunTrust</i>	7	\$8.6B	4.7			
<i>BB&amp;T Post-Consummation</i>	5	\$14.2B	7.7			
<b>Naples Area, Florida</b> – Collier County (minus the town of Immokalee), Florida.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	16	\$220.7M	1.3	883	9	33
<i>SunTrust</i>	9	\$564.8M	3.3			
<i>BB&amp;T Post-Consummation</i>	9	\$785.5M	4.6			
<b>Ocala Area, Florida</b> – Marion County, Florida.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	11	\$126.0M	2.1	1213	73	20
<i>SunTrust</i>	1	\$1.1B	18.2			
<i>BB&amp;T Post-Consummation</i>	1	\$1.2B	20.3			

<b>Orlando Area, Florida</b> – Orange, Osceola, and Seminole counties; the western half of Volusia County; and Lake County (minus the city of Astor and the Census County Divisions of Fruitland Park-Lady Lake, Leesburg, and Leesburg East), all in Florida.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	5	\$2.0B	3.8	1413	158	45
<i>SunTrust</i>	2	\$10.6B	20.7			
<i>BB&amp;T Post-Consummation</i>	1	\$12.6B	24.5			
<b>Panama City Area, Florida</b> – Bay and Gulf counties; and the southern half of Washington County, including the towns of Vernon and Wausau, all in Florida.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	11	\$75.2M	2.5	1140	34	17
<i>SunTrust</i>	7	\$211.8M	6.9			
<i>BB&amp;T Post-Consummation</i>	5	\$287.0M	9.4			
<b>Pensacola Area, Florida</b> – Escambia and Santa Rosa counties, both in Florida.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	13	\$108.1M	1.5	1394	12	18
<i>SunTrust</i>	8	\$302.1M	4.2			
<i>BB&amp;T Post-Consummation</i>	6	\$410.2M	5.7			
<b>Polk County, Florida</b> – Polk County, Florida.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	7	\$383.0M	5.0	1613	143	17
<i>SunTrust</i>	3	\$1.1B	14.2			
<i>BB&amp;T Post-Consummation</i>	2	\$1.4B	19.2			

<b>Punta Gorda Area, Florida</b> –Charlotte County east of Charlotte Harbor and the Myakka River; and Sarasota County east of the Myakka River and south of Interstate 75, including the town of North Port, all in Florida.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	9	\$132.3M	3.8	1421	100	13
<i>SunTrust</i>	3	\$430.0M	12.2			
<i>BB&amp;T Post-Consummation</i>	3	\$562.3M	16.6			
<b>Saint Augustine Area, Florida</b> – St. Johns County (minus the towns of Fruit Cove, Ponte Vedra, Ponte Vedra Beach, Jacksonville, St. Johns, Switzerland, and Hastings), Florida.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	6	\$118.1M	5.7	1544	89	12
<i>SunTrust</i>	5	\$160.4M	7.8			
<i>BB&amp;T Post-Consummation</i>	5	\$278.5M	13.5			
<b>Sarasota, Florida</b> – Manatee County, Sarasota County (less the portion that is both east of the Myakka River and south of Interstate 75, which includes the town of North Port); the peninsular portion of Charlotte County, west of the Myakka River that includes the towns of Englewood, Englewood Beach, New Point Comfort, Grove City, Cape Haze, Rotonda, Rotonda West, and Placida; and Gasparilla Island, including the town of Boca Grande, in Lee County, all in Florida.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	5	\$1.2B	5.8	1055	123	34
<i>SunTrust</i>	3	\$2.2B	10.7			
<i>BB&amp;T Post-Consummation</i>	2	\$3.4B	16.5			
<b>Tallahassee Area, Florida</b> – Gadsden, Jefferson, Leon, and Wakulla counties, all in Florida.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	7	\$497.5M	6.3	1227	191	16
<i>SunTrust</i>	2	\$1.2B	15.1			
<i>BB&amp;T Post-Consummation</i>	1	\$1.7B	21.4			

<b>Tampa Bay Area, Florida</b> – Hernando, Hillsborough, Pinellas, and Pasco counties, all in Florida.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	8	\$2.6B	3.1	1267	73	53
<i>SunTrust</i>	4	\$9.9B	11.8			
<i>BB&amp;T Post-Consummation</i>	3	\$12.5B	14.9			
<b>West Palm Beach Area, Florida</b> – Palm Beach County east of Loxahatchee; and the towns of Indiantown and Hobe Sound in Martin County, all in Florida.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	8	\$1.7B	3.4	1025	37	50
<i>SunTrust</i>	6	\$2.8B	5.4			
<i>BB&amp;T Post-Consummation</i>	4	\$4.5B	8.8			
<b>Athens Area, Georgia</b> – Barrow (less the cities of Auburn and Winder), Clarke, Jackson, Madison, Oconee, and Oglethorpe counties, all in Georgia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	13	\$174.1M	2.8	1112	106	20
<i>SunTrust</i>	1	\$1.1B	18.6			
<i>BB&amp;T Post-Consummation</i>	1	\$1.3B	21.4			
<b>Brunswick Area, Georgia</b> – Brantley, Glynn and McIntosh counties, all in Georgia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	5	\$201.1M	9.6	1186	252	13
<i>SunTrust</i>	1	\$277.5M	13.2			
<i>BB&amp;T Post-Consummation</i>	1	\$478.6M	22.8			

<b>Carrollton Area, Georgia</b> – Carroll and Haralson counties, both in Georgia; and the town of Ranburne in Cleburne County, Alabama.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	3	\$381.2M	12.7	2647	111	11
<i>SunTrust</i>	6	\$131.0M	4.4			
<i>BB&amp;T Post-Consummation</i>	2	\$512.2M	17.1			
<b>Columbus Area, Georgia</b> – Chattahoochee, Harris, and Muscogee counties; the towns of Junction City, Geneva, and Box Springs in Talbot County, all in Georgia; Russell County, Alabama; and the portion of Lee County, Alabama, that is within 12 road miles of Phenix City, Alabama, or Columbus, Georgia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	7	\$140.3M	1.7	4791	36	14
<i>SunTrust</i>	2	\$916.2M	10.9			
<i>BB&amp;T Post-Consummation</i>	2	\$1.0B	12.6			
<b>Dalton, Georgia</b> – Murray and Whitfield counties, both in Georgia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	1	\$484.6M	18.0	1295	33	11
<i>SunTrust</i>	10	\$25.3M	0.9			
<i>BB&amp;T Post-Consummation</i>	1	\$509.9M	18.9			
<b>Douglas Area, Georgia</b> – Atkinson and Coffee counties, both in Georgia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	10	\$22.7M	2.8	1351	56	9
<i>SunTrust</i>	5	\$80.3M	9.9			
<i>BB&amp;T Post-Consummation</i>	5	\$103.0M	12.7			

<b>Greensboro Area, Georgia</b> – Greene and Taliaferro counties; and the Eatonton and Phoenix Census County Divisions in Putnam County, all in Georgia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	6	\$50.9M	6.9	1924	97	9
<i>SunTrust</i>	5	\$51.5M	7.0			
<i>BB&amp;T Post-Consummation</i>	4	\$101.6M	13.9			
<b>LaGrange Area, Georgia–Alabama</b> – Troup County, Georgia; and Chambers County, Alabama.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	8	\$85.9M	5.8	1269	62	12
<i>SunTrust</i>	9	\$79.3M	5.4			
<i>BB&amp;T Post-Consummation</i>	3	\$165.2M	11.2			
<b>Macon, Georgia</b> – Bibb, Crawford, Houston, Jones, Macon, Peach, and Twiggs counties; and Allentown and Nicklesville in Wilkinson County, all in Georgia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	4	\$605.3M	11.0	1661	311	23
<i>SunTrust</i>	2	\$781.2M	14.2			
<i>BB&amp;T Post-Consummation</i>	2	\$1.4B	25.2			
<b>Savannah Area, Georgia</b> – Bryan, Chatham, and Effingham counties; and the Midway CCD in Liberty County, all in Georgia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	6	\$468.0M	6.6	1588	300	20
<i>SunTrust</i>	1	\$1.6B	22.6			
<i>BB&amp;T Post-Consummation</i>	1	\$2.1B	29.3			

<b>Tift County, Georgia</b> – Tift County; and the Lenox CCD in Cook County, both in Georgia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	4	\$100.2M	10.4	2396	107	8
<i>SunTrust</i>	5	\$49.7M	5.2			
<i>BB&amp;T Post-Consummation</i>	4	\$149.9M	15.6			
<b>Valdosta Area, Georgia</b> – Echols, Lanier, and Lowndes counties; and the Adel-Sparks CCD in Cook County, all in Georgia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	14	\$45.5M	2.2	954	6	18
<i>SunTrust</i>	16	\$30.2M	1.4			
<i>BB&amp;T Post-Consummation</i>	11	\$75.7M	3.6			
<b>Waycross Area, Georgia</b> – Pierce and Ware counties, both in Georgia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	7	\$54.0M	5.7	1904	85	7
<i>SunTrust</i>	6	\$70.7M	7.4			
<i>BB&amp;T Post-Consummation</i>	4	\$124.7M	13.1			
<b>Annapolis, Maryland</b> – Anne Arundel County (excluding District 7) and Queen Anne’s County, both in Maryland.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	3	\$1.2B	10.0	1235	140	28
<i>SunTrust</i>	6	\$824.6M	7.0			
<i>BB&amp;T Post-Consummation</i>	3	\$2.0B	17.0			

<b>Baltimore, Maryland</b> – Baltimore City and Baltimore, Carroll, Harford, and Howard (excluding the Clarksville and Savage districts) counties, all in Maryland.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	5	\$3.8B	7.0	1810	45	42
<i>SunTrust</i>	6	\$1.8B	3.2			
<i>BB&amp;T Post-Consummation</i>	5	\$5.6B	10.3			
<b>Easton, Maryland</b> – Talbot County, Maryland.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	5	\$80.3M	6.2	2234	58	9
<i>SunTrust</i>	6	\$61.4M	4.7			
<i>BB&amp;T Post-Consummation</i>	4	\$141.7M	10.9			
<b>Salisbury, Maryland–Delaware</b> – Wicomico County, Maryland.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	7	\$117.8M	6.5	1316	35	10
<i>SunTrust</i>	10	\$49.5M	2.7			
<i>BB&amp;T Post-Consummation</i>	7	\$167.3M	9.2			
<b>Saint Mary's, Maryland</b> – Saint Mary's County, Maryland.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	5	\$104.6M	7.4	2167	108	7
<i>SunTrust</i>	6	\$104.0M	7.3			
<i>BB&amp;T Post-Consummation</i>	4	\$208.9M	14.7			

<b>Worcester, Maryland – Worcester County, Maryland.</b>						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	4	\$185.8M	11.5	1658	83	11
<i>SunTrust</i>	7	\$57.6M	3.6			
<i>BB&amp;T Post-Consummation</i>	4	\$243.4M	15.1			
<b>Asheville, North Carolina – Buncombe, Henderson, Haywood, and Madison counties, all in North Carolina.</b>						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	8	\$551.3M	7.0	1313	113	19
<i>SunTrust</i>	7	\$642.6M	8.1			
<i>BB&amp;T Post-Consummation</i>	3	\$1.2B	15.1			
<b>Burlington, North Carolina – Alamance and Caswell counties (excluding the Dan River, Milton, Pelham, and Yanceyville townships), both in North Carolina.</b>						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	4	\$245.4M	11.7	1580	265	15
<i>SunTrust</i>	5	\$235.8M	11.3			
<i>BB&amp;T Post-Consummation</i>	2	\$481.2M	23.0			
<b>Charlotte, North Carolina – Anson, Cabarrus, Gaston, Lincoln, Mecklenburg, and Union counties; the city of Mooresville and the townships of Davidson and Coddle Creek in Iredell County; the townships of Atwell and China Grove in Rowan County; the King’s Mountain township in Cleveland County, all in North Carolina; and Lancaster and York counties, both in South Carolina.</b>						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	3	\$6.0B	2.8	5885	4	41
<i>SunTrust</i>	6	\$1.8B	0.8			
<i>BB&amp;T Post-Consummation</i>	3	\$7.8B	3.6			

<b>Greensboro–High Point, North Carolina</b> – Davidson, Guilford, Randolph, and Rockingham counties, all in North Carolina.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	1	\$3.0B	20.8	1478	227	21
<i>SunTrust</i>	6	\$791.0M	5.4			
<i>BB&amp;T Post-Consummation</i>	1	\$3.8B	26.2			
<b>Hickory, North Carolina</b> – Alexander, Burke, Caldwell, and Catawba counties, all in North Carolina.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	2	\$1.1B	20.6	1776	140	15
<i>SunTrust</i>	6	\$175.2M	3.4			
<i>BB&amp;T Post-Consummation</i>	2	\$1.2B	24.0			
<b>Raleigh, North Carolina</b> – Franklin, Granville, Johnston, Wake, and Harnett (excluding the Anderson Creek, Barbeque, Johnsonville, and Stewarts Creek townships in Harnett County) counties, all in North Carolina.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	2	\$4.6B	16.0	1480	165	36
<i>SunTrust</i>	6	\$1.5B	5.1			
<i>BB&amp;T Post-Consummation</i>	2	\$6.1B	21.1			
<b>Salisbury, North Carolina</b> – Rowan County (excluding the townships of Atwell and China Grove), in North Carolina.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	6	\$55.7M	4.7	1904	121	11
<i>SunTrust</i>	3	\$153.2M	12.9			
<i>BB&amp;T Post-Consummation</i>	3	\$208.9M	17.6			

<b>Wilmington, North Carolina</b> – New Hanover, Pender, and Brunswick (excluding the Shallotte Township in Brunswick County) counties, all in North Carolina.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	2	\$1.5B	16.4	1780	103	21
<i>SunTrust</i>	9	\$290.8M	3.1			
<i>BB&amp;T Post-Consummation</i>	2	\$1.8B	19.5			
<b>Charleston, South Carolina</b> – Berkeley, Charleston, and Dorchester counties; the southeastern portion of Colleton County, located east of the South Edisto River on Edisto Island, all in South Carolina.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	5	\$916.6M	6.6	1205	48	34
<i>SunTrust</i>	9	\$501.2M	3.6			
<i>BB&amp;T Post-Consummation</i>	4	\$1.4B	10.2			
<b>Greenville, South Carolina</b> – Anderson, Greenville, Laurens, and Pickens counties, all in South Carolina.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	3	\$1.8B	10.8	1036	138	34
<i>SunTrust</i>	6	\$1.1B	6.4			
<i>BB&amp;T Post-Consummation</i>	2	\$2.9B	17.2			
<b>Hilton Head Island, South Carolina</b> – Beaufort, Hampton, and Jasper counties, all in South Carolina.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	7	\$342.5M	7.1	1032	96	19
<i>SunTrust</i>	8	\$321.1M	6.7			
<i>BB&amp;T Post-Consummation</i>	3	\$663.6M	13.8			

<b>Oconee County, South Carolina</b> – Oconee County, South Carolina.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	6	\$77.6M	7.0	1344	79	10
<i>SunTrust</i>	8	\$61.7M	5.6			
<i>BB&amp;T Post-Consummation</i>	4	\$139.3M	12.6			
<b>Spartanburg, South Carolina</b> – Cherokee, Spartanburg, and Union counties, all in South Carolina; and Polk County, North Carolina.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	2	\$739.0M	12.1	1291	383	20
<i>SunTrust</i>	1	\$973.3M	15.9			
<i>BB&amp;T Post-Consummation</i>	1	\$1.7B	28.0			
<b>Cleveland, Tennessee</b> – Bradley County and the towns of Benton and Ocoee in Polk County, all in Tennessee.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	6	\$169.7M	9.3	1288	236	15
<i>SunTrust</i>	2	\$230.1M	12.7			
<i>BB&amp;T Post-Consummation</i>	1	\$399.8M	22.0			
<b>Chattanooga, Tennessee</b> – Hamilton County; Marion County (minus the town of Monteagle), both in Tennessee; and Catoosa, Dade, and Walker counties, all in Georgia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	14	\$123.2M	1.3	1328	45	26
<i>SunTrust</i>	2	\$1.6B	17.4			
<i>BB&amp;T Post-Consummation</i>	2	\$1.7B	18.7			

<b>Johnson City–Bristol Area, Tennessee–Virginia</b> – Carter, Hawkins, Sullivan, Unicoi, and Washington counties, all in Tennessee; the independent city of Bristol; Scott County; and the Tyler and Wilson county subdivisions in Washington County, all in Virginia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	5	\$533.5M	8.3	1129	117	30
<i>SunTrust</i>	6	\$450.0M	7.0			
<i>BB&amp;T Post-Consummation</i>	2	\$983.5M	15.3			
<b>Knoxville Area, Tennessee</b> – Anderson, Blount, Knox, Loudon, Morgan, Roane, and Union counties; Grainger County excluding District 5 in eastern Grainger County; Jefferson County excluding Districts 3, 8, and 9 in northern and eastern Jefferson County; and Districts 6 and 9 in western Sevier County, all in Tennessee.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	5	\$1.1B	7.0	1183	213	41
<i>SunTrust</i>	2	\$2.5B	15.3			
<i>BB&amp;T Post-Consummation</i>	1	\$3.6B	22.3			
<b>Nashville, Tennessee</b> – Cheatham, Davidson, Dickson, Robertson, Rutherford, Sumner, Williamson, and Wilson counties, all in Tennessee.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	14	\$715.3M	1.2	926	27	63
<i>SunTrust</i>	4	\$6.4B	11.0			
<i>BB&amp;T Post-Consummation</i>	4	\$7.1B	12.2			
<b>Sevierville Area, Tennessee</b> – Cocke County, District 8 in eastern Jefferson County, and Sevier County excluding Districts 6 and 9 in western Sevier County, all in Tennessee.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	7	\$131.1M	4.8	1555	32	12
<i>SunTrust</i>	10	\$90.1M	3.3			
<i>BB&amp;T Post-Consummation</i>	5	\$221.2M	8.1			

<b>Blacksburg, Virginia</b> – The independent city of Radford and Floyd, Giles, Montgomery, and Pulaski counties, all in Virginia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	4	\$301.6M	9.1	1532	117	13
<i>SunTrust</i>	6	\$212.0M	6.4			
<i>BB&amp;T Post-Consummation</i>	3	\$513.6M	15.5			
<b>Charlottesville, Virginia</b> – The independent city of Charlottesville; Albemarle, Buckingham, Fluvanna, Greene, Madison and Nelson counties; Districts 1, 2, and 3 in Orange County; and the Green Spring, Louisa, and Patrick Henry districts in Louisa County, all in Virginia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	3	\$854.9M	14.6	1683	303	20
<i>SunTrust</i>	5	\$606.6M	10.4			
<i>BB&amp;T Post-Consummation</i>	1	\$1.4B	25.0			
<b>Fredericksburg, Virginia</b> – The independent city of Fredericksburg; Caroline, King George, and Spotsylvania counties; Districts 4 and 5 in Orange County; and the Washington District in Westmoreland County, all in Virginia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	2	\$633.0M	18.1	1975	161	15
<i>SunTrust</i>	7	\$155.6M	4.4			
<i>BB&amp;T Post-Consummation</i>	2	\$788.6M	22.5			
<b>Harrisonburg, Virginia–West Virginia</b> – The independent city of Harrisonburg; Rockingham and Page counties, all in Virginia; and Pendleton County, West Virginia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	1	\$488.1M	16.6	1202	206	17
<i>SunTrust</i>	7	\$181.4M	6.2			
<i>BB&amp;T Post-Consummation</i>	1	\$669.5M	22.8			

<b>Lynchburg, Virginia</b> – The independent city of Lynchburg; Amherst, Appomattox, and Campbell counties; and the portion of Bedford County east of Route 43 (excluding the independent city of Bedford, VA), all in Virginia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	2	\$852.9M	19.1	1771	407	16
<i>SunTrust</i>	4	\$472.5M	10.6			
<i>BB&amp;T Post-Consummation</i>	1	\$1.3B	29.7			
<b>Newport News–Hampton, Virginia</b> – The cities of Hampton, Newport News, Poquoson, and Williamsburg and Gloucester, Isle of Wight (excluding the Carrsville District), James City, Mathews, and York counties, all in Virginia..						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	5	\$913.1M	12.4	1633	424	16
<i>SunTrust</i>	1	\$1.3B	17.1			
<i>BB&amp;T Post-Consummation</i>	1	\$2.2B	29.5			
<b>Roanoke, Virginia</b> – The independent cities of Bedford, Roanoke, and Salem; Botetourt, Craig, Franklin, and Roanoke counties; and the portion of Bedford County west of Route 43, all in Virginia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	3	\$879.3M	11.3	1757	421	18
<i>SunTrust</i>	2	\$1.4B	18.6			
<i>BB&amp;T Post-Consummation</i>	1	\$2.3B	29.9			
<b>Staunton, Virginia</b> – The independent cities of Staunton and Waynesboro and Augusta and Highland counties, all in Virginia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	3	\$216.8M	12.7	1399	172	14
<i>SunTrust</i>	5	\$116.8M	6.8			
<i>BB&amp;T Post-Consummation</i>	2	\$333.6M	19.5			

<b>Winchester, Virginia–West Virginia</b> – The independent city of Winchester; Clarke, Frederick, and Shenandoah, counties, all in Virginia; Hampshire County and the District 1 subdivision in Morgan County, both in West Virginia.						
	<b>Rank</b>	<b>Amount of Deposits</b>	<b>Market Deposit Shares (%)</b>	<b>Resulting HHI</b>	<b>Change in HHI</b>	<b>Remaining Number of Competitors</b>
<i>BB&amp;T Pre-Consummation</i>	1	\$1.0B	26.9	1571	189	15
<i>SunTrust</i>	9	\$131.7M	3.5			
<i>BB&amp;T Post-Consummation</i>	1	\$1.1B	30.4			