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THE NEXT MEGABANK? EXAMINING THE PROPOSED MERGER OF SUNTRUST AND BB&T

HEARING

BEFORE THE

COMMITTEE ON FINANCIAL SERVICES

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTEENTH CONGRESS

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THE NEXT MEGABANK? EXAMINING THE PROPOSED MERGER OF SUNTRUST AND BB&T

Wednesday, July 24, 2019

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, D.C.

The committee met, pursuant to notice, at 10:10 a.m., in room 2128, Rayburn House Office Building, Hon. Maxine Waters [chairwoman of the committee] presiding.

Members present: Representatives Waters, Maloney, Velazquez, Meeks, Clay, Scott, Green, Cleaver, Foster, Beatty, Vargas, Gottheimer, Lawson, Tlaib, Porter, Axne, Casten, Pressley, Ocasio-Cortez, Lynch, Gabbard, Adams, Garcia of Illinois, Phillips; McHenry, Wagner, Posey, Luetkemeyer, Huizenga, Duffy, Stivers, Barr, Tipton, Williams, Hill, Emmer, Zeldin, Loudermilk, Davidson, Budd, Kustoff, Gonzalez of Ohio, Rose, Steil, Gooden, and Riggleman.

Chairwoman WATERS. The Committee on Financial Services will come to order. Without objection, the Chair is authorized to declare a recess of the committee at any time.

Today's hearing is entitled, "The Next Megabank? Examining the Proposed Merger of SunTrust and BB&T." I now recognize myself for 4 minutes to give an opening statement.

Good morning. Today we are here for a hearing on the proposed merger between SunTrust and BB&T. Our witnesses today are BB&T's Chairman and CEO, Kelly King, and SunTrust's Chairman and CEO, William Rogers.

I am concerned that if this merger goes forward, it will create yet another megabank that is too big to manage and that poses a risk to our financial system. This is the largest proposed merger since the financial crisis, and it would create the 6th largest bank in the nation.

If this merger is approved by regulators, the resulting bank would have around $442 billion in assets, making it larger than Washington Mutual was and more than twice as large as Countrywide was. Of course, the failure of those two institutions played a significant role in the financial crisis.

As the Trump Administration has rolled back rules for our biggest banks, I and other Democrats warned that we would see larger banks start to merge again, and sure enough, here we are. Bank mergers of this scale are a serious matter with implications for the broader economy that warrant scrutiny by Congress.

I am concerned that this proposed merger would ultimately not be beneficial for the consumers or the communities that these two banks currently serve. It remains unclear how many of the 57,000 people who work at these two banks would lose their jobs as a result of this merger, which the banks say will save them $1.6 billion annually.

It is also unclear how many bank branches may be closed, given that the 2 banks have 740 branches that are within 2 miles of another branch, according to news reports.

Additionally, this committee needs to better understand what the new bank's commitment to diversity will be, especially as reflected in its management, board of directors, and retention of employees.

For these reasons, and because regulators typically rubber stamp these merger applications with little scrutiny, I asked the Federal Reserve and the Federal Deposit Insurance Corporation to at least defer any final decisions on the application for this merger until after this committee has had the opportunity to conduct a full review of the matter.

As a result, in part, of scrutiny and skepticism from Members of Congress, SunTrust and BB&T have taken the step of announcing a Community Benefits Agreement with community groups in advance of this hearing. The commitments that the bank made in the agreement seem to be a positive step, though it is nonbinding, and it is unclear if it represents a meaningful increase in lending and investments beyond what the banks are already doing.

Ultimately, it is not enough to address the serious concerns that I and others have about this proposed merger. Many questions remain. So today, Mr. King and Mr. Rogers must provide clear answers to the members of the committee and the public on these important issues, and I look forward to hearing from our witnesses.

The Chair now recognizes the ranking member of the committee, the gentleman from North Carolina, Mr. McHenry, for 4 minutes for an opening statement.

Mr. MCHENRY. Thank you. And I want to thank our witnesses for appearing today.

I have noticed a trend in this committee this year: We seem to be on a buyer's remorse tour. First, we had a hearing with the seven top CEOs of global systemically important banks that focused primarily on their approvals, their overall size, and their recent growth. Next, the committee advanced legislation that would limit the independence of the Consumer Financial Protection Bureau (CFPB).

And today, we are examining the potential merger of two institutions that have pointed to the post-Dodd-Frank regulatory landscape and the cost of compliance as one of the drivers behind their decision to merge. I can't help but believe this is another example of buyer's remorse on the part of my Democrat friends.

It was Dodd-Frank and the resulting 400 new financial regulations that have forced consolidation in the financial services industry. It is my colleagues on the other side of the aisle who have made the largest banks larger, while suffocating smaller institutions. Since the financial crisis, the Fed has approved 1,812 mergers of banks. This is the first hearing of this kind in the last 20 years in this committee.

Despite the rhetoric, the Democrats have solidified the reality that size equals survival. We will undoubtedly hear today about shortcomings of the bank merger process. And for the record, transparency is a prerequisite for approving a bank merger.

Both the Bank Holding Company Act and the Bank Merger Act clearly outline steps that must be taken. The Justice Department conducts a thorough review of the impact of competition and reports on competitiveness to ensure full compliance with antitrust laws. Federal banking regulators also conduct studies on competitiveness, looking closely at the impact to consumers from an institution's footprint. The merger applications submitted are publicly available, as are thousands of pages of supplemental information. Public meetings have been held, and transcripts of those meetings are available online for all to read.

I remind my colleagues that the last legislative change to the bank merger process was actually in Dodd-Frank. Democrats had every opportunity to address whatever shortcomings they will identify today, but they failed to do so.

This hearing is being held in the middle of a merger process. Business decisions cannot be made at this time, because the two institutions remain separate and are compelled under law from sharing that information.

Unfortunately, I expect my friends on the other side of the aisle will ask questions that the witnesses are prohibited by law from answering.

What we do know is this: As part of the Community Benefits Plan announced July 16th, the new bank has committed to open at least 15 new branches in low- and moderate-income and majority/minority communities across its footprint. That is in addition to the staggering $60 billion committed by the institution to community reinvestment activities. The regulators are examining this and many other possible implications of this merger in detail, which this body is not privy to at this point.

Mergers are grounded in procedure. Concerns are not simply swept under the rug. I hope my colleagues understand and respect the limitations under which these folks are testifying today. I trust the witnesses will be as forthcoming as possible with the limitations set out in statute.

Furthermore, these two institutions are in essence large Main Street banks, doing standard non-capital-markets-oriented business. This is a standard merger process by which the Fed is well-equipped to deal with the law.

And with that, I yield back.

Chairwoman WATERS. The Chair now recognizes the Chair of our Subcommittee on Consumer Protection and Financial Institutions, Mr. Meeks, for 1 minute.

Mr. MEEKS. Thank you, Chairwoman Waters.

Financial technology is both the problem we are trying to solve and the solution we are turning to. This merger of is a good example of that and an important reminder that we must consider the broader market implications of a rapidly changing banking landscape enabled in large part by innovations in technology. Indeed, without developments in technology, it would not be possible to

manage megabanks, to have global banks, or to engage in branchless banking.

BB&T and SunTrust have argued that the scale and scope of technology investments is an important factor spurring their merger. That raises great concerns for me about the future of community banking, of small banks, and of minority banks.

What we are told is that fintech solutions would add access and bring financial services to all corners of the market. But what we are seeing thus far is market consolidation, the disappearance of small community banks and minority banks, the rapid growth of banking deserts, and a growing number of Americans who are unbanked and underbanked.

I yield back the balance of my time.

Chairwoman WATERS. The Chair now recognizes the ranking member of the subcommittee, Mr. Luetkemeyer, for 1 minute.

Mr. LUETKEMEYER. Thank you, Madam Chairwoman.

From Main Street to Wall Street, the success of our economy is driven by economic freedom. The foundation of the American Dream is the idea that a free market economy will allow entrepreneurs, business, and workers to succeed.

Over the last decade, increased regulation of the financial services industry has cultivated an environment where the survival of a financial institution is intrinsically tied to its size. Banks across the nation have struggled under the weight of overregulation, causing a major consolidation in the industry.

Today, we are hearing from two private companies who have announced their intention to merge through the prescribed legal and regulatory process, which was most recently amended by the 2010 Dodd-Frank Act.

We have an important role in overseeing the Federal banking agencies' evaluation of the proposed merger. However, size is neither a legally disqualifying characteristic for bank mergers nor a reason to villainize two companies following the merger process.

It is the job of this committee to ensure the proposed merger is thoughtfully and thoroughly reviewed in accordance with current law. I would caution my colleagues against judging these two institutions based on any factors outside the legal process and, instead, ensure these institutions comply with all legal requirements set forth by Congress and the regulators examining this merger.

With that, I yield back, Madam Chairwoman.

Chairwoman WATERS. And now, I want to welcome today's panel.

First, Mr. Kelly S. King, chairman and chief executive officer of BB&T Corporation. He has been with BB&T for 46 years and has served in senior leadership positions since 1996.

Mr. King is currently expected to serve as chief executive officer and chairman of the board of directors of the newly merged bank until September 2021 and to serve in various capacities thereafter.

And second, Mr. William H. Rogers, Jr., chairman and chief executive officer of SunTrust Banks, Inc. Mr. Rogers has been at SunTrust for 39 years, serving in senior positions since 2008, when he was named president.

Mr. Rogers is expected to serve as president and chief operating officer of the new bank and to succeed Mr. King as chief executive officer and chairman of the board.

Without objection, your written statements will be made a part of the record. And each of you will have 5 minutes to summarize your testimony. When you have 1 minute remaining, a yellow light will appear. At that time, I will ask you to wrap up your testimony so we can be respectful of the committee members' time.

Mr. King, you are now recognized for 5 minutes to present your oral testimony.

STATEMENT OF KELLY S. KING, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, BB&T CORPORATION

Mr. KING. Chairwoman Waters, Ranking Member McHenry, and distinguished members of this committee, thank you for this opportunity to discuss our merger. We really appreciate it.

I have been with BB&T for 47 years. I have been very proud to be the CEO for the last 10 years.

Our mission is very clear: We want to make the world a better place to live. We do that by helping our clients achieve economic success and financial security. We try to create a place where our associates can learn and grow and be fulfilled in their work, and we focus on making our communities better places to live.

We know that SunTrust shares these values as well. So coming together, two great companies can make the world a better place.

Our success and our communities' success are exactly the same. That is why in 2009, BB&T created what we call the BB&T Lighthouse Project. During this project, our associates go out with financial support from the bank and try to do community projects to help the local communities. Since 2009, we have done over 12,000 projects, we have touched over 18 million people, and we really have improved the community.

We are very proud of our recent Community Benefits Plan. In this plan, we will invest $60 billion in loans and investments to low- and moderate-income borrowers in communities over a 3-year period of time. This will include $31 billion in mortgage loans to LMI borrowers, $7.8 billion in small business loans, and $17.2 billion in community development lending to support affordable housing development.

I understand how important housing is. I was born in public housing. When I was 13-years- old, I still lived in a plank house on a small country farm with no insulation and no running water. I know the impact of living in insecure housing.

Our new company will remain committed to underserved neighborhoods. We are committed to opening at least 15 branches in LMI and majority/minority communities, and we are committed to increasing diversity and inclusion. It is the right thing to do, and it makes good business sense. It helps us understand our markets, makes our associates more effective, and it improves our overall results.

We understand that there is much work to be done in our country concerning equal opportunity. We will maintain our commitment to serving all communities equally and fairly.

We were very excited to join Congresswoman Alma Adams, Representative of the 12th District of North Carolina, and a distinguished member of this very committee, in her partnership challenge to establish strategic partnerships with Historically Black

Colleges and Universities (HBCUs) across this country. We are also very happy to announce that we are planning next year to host a leadership forum for HBCU chancellors around this country to help them become better leaders.

The world is changing very, very fast. Scale is becoming very important. When I first started in banking, the only thing that really mattered in terms of the client was the touch between the banker and the client.

A few years ago, that really started changing dramatically. Today, technology is much more important. In order to have really good quality today, you have to have a blended relationship between touch, which is still important, and technology. With this combination we will be able to make the investments and have the skill and the capability to be able to offer a really high level of trust based on technology and touch.

We are very passionate about our communities. It is who we are. In fact, it is one of the cornerstones of this merger.

We get up every morning as bankers thinking about how we can help our clients achieve their dreams and goals and hopes in life. But to serve our clients and communities, we need the scale and capacity to make investments in better technology with better products and better services. We simply want to exceed our clients' expectations, we want to invest in community development, and we want to help create more jobs.

We can only serve our clients in communities with the best, most talented women and men who have made us what we are today. We are also committed to helping clients achieve their dreams and goals and hopes in life. Working together, all of us, we believe we can make the world a better place to live.

Thank you for this opportunity to discuss our merger, and I look forward to answering your questions.

[The prepared statement of Mr. King can be found on page 56 of the appendix.]

Chairwoman WATERS. Mr. Rogers, you are now recognized for 5 minutes to present your oral testimony.

STATEMENT OF WILLIAM H. ROGERS, JR., CHAIRMAN AND CHIEF EXECUTIVE OFFICER, SUNTRUST BANKS, INC.

Mr. ROGERS. Thank you, Chairwoman Waters, Ranking Member McHenry, and members of the committee. Thank you for this opportunity to discuss the proposed merger of SunTrust and BB&T.

I am Bill Rogers, chairman and CEO of SunTrust bank. I had the good fortune of joining this bank in an entry-level position in 1980 and to learn from leaders who believed if you build your community, you build your bank. At every step of my career I had the privilege of working with committed teammates in the service of our neighbors. I now have the distinct pleasure of leading this purpose-driven company.

Today, we express our purpose as lighting the way to financial well-being. From the teller and loan officer to every function, we are motivated by putting clients, communities, and teammates on the path to financial confidence.

This commitment extends beyond any regulatory requirement. Fulfilling our purpose is central to everything we do. We have

helped millions of families purchase homes, finance their children's education, grow their small businesses, and save for retirement. We have backed great companies, financed community development, funded affordable housing, and expanded financial literacy.

I am also proud of the passion and impact of our philanthropic efforts and workplace inclusion. Just last year, SunTrust teammates volunteered more than 200,000 hours in our communities and the SunTrust Foundation granted $19.5 million to help people.

We have received recognition from numerous organizations for leading work to advance diversity. We are committed to becoming an evermore diverse and inclusive company and therefore a stronger one.

In the area of financial wellness, we have done extensive research, and we offer a leading financial wellness program to 200 other companies at no profit to SunTrust. So, purpose is more than words. We put it into practice.

As we think about the future, we are keenly aware of the need for financial institutions to continue building trust among Americans that was strained during the financial crisis. We made serious mistakes during the crisis, and we let our clients and communities down.

We have made dramatic changes in leadership and processes in close consultation with our regulators as we seek to earn the public trust for all of our efforts. This includes our operations, hiring and compensation practices, value system, risk management, and community support.

So why the merger? I see the very real economic and human benefits of our work and want to continue our positive momentum. The primary reason for merging with BB&T is to team with a like-minded company whose mission is to make the world a better place to live. We both believe that our businesses and public impact will be better together.

To be clear, SunTrust is a strong company with 7 consecutive years of performance improvement. But in today's fast-changing environment, no successful company can stand still. We need to provide clients with tailored, intuitive banking services in the palm of their hand, with access to expert help, while competition grows by the day, compliance excellence increases by the hour, and cyber threats grow by the second.

Our path forward is to align with a partner that values purpose, sound risk management, and technology, and we found that in BB&T. Our scale will allow us to compete more effectively, but also benefits the community we serve. Earlier this month, BB&T and SunTrust announced a Community Benefits Plan to lend or invest $60 billion to low- and moderate-income borrowers over a 3-year period. We also pledged to open at least 15 new branches in low- to moderate-income neighborhoods.

Given our overlapping markets, we will be thoughtful in performing a market, branch, and client analysis before moving forward with any integration, prioritizing our service to low- and moderate-income clients and communities. We will reach out to clients to ensure that there is a smooth transition.

With this merger, we plan to bring several hundred technology support jobs onshore and eventually support additional hiring. We

know that every job matters. While we have agreed that all performing client-facing teammates and associates will retain a job, we recognize there will be impacts, and we will provide best-in-class programs for career transition and skill upskilling.

Some have suggested this transaction will create an institution that is too big. With this merger, bigger doesn't mean riskier. Each company has a conservative risk profile and will maintain such as the combined entity. We are adding scale, not complexity.

I have the utmost conviction that this merger of equals between two great companies positions us to better serve our clients, our local economies, and all those who count on us.

Thank you, and I look forward to answering your questions.

[The prepared statement of Mr. Rogers can be found on page 63 of the appendix.]

Chairwoman WATERS. Thank you both.

I now recognize myself for 5 minutes for questions.

Mr. King and Mr. Rogers, after we made clear this committee would scrutinize your proposed merger, your two banks announced a 3-year Community Benefits Agreement last week in which the new bank will lend or invest $60 billion to low- and moderate-income borrowers and in LMI communities also. This includes funding for mortgages, affordable housing, and small business loans, among other things.

While this seems to be a positive step, I am concerned about reports that suggest it represents only a $3 billion increase beyond your most recent Community Reinvestment Act activity and that this is not a legally binding agreement.

Mr. King, if the regulators require that you fulfill the $60 billion worth of promises as part of a conditional approval for the merger, would you object?

Mr. KING. Madam Chairwoman, we respect whatever conditions the Federal Reserve and other regulators impose on this transaction. We would certainly support any conditions that are required.

Chairwoman WATERS. Mr. Rogers, would you object?

Mr. ROGERS. Madam Chairwoman, we would not object.

Chairwoman WATERS. Mr. Rogers, SunTrust agreed in 2014 to pay $968 million over your bank's unlawful mortgage loan origination servicing and foreclosure abuses. This included providing relief for 48,000 consumers who lost their homes. When it mattered the most for thousands of struggling homeowners, SunTrust did not do its job in offering sustainable loan modifications.

As you attempt to run a bank that is double the size while laying people off, will you dedicate more resources to loan modification options and take a much more proactive approach to helping struggling homeowners?

Mr. ROGERS. Chairwoman, no consumer should ever be taken advantage of. And we have committed already to increase our resources in the compliance area and in the loan modification area, and we will continue to do that as part of Truist.

Chairwoman WATERS. Thank you.

I am very concerned about servicing, and not only with this merger and your banks, but in general, I think we have a lot of work to do in making sure that we have the kind of servicing that

recognizes consumers are coming for help, asking for loan modifications.

Some of the things that I learned when we went through the crisis, for example, was there were consumers who approached a bank and said, "I cannot make my mortgage payments in the amount that I have signed up for, and so what I would like to do is reduce my mortgage payments. I can afford to pay something." For example, if the mortgage payment was $2,000 a month, they could perhaps pay $1,500 a month.

And they were told that you have to be 2 months in arrears. And, of course, I think that is not helpful. I think if the consumer is coming in advance to talk about a potential problem, instead of saying, wait until you are in default, in essence, how can servicing—how would you respond to that? In your modification process, how would you help this consumer?

Mr. ROGERS. Chairwoman, I support that every consumer needs help. Many consumers are struggling today financially, and we play a role in that. Today, what would happen—

Chairwoman WATERS. Do you do your own servicing?

Mr. ROGERS. We do.

Chairwoman WATERS. Do you require that consumers be 2 months in arrears before you can do a loan modification?

Mr. ROGERS. Chairwoman, we comply with the requirements of the servicing that we have for the GSEs. What happens today is if a consumer comes to us, they get assigned a representative who works with them on their individual situation, because every situation is unique and different and we support consumers being able to live a financial wellness and—

Chairwoman WATERS. I understand that. That is not a direct answer to my question, and I am really concerned about servicing and whether or not people in that situation would require that they have to do a refinance, et cetera, et cetera.

But it seems as if what you are saying is you comply with whatever you think is supported by GSE requirements, et cetera, et cetera, et cetera, but you are not specific in an answer to that question.

That is just one of the many questions about servicing that I have. I have been very concerned about servicing, whether it is done by the bank itself or whether it is contracted out. And we learned during the meltdown that consumers were very much disadvantaged.

With that, I will yield back the balance of my time.

And the gentleman from Missouri, Mr. Luetkemeyer, is recognized for 5 minutes.

Mr. LUETKEMEYER. Thank you, Madam Chairwoman.

Just a couple of questions quickly to understand the structure of the new bank that you are going to be forming here, is this going to be a brand new charter? Or are you taking your existing charter and just changing it?

Mr. KING. Representative, we will be using the BB&T charter.

Mr. LUETKEMEYER. Okay. Is it a State bank charter then, or is it a national charter?

Mr. KING. It is a State, non-member bank charter.

Mr. LUETKEMEYER. Okay. So North Carolina will be the State banking organization that will oversee the bank from the State bank charter position.

Mr. KING. Representative, the primary prudential regulators will be the State banking commissioner of North Carolina and the FDIC. The holding company will be primarily regulated by the Federal Reserve.

Mr. LUETKEMEYER. So you will be a member of the Federal Reserve when you are done with this as well?

Mr. KING. We are not technically a member.

Mr. LUETKEMEYER. A holding company.

Mr. KING. But they will have oversight.

Mr. LUETKEMEYER. Okay. Very good.

With regards to the capital of the new bank, are you going to have to issue any new stock or take any new stockholders in or is there enough capital between the two banks when you are merged to be able to make this all work?

Mr. KING. Representative, we have plans in place so that we will have adequate and very ample capital without having to issue any new capital.

Mr. LUETKEMEYER. Are you going to take anyone else on? Are you going to sell additional stock?

Mr. KING. No, we are not—

Mr. LUETKEMEYER. Do you anticipate selling additional stock at this point?

Mr. KING. No additional stock will be sold.

Mr. LUETKEMEYER. Okay. Very good.

When the two banks merge, obviously you will need to have a vote of the stockholders. I assume that has taken place? The stockholders are all in favor of this?

Mr. KING. Yes, we are very much in favor of that. A stockholder vote will be held on July 30th.

Mr. LUETKEMEYER. Okay. Very good.

So when you guys are merging, you wind up having to comply with the Bank Holding Company Act and the Bank Merger Act, is that correct?

Mr. KING. That is correct.

Mr. LUETKEMEYER. So there is Federal law in place that dictates how you do this from now on, and you have complied with that and you are ready to go basically?

Mr. KING. Representative, we comply with every single requirement of all of those Acts.

Mr. LUETKEMEYER. Very good. I appreciate that. I have heard that two or three times already. You are doing very good, Mr. King.

With regards to your testimony, you list several reasons behind the merger. Among those reasons you stated the need to serve your customers amidst the climate of increased competition, compliance, and cyber threats.

I guess my question would be, how important was Dodd-Frank and the additional compliance costs that you had to incur, both banks, to this decision that you made to be able to basically cut compliance costs? Was that a significant decision, part of the decision-making process?

Mr. Rogers?

Mr. ROGERS. There was never an attempt to cut compliance costs, Representative. The benefits of this merger actually is we will get to increase our investments in compliance and use technology and other resources to be more effective in complying with all the regulations.

Mr. LUETKEMEYER. I know one of the situations that we have seen since Dodd-Frank has been instituted, is this mass exodus, this big merger process, which since the merger we have had 1,812 mergers that have gone through, and we wind up with basically losing a bank or a credit union every day. And I am just curious how the Dodd-Frank Act impacted your decision here?

Mr. KING. Representative, the Dodd-Frank Act did not directly influence this decision, but there has been over the last number of years an increased level of regulation that has increased our cost, and our cost increases are a factor impacting the necessity in doing this merger.

Mr. LUETKEMEYER. Okay. What kind of costs are you incurring to be able to put this merger together? Would you be able to disclose that? Or is that something you can do?

Mr. KING. There will be a number of costs involved in combining the companies, changing signage, changing computers, and changing forms. Lots and lots of processes will need to be changed that are very expensive. That is all built into our economic forecast as we project to our shareholders and other constituents the benefits of the combination.

Mr. LUETKEMEYER. One of the concerns that I think some folks in the room have is with regards to size. And I think if you look at the business models of each one of your banks, they seem to be very similar. You still will be at a size that not necessarily can compete against the upper reaches of the financial services world in this country with regards to certain capital markets activities. I assume that you don't intend to do that.

I assume you probably want to keep basically the same business model you had and continue to be basically just a big community bank. Is that a pretty good analogy of what I see happening here?

Mr. ROGERS. Representative, I think that is exactly a fair representation, is we are bringing two low-risk models together, as evidenced by our relative G–SIB scores, which are 16 and 15 for our respective companies, compared to those in the hundreds of larger banks. So, these are two lower-risk profile companies, and we intend to maintain that as part of Truist.

Mr. LUETKEMEYER. Okay. I see my time is up.

I yield back. Thank you.

Mr. LAWSON [presiding]. Thank you, sir.

Now, the Chair will recognize the gentlewoman from New York, Mrs. Maloney, who is also the Chair of our Subcommittee on Investor Protection, Entrepreneurship, and Capital Markets, for 5 minutes.

Mrs. MALONEY. Thank you, Mr. Chairman.

And I welcome the witnesses today.

Today's hearing is necessary not only because this is the largest bank merger in recent memory, but also because of the regulators' apparent lack of interest in meaningful public participation in the merger review process. There is already a lack of confidence in the

merger review process because the regulators seem to be only as rubber stamps by simply approving every merger that comes before them. But the utter disregard for community input, evidenced by both the Fed and the FDIC at the two so-called public hearings, is particularly troubling to me.

So let me ask you, did you both testify at the public hearings in Charlotte and Atlanta?

Mr. King, yes or no?

Mr. KING. Representative, yes.

Mrs. MALONEY. Mr. Rogers, yes or no?

Mr. ROGERS. Yes.

Mrs. MALONEY. Were you asked a single question by any regulator in attendance, yes or no?

Mr. King?

Mr. KING. No.

Mr. ROGERS. Representative, we were not asked a question.

Mrs. MALONEY. Would it surprise you to learn that not even a single member of the Board of Governors at the Fed or the Board of the Atlanta Fed or the FDIC Board attended either the hearing in Charlotte or the hearing in Atlanta, or that the hearing was not live-streamed and that there is absolutely no digital record of it? I think it is an insult to the public and shows that the regulators don't take this hearing process seriously.

There were over 100 community group witnesses on 21 different panels at the 2 hearings, and yet not one single decision-maker from the Fed or the FDIC was there to hear them or to participate or to take notes or to participate in any way.

Mr. Chairman, I am going to suggest that the Fed and the FDIC pause their review of this merger until they can have hearings where the actual decision-makers hear directly from the public about the suggested merger. But it is this lack of interest by the regulators that forces us to have this hearing today so we can talk to you about the issues the public really cares about in this merger.

So now let's talk about one of those issues which the public cares deeply about, and that is gun violence. As you both said, this is a merger of equals, which means in some cases, BB&T's policies will win out, and in other cases, SunTrust's policies will win out.

One area where the two of you disagree and have very different policies is in how you engage with the gun industry. SunTrust has a very careful screening process where different committees examine the transaction, and transactions with gun manufacturers are almost always denied.

BB&T, on the other hand, has no specific gun policy and has actually done a substantial amount of business with the gun industry. Between 2012 and 2017, BB&T arranged over $147 million in loans to gun companies, and this is according to the research from Guns Down America.

Mr. King, this industry is responsible for the deaths of thousands of Americans every year. It has been described as an epidemic. We are one of the few countries where we literally have violence in our schools and mass shootings. We have an epidemic in this country of gun violence. And by continuing to lend money to the manufacturers of military-style assault weapons and magazines, your bank

is contributing to this horrible, I would say, epidemic in our country.

So, Mr. King, my question is, will you commit to adopting SunTrust's responsible lending policies when it comes to business relationships with the gun industry?

Mr. KING. Representative, we abhor all forms of violence. We are saddened by the tragedies that are happening around our country today with regard to gun violence and all of the forms of violence, especially when it affects our youngest children in the schools. It makes me personally very, very sad.

Mr. LAWSON. The gentlewoman's time has expired. Thank you.

Our next—

Mrs. MALONEY. Would the gentlemen be able to answer this question? Will he follow SunTrust's policies or ignore them? I am just curious.

Can you answer yes or no? Will you follow SunTrust's policies?

Mr. LAWSON. Mrs. Maloney, the time has expired.

Mrs. MALONEY. Okay. I yield back.

Mr. LAWSON. Thank you.

I now recognize the gentlewoman from Missouri, Mrs. Wagner, for 5 minutes.

Mrs. WAGNER. I thank the Chair for yielding.

Dodd-Frank, let's be very clear, created a world in which size equals survival. The Democrats' law reduced competition in the banking sector. It imposed barriers to entry for de novo or new charter banks and saddled financial institutions with approximately 400 new requirements that hit small, mid-sized, and regional banks particularly hard. In short, Dodd-Frank concentrated more risk in the nation's largest institutions and incentivized them to be as large as they are today. That is the direct result of Dodd-Frank.

I have some questions, some yes or no, for both of you. We will do a little rapid fire here, and there will be an opportunity for you to elaborate also, gentlemen.

Mr. King and Mr. Rogers, is there sufficient competition in banking? Yes or no?

Mr. KING. Yes.

Mr. ROGERS. Representative, yes.

Mrs. WAGNER. What about among community and mid-sized institutions, sufficient competition?

Mr. King?

Mr. KING. Yes, Representative.

Mr. ROGERS. Representative, yes.

Mrs. WAGNER. Now you can elaborate a little bit. Mr. King, how has competition changed since Dodd-Frank? And what would competition look like a decade from now?

Mr. KING. Representative, that is an excellent question. Competition has changed dramatically since Dodd-Frank, and it is primarily around the dramatic changes in technology.

Our world is changing really, really fast. We all see that through Amazon and other changes in the retail industry and other industries. It is profoundly changing our industry.

As I said in my opening statement, historically, for most of my career in banking, if you had a good branch-friendly touch type of

relationship with your clients, that was satisfactory. That is no longer okay. Today, you have to have huge investments in technology to meet the requirements of consumers, which is real-time satisfaction.

Mrs. WAGNER. Mr. Rogers, could you briefly talk about that?

Mr. ROGERS. Representative, thank you.

I would say also the competition is not only from banks. The competition has also come from fintech companies.

Mrs. WAGNER. Yes.

Mr. ROGERS. It has come from a variety of different outlets.

So the ability to compete, as Mr. King described, from a technology standpoint and a service standpoint, it is not just banks. It is that the field of competition has expanded quite significantly.

Mrs. WAGNER. So competition has changed, most particularly for community and midsized institutions.

In your industry broadly, Mr. King, what effect has Dodd-Frank had on community and regional banks?

Mr. KING. Representative, I believe Dodd-Frank, broadly speaking, has increased the requirements in terms of all of our activities. It has increased our costs.

Now there are many aspects, I should quickly say, that are very good about Dodd-Frank. So, I am not ridiculing the entire bill. I am saying that it did, in fact, increase our costs.

Mrs. WAGNER. And what kind of effects did this have as a result on consumers?

Mr. KING. The effect on consumers, Representative Wagner, is to cause the process to be more burdensome in terms of time and documentation in many cases, especially in the mortgage area. And as a result of that, it drives up our costs, and in some cases that cost is passed along to—

Mrs. WAGNER. Mr. Rogers?

Mr. ROGERS. I think, Representative Wagner, that there are many things in Dodd-Frank that were positive for our industry in terms of elements like stress tests and building more capital in the banking system which makes us much more solid today than we were pre-crisis.

Mrs. WAGNER. Are consumers better off now than they were 10 years ago?

Mr. King?

Mr. KING. Representative Wagner, I would say in some cases they are, and in some cases they are not.

Mrs. WAGNER. Mr. Rogers?

Mr. ROGERS. Representative, in some cases I believe consumers are having much more access to technology. And I think the reasons we are here to talk about this merger is to be able to invest in the type of activities that will benefit consumers going forward.

Mrs. WAGNER. That is certainly what I care about, the benefit and the cost to consumers, and to those consumers who are in Missouri's Second Congressional District.

What do you believe, briefly, in my time I have left, are some of the greatest issues facing regional banks today?

Mr. Rogers?

Mr. ROGERS. I think some of the greatest issues are related to cyber threats, being able to invest and keep up, being able to invest

and keep up with the largest banks in the country, to be competitive in products and services and capabilities.

Mrs. WAGNER. Mr. King?

Mr. KING. I would say I agree with Mr. Rogers. Cyber is number one. Very much related is having the scale to be able to invest in the technology, to be able to provide the kind of—

Mrs. WAGNER. The scale, did you say?

Mr. KING. The scale.

Mrs. WAGNER. The scale. So size—

Mr. KING. Size.

Mrs. WAGNER. —sadly, is equaling survival.

I yield back. Thank you.

Mr. LAWSON. Thank you.

At this time, I am going to recognize the gentlewoman from New York, Ms. Velazquez, for 5 minutes.

Ms. VELAZQUEZ. Thank you, Mr. Chairman.

Mr. King, you didn't have the opportunity to answer Mrs. Maloney's question, and I believe that it is an important question. So would you adopt SunTrust's policies on business with the gun industry, yes or no?

Mr. KING. Representative, our policy is to try to help our clients achieve economic success and financial security according to the laws of the land.

Ms. VELAZQUEZ. So, that is a no.

Mr. King and Mr. Rogers, under the proposed merger, will all of those employees who are looking to stay with the new institution be able to stay?

Mr. KING. Representative, we made a pledge on day one that all of our performing, client-facing associates will have a job.

Ms. VELAZQUEZ. Is that all?

Mr. KING. It is performing, client-facing people who deal directly with clients.

Ms. VELAZQUEZ. Yes, but I am asking about all of the employees who want to stay. Will they be able to stay?

Mr. KING. Representative, there will be changes in combining the two companies.

Ms. VELAZQUEZ. Okay. Thank you.

Mr. KING. And during these changes—

Ms. VELAZQUEZ. Thank you. I hear you.

Mr. Rogers?

Mr. ROGERS. Yes, there will be changes and some consolidations. Some employees won't want to move to a different geography. Some may not have skills for a different job.

Ms. VELAZQUEZ. Okay. Thank you. I hear you.

So for those who might need to relocate, what kind of assistance will be provided to them?

Mr. ROGERS. We have an excellent relocation package. We have merged the best of both companies and created, I think, an exceptional relocation package.

Ms. VELAZQUEZ. And for those employees who have the unfortunate luck of having to look for a new job, what type of compensation assistance will be provided?

Mr. ROGERS. We have a severance package, which is 2 weeks for every year of service with a minimum of 8 weeks. But, most impor-

tantly, each impacted employee will get outplacement services. They will get one-on-one coaching and the ability to find a job someplace else.

Ms. VELAZQUEZ. Thank you for that answer.

Mr. King, for 2017, BB&T's CEO pay ratio, which measures the discrepancy between your annual compensation and that of the median employee at your bank, was a remarkable 150 to 1; while, Mr. Rogers, the CEO pay ratio at your bank for 2017 was even wider, 159 to 1. Most Americans find these ratios unacceptable.

Do you believe these ratios are fair, Mr. King?

Mr. KING. Representative, my compensation is established by our board—

Ms. VELAZQUEZ. I know.

Mr. KING. —with the advice of an outside consultant and it is aligned with the long-term performance of the company.

Ms. VELAZQUEZ. Mr. Rogers?

Mr. ROGERS. Representative, I have been very fortunate. I started my career with this company. And I want to provide that same kind of opportunity to anyone who starts with Truist that they have that same—

Ms. VELAZQUEZ. What about if we start raising their salaries?

What is the starting salary at each of your banks right now? And then, under the new institution, what will be the starting salary of an employee?

Mr. KING. Representative, we recently raised our minimum compensation to more than twice the Federal minimum wage.

Ms. VELAZQUEZ. And that is?

Mr. KING. That is a little over $15, which is about $31,000—

Ms. VELAZQUEZ. Okay. I know that Bank of America also headquarters in Charlotte, and they just announced that they committed to raise the minimum wage to $20. Would you both be committed to raising the minimum wage to $20?

Mr. KING. Representative, we study that all the time. Each institution is different in terms of their location, and what the cost of living is in terms of their employees and where they live. We study that all the time. We want to be sure we are paying—

Ms. VELAZQUEZ. Will the merger produce savings by reducing the number of employees at the new institution?

So do you think it is fair to use that money to raise the salary for those—the starting salaries of your employees so that we reduce the wage gap that exists between the CEO and those employees?

Mr. ROGERS. Representative, when we merge, we have elected to pay $71 million in compensation to anyone of a certain level in our company to send the positive message that we care about them and we care about their future.

Ms. VELAZQUEZ. How about you care about those with the starting salary, those who are making only—

Mr. LAWSON. The gentlelady's time has expired.

Ms. VELAZQUEZ. —$15 minimum wage?

Mr. LAWSON. The gentlelady's time has expired.

Ms. VELAZQUEZ. I yield back.

Mr. LAWSON. Thank you.

I now recognize the gentleman from Michigan, Mr. Huizenga, for 5 minutes.

Mr. HUIZENGA. Thank you, Mr. Chairman.

I appreciate the opportunity, and I appreciate you gentlemen coming here.

I am just trying to do a little research. You are hearing the other side who clearly wants to have a system of smaller banks in the belief that somehow it is magically safer. I am a car guy from Michigan. We have all the Tier I, Tier II, and Tier III automotive suppliers, and we watch that industry pretty closely.

I was consulting with my friend, the preeminent car dealer of Texas, right down here in the row ahead of me. Don't give him an opportunity. He will try to sell you something.

But we were talking a little bit about sort of the analogy between banking and automotive, and it seems to me that we have some examples where bigger isn't necessarily better, but smaller isn't necessarily better.

And sometimes, both can be excellent. Two German cars, where you have BMW and Volkswagen, they are drastically different in size, drastically different when you are even Chrysler or the old iteration of Chrysler to GM, very different in size. And it really is about risk-taking. It is about management. It is about a number of those other things.

And as I was looking at the makeup of your two banks—and I have to admit, from Michigan, neither one of you have branches in Michigan. I think the closest that anyone gets is BB&T, with some branches in Ohio and Indiana, and the only connection really with SunTrust is all the Michiganders who go down to Florida in January, February, and March. So, I am familiar with SunTrust that way.

But according to 2018 records, BB&T, you had $225 billion in assets. SunTrust had $216 billion. And as I was looking at that, it just struck me how significant a gap there is between the truly large financial institutions that we have here in the United States, $2.7 trillion for JPMorgan Chase, Bank of America $2.3 trillion, with a "t,", that is 12 zeros for everybody watching, Citibank, $1.9 trillion, Wells Fargo, $1.8 trillion. Then, the fifth largest bank is Goldman Sachs, $925 billion, which wasn't a bank until Dodd-Frank made it a bank. Morgan Stanley, $875 billion—again, it wasn't a bank until it was made a bank. And then, it drops down to U.S. Bank at $475 billion.

Your merger is going to put you somewhere between sixth, maybe seventh, maybe eighth, depending on what is going to be happening. And I think it was you, Mr. King, in your testimony on page 6, you talked about this, and when Mr. Luetkemeyer touched on it, your systemic risk testing scores received a 15 and 16, respectively, while other institutions scored well over 400, more than 20 times riskier than your particular institutions, is that correct?

Mr. KING. Representative, that is exactly right, and that is because of the major differences in the way we operate.

Both of our companies are what we call Main Street banks. We basically serve the—

Mr. HUIZENGA. In a common vernacular, it might be plain vanilla.

Mr. KING. Plain vanilla.

Mr. HUIZENGA. So, you are not doing exotic things internationally?

Mr. KING. We are not doing international transactions. We are not doing exotic types of domestic transactions. We are focusing primarily on the businesses and consumers in our market.

Mr. HUIZENGA. And that is why you have 15 and 16 on your scores, is that right, Mr. Rogers?

Mr. ROGERS. That is correct. Those scores are based on international exposure and interconnectiveness and other elements that just don't exist with the risk profile of our individual banks or our proposed combined bank.

Mr. HUIZENGA. So, you are not Goldman Sachs. You are not Morgan Stanley.

Mr. ROGERS. Representative, that is correct.

Mr. HUIZENGA. You are not JPMorgan Chase. You are not Bank of America. You are not Citibank. You are not trying to compete internationally with large major institutions around the world.

Mr. KING. Representative, that is exactly right. But what we do is very much needed in our country today.

Mr. HUIZENGA. As a small business owner, I wholeheartedly agree. And as my seconds are ticking down, that is the kind of banking service that we need as small business owners and as entrepreneurs.

Mr. LAWSON. The gentleman's time has expired.

Mr. HUIZENGA. I appreciate your time. Thank you.

Mr. LAWSON. Thank you.

Now, we are going to hear from the gentleman from New York, Mr. Meeks, who is also the Chair of our Subcommittee on Consumer Protection and Financial Institutions. You are recognized for 5 minutes.

Mr. MEEKS. Thank you, Mr. Chairman.

Mr. King, Mr. Rogers, thank you for being here today.

As I said in my opening statement, I am concerned about the future of banking. The banking landscape is changing rapidly, and I expect that the pace of change will accelerate moving forward.

So my concern then is with all the mergers, et cetera, will there be a space? In fact, what will be the place for community banks and minority depository institutions in the American banking landscape and future? And how would those small banks be competitive in a market where the scale and technology investments dominate as your merger would do? I ask both of you.

Mr. King?

Mr. KING. Well, Representative, your concern is shared by us. There are a lot of changes going on in the world today that are impacting our industry that make it very challenging for banks like us and, frankly, smaller institutions to be able to survive and thrive.

We are competing against very large Wall Street firms, and they have the scale and capacity, particularly in technology, to make it very difficult for us. That is exactly why we need to combine to be able to have the scale and capacity to be able to compete effectively in our markets.

Mr. MEEKS. Mr. Rogers, do you want to add anything to that?

Mr. ROGERS. Representative, I believe that the banking ecosystem has room for many sized banks with many different objectives. Our job is not to exclude community banks. We think they can continue to be competitive, minority banks can continue to be competitive, we want to support CDFIs, because they are all part of that community ecosystem of which we are a part.

Mr. MEEKS. So what I am seeing is, because sometimes—and I said fintech solutions offer promise—but also, this crowding of markets with an abundance of options is good for some, but my concern is about those who are left behind—the elderly, rural communities, urban poor, banking deserts, they are left behind.

The other concern I have is in regards to small-dollar lending. I am concerned about the number of American families caught in payday loan debt traps. Forty percent of Americans cannot afford a $400 emergency without selling something or borrowing money. And the CFPB rescinded the ability-to-repay requirement, which I think would have been critical to stop the cycle of debt traps that is bankrupting many Americans.

How can we get more banks? How would you get more actively engaged in small-dollar lending to break this harmful cycle of debt traps and payday lending if your merger went through?

Mr. KING. Representative, we are very concerned as well. We are working on several things to try to help with regard to that, and, frankly, our combination will allow to us do even more.

We are very much in favor of having a small-dollar affordable loan program, and we are making efforts to try to get that approved by the regulators to be able to do that. That is a very important need today.

As Mr. Rogers said, we believe one of the ways we can help the smallest communities, in addition to our own presence—and by the way, our combined institution will have more rural community branches than all the top 4 banks by size combined. So we too are a community back and we will continue to serve the small community.

But we want to support them in different ways. CDFIs are one of the most important ways to meet small businesses and other community needs in those areas, and we want to find ways to support the CDFIs as a part of this process.

Mr. MEEKS. Let me ask this one more time, because I have asked it already. The prudential regulators are considering a process to modernize the CRA, which is important, and generally you had a physical bank located someplace else. So I am concerned that CRA compliance is increasingly being decoupled from community outcomes. What would you say? How would you look at the implementation or the modernization of CRAs so that does not happen?

Mr. ROGERS. I think, Representative, that is an excellent point, and I think modernization of CRA often gets confused with lessening of CRA. We are actually very much in support of modernization of CRA so we can do more and we can do it better and we can do it more effectively.

I think there are many opportunities to put forth technology solutions and other ways of reaching communities that can't be reached physically, and I think one of the benefits of this merger is our opportunity to do that.

Mr. MEEKS. Thank you.

I only have 2 seconds, so I yield back the balance of my time.

Mr. LAWSON. Okay. Thank you.

Now, I recognize the gentleman from Wisconsin, Mr. Duffy.

Mr. DUFFY. Thank you, Mr. Chairman.

Welcome, gentlemen. I am up here on your left-hand corner.

If you guys follow the law, you work with the regulators, and you work with the Department of Justice, and you get approval, do you think that this merger should go forward?

Mr. KING. Representative, I absolutely do.

Mr. DUFFY. Mr. Rogers, do you believe so?

Mr. ROGERS. Representative, I do, yes.

Mr. DUFFY. So let's say that there are a few people in America who are going to protest and say this is a horrible merger, bigger banks are bad, smaller banks are better, that Congress needs to intervene and say this shouldn't take place even though you followed the law.

Would that be fair to you, Mr. Rogers?

Mr. ROGERS. Representative, I think we will follow the law—

Mr. DUFFY. Would that be fair?

Mr. ROGERS. I don't think that would be fair. Because I—

Mr. DUFFY. I don't think so either. If you follow the law, the Congress shouldn't intervene and say, oh, no, Mr. Rogers and Mr. King, your two banks can't merge. But, guess what, Mr. Rogers, you have policies in your bank that say if we have detention facilities that are caring for children or detaining individuals who we may not know who they are, following American law, you say I am not going to bank them. Is that fair?

Mr. ROGERS. Representative, we consider a variety of factors—

Mr. DUFFY. Is it fair?

Mr. ROGERS. —in making those decisions.

Mr. DUFFY. Is it fair?

Let me ask you a different—do you think that detention facilities are concentration camps? Yes or no?

Mr. ROGERS. Representative, I have never used that characterization.

Mr. DUFFY. Okay. How about ICE, are ICE Nazis?

Mr. ROGERS. Representative, I have never used that characterization—

Mr. DUFFY. So you have ICE and you have some of their contractors that are following American law, and you-all tell us, I want to keep Americans safe. On the banking side, we are not a risk to anybody. But Mr. Rogers, you like, no, I want open borders. I don't want us to detain anybody in America. I don't want us to follow the law. Open borders, let everyone come in without any processes.

Is that your position at SunTrust?

Mr. ROGERS. Representative, we are not taking a social position.

Mr. DUFFY. You are not taking a social position when you say you won't bank a detention facility?

Mr. ROGERS. Representative, we consider a variety of different factors in reaching those conclusions related to the status of that business, the creditworthiness, the survivability of those businesses and—

Mr. DUFFY. So a contract with the U.S. Government, you don't seem to be a good risk. Come on. You are making a social policy judgment, and you are saying, because I was protested or because I have a social viewpoint, I am not going to bank a detention facility that, by the way, some of them hold minors and we don't know where to send these children. We have to wait and find an adult who will take the child. And we have to hold them—

Do you want us to send them out on the streets? And you say, no, no, I am not going to fund a detention facility that might hold kids before we can find an adult to take the child; that is opposed to our social policy. Or, I don't know who is coming. Are they terrorists? Are they drug dealers? Are they gang members? We don't want America to hold them. We want them released in our community. That is the position of your bank, and I guess that concerns me. That concerns me.

And I would give kudos to BB&T, Mr. King, you say, if you abide by the law, we will bank you, if you are a good risk. If you go through the banking procedures, the risk analysis, and if you follow the law, you can do business with us. And I think that is the right model. Just like I don't think we should sandbag this merger because some people don't like it. If you follow the law, and by the way, I support your merger, I think you will be a great bank together. I think you have two great businesses. It should happen if you follow the law.

And you should bank, Mr. Rogers, everyone who follows the law.

One other point. I only have a minute left.

You asked about pay ratios. I don't know if you guys have done the analysis on the pay ratio of the lowest paid employee with the Lakers and, you know, LaBron James, or with the Green Bay Packers and Aaron Rogers. Those pay ratios are huge. But guess what? You pay for performance. And if you two can't defend your pay, you can't look up here and say we should defend it.

The best talent and the best banks rise to the top. And we want the best talent there, because when we don't have great talent, bad things can happen like what happened in 2008.

And so maybe you are not paid enough; maybe you are paid too little. But you should be able to come in here and say, "I am worth every cent." Just like LeBron James and Aaron Rodgers, they are worth every cent they are paid. And if you can't defend it, we won't defend it for you. But there are a lot of spaces we can look at pay ratios that would look a little out of whack.

Get people on the wrong end of the banking industry, they don't end at 15, they start at 15. And, again, to the two of you, I—

Mr. LAWSON. The gentleman's time has expired.

Mr. DUFFY. And good luck to the both of you, but hopefully you bank all legal—

Mr. LAWSON. The gentleman's time has expired.

Mr. DUFFY. —in America. Good luck.

Mr. LAWSON. I now recognize the gentleman from Georgia, Mr. Scott.

Mr. SCOTT. Mr. Rogers, how are you?

Mr. ROGERS. Representative—

Mr. SCOTT. I must say, Mr. Rogers, when I first heard of this merger and you are moving your headquarters from my beloved

State of Georgia up to another beloved State in North Carolina, but not quite as loved as Georgia, it literally broke my heart. And it broke the heart of a lot of folks in Georgia. And that is largely because of the rich history, the legacy, all of the great things that you have done to make Georgia and Atlanta that shining light on the hill that enabled the whole world to see our great works.

But right now, I want to ask the first question, because I am sure the people of Georgia would want to know, first of all, how many jobs would Georgia lose with this merger?

Mr. ROGERS. Representative, thank you for your kind comments about our heritage.

We don't know the exact number. As you know, with this merger, there are things that we cannot discuss and cannot fulfill—

Mr. SCOTT. Let me ask you this now. Let me get a little specific. I read some material here.

For example, you two have stated that you will have 740 SunTrust and BB&T branches located within 2 miles of another branch, making them key targets for closure. You are not going to have one bank branch 2 miles from another, 740.

So my question is, how many of these branches that are located within 2 miles of another branch are in the greater Atlanta, Georgia, area?

Mr. ROGERS. Representative, I would have to get back to you with that exact number. We will reiterate what we said earlier, that for every branch teammate who is facing a client, we have assured them that they have a job. So for those who are in branches, they are not in fear of losing their jobs.

Mr. SCOTT. Those who are in branches are not in fear of losing their jobs? How can you say that when you have 740 branches just 2 miles apart? Are you are going to keep all of those open?

Mr. ROGERS. Representative, the nature of our business is we have about a 28 percent turnover annually in terms of those businesses. So we are able to say with confidence to the employees who are in those branches that if we do consolidate their branch, there will be another opportunity in another branch, hopefully in close proximity, for them to be employed.

Mr. SCOTT. You use the term, "client facing," that those job losses will be minimal.

What do you mean by "client facing?"

Mr. ROGERS. Representative, client facing is someone who interacts directly with a client every day. So if you think about a—

Mr. SCOTT. A bank teller?

Mr. ROGERS. You think about a bank teller, you think about a loan officer, you think about the people who interact every day with our clients.

Mr. SCOTT. How many people in Georgia, do you know, would require relocation, leave our State?

Mr. ROGERS. Representative, I don't know that number today, because some of those decisions haven't been made yet about what official jobs, and duties, and responsibilities may be in Georgia or may be in other parts of our country.

We did, however, commit that large parts of our business, our wholesale business, for example, our corporate business, will be headquartered and located in Atlanta.

Mr. SCOTT. Okay. And finally, I want to ask you, I was home over the weekend. My brother-in-law, Hank Aaron, who is with the Braves asked me, "What is going to happen with the name of this stadium?" Hank, of course, works up there, along with a lot of other people. And that stadium is in my district, along with Barry Loudermilk's district. It is the major economic engine in that area. You made a big commitment there.

So we want to know, because we are on our way to the World Series, and that is important. So what will my constituents in Cobb County now call the home of the World Champions, Atlanta Braves?

Mr. ROGERS. Representative, we have no better relationship than with the Atlanta Braves. And we have every intention of working closely with them to rename that park associated with our new name.

Mr. SCOTT. What will the name be?

Mr. LAWSON. The gentleman from Georgia's time has expired.

Mr. SCOTT. Home of the Braves.

Mr. LAWSON. I will get my composure back.

The gentleman from Ohio, Mr. Stivers, is recognized for 5 minutes.

Mr. STIVERS. Thank you, Mr. Chairman.

Good morning. Thanks for being here.

I want to focus my questions on the impact of your merger on customers, because I think that is what this should be all about.

This merger will give you more scale. It will give you a chance to be more competitive. It will give you a chance to invest in some things. In your written testimony, you spoke a little bit about how you will be able to invest in technology.

Can you talk about how that will serve your customers of the new combined organization?

You can start, Mr. King, and maybe both of you can comment on it a little bit.

Mr. KING. Thank you, Representative.

The world has changed so much today that the investment in technology is required to provide what I call real-time satisfaction. So for consumers today and small businesses, it is absolutely a requirement that they be able to do what they want to do, when they want to do it, where they want to do it, right here, right now. That is a really huge change. And massive amounts of technological investment dollars are required to be able to meet that need.

By combining these companies, we will be able to make those types of investments and have not only what is required but hopefully be able to meet and even exceed the expectations of our business clients and consumers.

Mr. ROGERS. Representative, I would support what Mr. King said. The consumer is in charge. And their demands are increasing exponentially based on their interactions with businesses outside of financial services. And it is imperative that we meet that standard that is set by others, because that is what the consumer expects of us.

Mr. STIVERS. Many observers believe the biggest threat to our financial system today is cybersecurity. Will this merger give you the ability to invest more in cybersecurity readiness?

Mr. KING. Representative, it will indeed. We have increased our investment in cybersecurity risk mitigation, but we will increase it even more with this combination, because we will simply have the scale to be able to afford to do it.

Mr. ROGERS. Representative, that was one of the very first things that Mr. Kelly and I talked about when we thought about this merger, because we had a very shared view about the importance of providing security for our consumers and our customers and our employees. So, cyber will be a big focus and a strong area of investment and opportunity.

Mr. STIVERS. Tell me how you will be able to invest more in our communities. I think your commitment is $60 billion over the next 3 years in low- and moderate-income communities after the merger.

Does this combined organization give you the scale to be able to do more in low- and moderate-income communities? And what does that mean toward helping those folks in low- and moderate-income communities achieve the American Dream?

Mr. KING. Representative, the way I think about that, the way we think about that, is to help these communities, which we are deeply committed to, is to first provide better housing.

As I alluded to in my opening statement, when you have housing insecurity, it is very difficult to meet the day-to-day requirements of trying to just live and to hold down a job.

The second is to have better jobs. And the third is to have better education. And we are deeply committed to housing, new jobs, and education for all of our communities, but especially our smaller, rural community areas.

Mr. ROGERS. Representative, when Mr. King and I first started talking about this merger, we coined a phrase that it had to be for something, so not just to achieve efficiencies but to improve the lives of the communities that we serve. And that has been our commitment day one from the dialogue with this merger. And I think as evidenced by the community benefits plan, but that is just one step. This will be a cornerstone of the approach that we take with our great new company.

Mr. STIVERS. Great. And I appreciate your commitment to improving the lives of the customers that you serve.

And I think, Mrs. Wagner, when she started, talked about the very competitive environment that you work in and serve in and work with customers in, and you have some competitors that have different advantages.

And, unfortunately, the regulatory environment that we live in has forced you to gain scale, to get efficiency and be able to invest in not only technology, but our communities. But I think together you are going to be a great company, and I appreciate your commitment to serving your customers. And I hope you will keep that at the forefront, not just in the merger, but all the way going forward. And I know, given the competitive landscape you compete in, you will have to keep that in the forefront.

Thank you. I yield back.

Mr. LAWSON. Okay. Thank you.

Now, the Chair recognizes the gentleman from Massachusetts, Mr. Lynch.

Mr. LYNCH. Thank you, Mr. Chairman.

Gentlemen, it's good to see you. I am worried about the trend. I understand what you are faced with. But as Mr. Scott pointed out, BB&T has 1,800 branches, and SunTrust has 1,100 branches. As he noted, you have 740 branches that are less than 2 miles apart.

We all know, and you have conceded that there will be changes in consolidation. Branches are going to close. Probably half of these that are so—well, when you have 740 banks, 2 miles apart, some of those banks are going to close.

And what I worry about is the choices of the consumers in that area. You are in a pretty consolidated geographical area, most of your banks. And so consumers are going to be in a less flexible environment if this merger goes through; they are going to have to go to your bank. And I just worry about pressure on the interest rates and loan opportunities.

I see that BB&T is into mobile banking. Is SunTrust into mobile banking as well?

Mr. ROGERS. Representative, we are.

Mr. LYNCH. Yes. And I understand that is consumer preference. But what is happening here is my community banks are going to go out of business. And I know that is what you are faced with right now. But this is the road we are going down.

Small credit unions are going to go out of business. They don't have the money to launch these mobile banking platforms. Smaller community banks don't have that opportunity as well.

I have heard my Republican colleagues blame the Democrats for making banks bigger. But then at the end of their comments, they all speak in favor of making the banks bigger. You can't have it both ways.

And so we all represent some areas that are suburban and rural. I worry about those communities when those banks go away. Think about that. Think about how generous and good a lot of the smaller banks are and how interwoven they are into the fabric of our communities.

And I am not saying you are doing this by choice. I think you are probably doing it because you think you have to. But you are still going to be a pretty big bank, probably the sixth biggest in the United States, but that doesn't mean it is a good thing for the consumer or for the towns or cities that you are located in. That is my problem.

And if we approve this or signal approval for this, there are going to be a couple more bankers coming in here in a few months with another merger, and these banks are going to get bigger and bigger.

And I just don't think—the antitrust formula that has been approved by the Supreme Court doesn't recognize the damage to consumers and the damage to communities. They just look at a very limited set of factors.

I am not blaming you, but I am saying that what you are asking for contributes to the problem.

And it is going to require another couple of banks, after you get approved—and I notice that—I think it was the Fed that raised the amount of money, the number of assets that would trigger higher regulatory scrutiny, and I imagine that is a factor in this as well.

But we are just going to have fewer and fewer banks out there, greater concentration. I don't think it is good for America. I don't think it is good for the American people. I don't think it is good for the fabric of our society to have this happen. And it is putting more and more power in fewer and fewer hands. That is the problem.

And that is the problem with Facebook. That is the problem with Amazon. It is actually antidemocratic. I don't want to lay this all in your lap, but this is part of the problem. What you are trying to do right here today is part of the problem. You were forced to do it. I understand that. You didn't make this up. You are just responding to conditions.

But, I don't even have a question for you. I just think you are doing what you have to, so I am not going to beat you up over it. But I am just pointing out that this is wrong. This is the wrong direction for this country to be going in. It is not good for the American people, not good for the American consumer, takes more power away from them and puts them at the mercy of larger and larger banks.

I yield back.

Mr. LAWSON. Thank you.

The Chair now recognizes the gentleman from Kentucky, Mr. Barr.

Mr. BARR. Thank you, Mr. Chairman.

Mr. King, Mr. Rogers, thank you for being with us today to describe why this merger is happening and what impact this will have on consumers.

You both have indicated that this merger is in part a technology play intended to provide two Main Street banks with resources to do what they have always done in an era where technology has made the financial services sector much more competitive.

Mr. Rogers—no, let me start with Mr. King.

BB&T has a significant and important presence in Kentucky. Tom Eller, your Kentucky regional president, is a good guy. I have met him and I know you have confidence in him. And Laura Boison does a great job in the Lexington market region, which I represent.

SunTrust, Mr. Rogers, does not have a presence in Kentucky. What does this merger mean for Kentucky and how will Truist serve BB&T customers in Kentucky? And I will direct that question to Mr. King.

Mr. KING. Thank you, Representative. We went into Kentucky, as you know, many years ago through multiple mergers, and we have expanded since that time.

We love Kentucky. It is a fantastic State. The people there are great, hardworking, honorable people. We as a company love, frankly, all of the rural areas in our country.

Mr. BARR. Could I just interrupt there and go back to the technology piece of this.

How will this merger help a rural State like Kentucky with those traditional Main Street values that both of your institutions represent in terms of providing credit to rural small businesses and farms? And what does technology add to that?

Mr. KING. Representative, this is something that we are really spending a lot of time focusing on right now, because we want to find better ways to meet the needs of these rural communities.

The only way our companies will be successful is if our clients and our communities are successful and grow. So, we share that concern with you.

One of the ways, for example, is to provide more digital capabilities to these areas. The people in these areas need and want digital capabilities, but in many cases, for example, they just don't have the broadband capacity.

So, one of the things we are considering as a strategy is how can we get in and be supportive with the local communities in providing more broadband capacity.

Mr. BARR. I look forward to working with Truist on that. And I appreciate the answer.

Mr. Rogers, we have heard about how increased regulatory compliance costs have created incentives to consolidate.

Please describe, with a little bit more specificity than you have already, how the newly formed institution will be better able to manage those regulatory costs?

Mr. ROGERS. Thank you, Representative.

As we said in our opening statements, compliance will be a cornerstone of what we do at Truist. So what this affords us to do is use things like machine learning, use things like artificial intelligence, use techniques and technology that will give us the opportunity to do our job of compliance even better and to make sure that consumers are protected and to make sure that we are complying with the rules and regulations that apply to our business.

Mr. BARR. Mr. King, the Basel Committee on Banking Supervision has published a methodology for defining a global systematically important bank (G–SIB). As you know, that relies on five basic indicators: size; intraconnectedness; the lack of readily available substitutes or financial institution infrastructure; and their global cross-jurisdictional activity and their complexity.

How is the newly formed bank different from a G–SIB?

Mr. KING. Representative, we are much, much, much less complex and risky than those organizations. On that scoring matrix that you described, which is actually very good and is promulgated by the Federal Reserve, each company scores about 15 or 16, and the largest institutions score well over 400.

Mr. BARR. You will obviously not be within the definition of a G–SIB even after this merger; is that correct?

Mr. KING. That is correct, sir.

Mr. BARR. And a final question to Mr. Rogers. In your testimony, you said bigger does not necessarily mean riskier. And you made the argument that the merger would actually increase competition by creating a stronger regional bank that reduces concentration of systemic risk at the top of the market.

Can you elaborate on how this merger will pose greater competition to those G–SIBs, especially if you will remain different?

Mr. ROGERS. I think it will enable us to compete with them in the areas that we are the same in the communities that serve and compete with them on the investments in technology and the ability to serve consumers.

Mr. BARR. Thank you. I yield back.

Mr. LAWSON. Thank you.

The Chair now recognizes the gentlewoman from North Carolina, Ms. Adams.

Ms. ADAMS. Thank you very much, Mr. Chairman. And thank you for convening the hearing today.

And thank you, Mr. King and Mr. Rogers, for joining us.

Mr. King and Mr. Rogers, thank you for your recognition and your kind words about the Historically Black Colleges and Universities (HBCU) partnership challenge. And of course, we have had a number of conversations with both you and members of your respective teams, and I am glad that Truist intends to follow its predecessors, BB&T and SunTrust—SunTrust is my bank right now—in taking the partnership challenge and making a public commitment to increase engagements with and investments in Historically Black Colleges and Universities.

The public pledge aspect of the challenge, though, is only part of the battle.

What would Truist's strategy for HBCU investment and engagement be? And could you just focus on your long-term and sustainable strategies rather than a one-off program?

Mr. King, you can respond to that.

Mr. KING. Thank you, Representative, and thank you for your leadership in this challenge, which we believe is very helpful for everyone involved.

We believe by working with the HBCUs and by strengthening their leadership capabilities, working with their students and their overall campuses, and in terms of investments, just like we did recently in North Carolina in terms of providing sports facilities, we think we can make the entire experience at these colleges and universities more effective.

Beyond that, we want to work very closely with these universities in providing jobs for their students. The best thing we can do is to provide curriculum support and guidance so that when these young folks come out, we can help provide them really good jobs, so they can go on to meet their goals in life.

Ms. ADAMS. So this will not be a one-time strategy; this will be ongoing?

Mr. KING. This will be ongoing, Representative.

Ms. ADAMS. Okay. Mr. Rogers, did you want to make a quick comment?

Mr. ROGERS. Absolutely. The HBCUs are critical and important parts of the communities that we serve. One of the things that we do today is create a financial wellness, to help students not only graduate, but graduate with some lessons in financial wellness to be better able to manage their budgets and be better able to manage their own financial confidence. So, that is one of the ongoing things we do.

And then, Mr. King has volunteered to sponsor something at the Leadership Institute of BB&T, which I think will be quite effective for the leaders of HBCUs.

Ms. ADAMS. Okay. Let me ask you both some yes-or-no questions.

If and when Truist begins its operations, will there be an HBCU graduate in your C-suite? Yes or no?

Mr. KING. Representative, we do have a person of color in our C-suite, and he has great involvement with HBCUs and has for a number of years.

Ms. ADAMS. So he will be in the C-suite? That is a yes?

Mr. KING. Yes.

Ms. ADAMS. Okay. Mr. Rogers?

Mr. ROGERS. Mr. King spoke for us.

Ms. ADAMS. Okay. Great. Are there HBCU graduates right now in your organizations who are on track to become members of the C-suite?

Mr. KING. Representative, I would say absolutely yes.

Ms. ADAMS. Okay.

Mr. KING. Now we need to do more, to be fair, in terms of providing training and support, and we are now working on some programs to provide more support. For example—

Ms. ADAMS. Okay. Good enough.

Let me just move on and ask about the collection of data.

Do you collect the demographic data on prospective new hires and your overall workforce? Are you doing that or will you be doing that?

Mr. KING. Representative, we do and we will.

Ms. ADAMS. Okay.

Once merged as Truist—and I am still trying to get used to that name, by the way—will you commit to including in your data collection whether a hire is—a long-term employee is an HBCU graduate? Will you have that information? Will you know it? Are you going to seek it?

Mr. KING. Representative, I am not sure if we include that now. But that is a great idea, and I will commit to you that we will do that.

Ms. ADAMS. Okay. Let me ask you one other thing. Because we have some real issues in Charlotte, where you are going to be based—I am still concerned about what your merger will mean to our communities there.

So, can I get a commitment that you and Truist will dedicate efforts and resources to securing affordable housing for long-term residents? We have a serious problem with housing. And if we can get a commitment past 2022?

Mr. KING. Representative, as you know, I have lived in Charlotte twice and now will be moving there again soon.

And we recently made substantial commitments, each one of our organizations, to affordable housing in Charlotte.

And I would expect—

Mr. LAWSON. The gentlelady's time has expired.

Ms. ADAMS. Thank you, Mr. Chairman. I yield back.

Thank you very much, gentlemen.

Mr. LAWSON. I now recognize the gentleman, the great athlete from Texas, Mr. Williams.

Mr. WILLIAMS. Thank you, Mr. Chairman. I appreciate that introduction.

First, in full disclosure, as you probably know, I am a car dealer from Texas. Second, I also played for the Atlanta Braves organization. So I do need to know, along with Congressman Scott, what

the name of that stadium is going to be. And third, I am grateful for the banking system.

That being said, contrary to what some of my colleagues seem to be implying, your two banks are currently being carefully examined by multiple Federal agencies. The Federal Reserve and the FDIC are making sure that this new entity will be safe and sound from a regulatory standpoint.

The Department of Justice is doing an analysis to ensure that there will still be adequate competition and a healthy financial marketplace for consumers.

And as both of you have said, you have held the last two statutorily required public hearings to ensure the communities that you will be serving are aware of this potential change.

So if my colleagues have complaints about the process of two banks merging, then I would encourage them to change the underlying law rather than publicly criticize your two banks who have been doing everything by the book.

On a side note, I just want to say this about minimum wage: Minimum wage is not a career, and we need to remember that.

Before we get started here, I want to ask each of you a question, starting with you, Mr. Rogers: Are you a socialist or a capitalist?

Mr. ROGERS. Representative, I am a capitalist.

Mr. WILLIAMS. Thank you.

Mr. King, are you a socialist or a capitalist?

Mr. KING. I am a capitalist.

Mr. WILLIAMS. Thank you for that answer.

Now, we have heard all of this concern about creating a new megabank if this pending merger is completed. But if I look at the business models of your two banks, compared to some of the G–SIBs in the country, they seem to be quite different, and we talked about that today. I don't see either of your banks heavily engaged in some of the riskier derivative plays of the bigger Wall Street banks, and you have talked about that.

My question to you, Mr. Rogers is, what do you want the identity of this new bank to be?

Mr. ROGERS. Representative, thank you for that question. We want the identity of that bank to be very similar to the great histories and identities of our existing banks, to be a great Main Street bank which can be a full-service bank.

As I said in my opening statement, I started with in an entry-level position and spent 39 years at the same company, and that company was always built on, if you build your community, you build your bank. We are only going to be as successful as our communities are successful.

We want to make sure that our bank is represented as someone who is a steward and a partner with the communities that we serve.

Mr. WILLIAMS. Okay. And to add to that, once you get to that position, are you looking to compete directly with the biggest, most complex financial institutions in the world in the future?

Mr. ROGERS. Representative, we are only looking to compete in the markets where we compete. We are not looking to follow them internationally. We are not looking to follow them into esoteric products.

But the places where we do compete, the places where we compete on Main Street, we want to be extraordinarily competitive with them.

Mr. WILLIAMS. Okay. On July 10th, the North Carolina banking commissioner approved the merger of your two banks. Their office released a statement that 95 percent of the comments they received during the review process were positive.

And I look at that and I think, if any of us members on this committee had a 95 percent satisfactory rate in our districts, we wouldn't have much to worry about.

So, Mr. Rogers, how do you plan on building upon that success and continuing to work with customers to avoid confusion in the areas where branches may be consolidated, as we talked a little bit about today?

Mr. ROGERS. Even with the 95 percent positive, we want 100 percent. So of the 5 percent, we have reached out to all of them, individually and collectively, to try to address their concerns, to make sure that we are responding to every need from everyone in our communities.

Our focus will be on communities. Our focus will not be to abandon communities. We have committed to keep branches in rural markets. We have committed to open branches in LMI markets, because we will only be as strong as our communities.

Mr. WILLIAMS. Okay. Mr. King, on page 2 of your testimony, you pledge to invest around $100 million annually into innovation and technology, to create a digital client experience that is second to none.

Can you briefly elaborate on some of these planned investments and the benefits that they could have for small businesses like mine back in Texas looking to secure loans?

Mr. KING. Representative, there are a number of areas, starting with enhancing our cybersecurity risk mitigation programs, which are already good, but need to be increasing every day because the risk is increasing every day. We want to keep you and us safe.

We want to provide you with the best level of client service quality every day so that when you are dealing with your clients trying to sell cars, we can be there as your partner, we can provide you real-time immediate support so that we are not the problem in terms of you being able to sell that next car.

In order to do that, we are already working on a plan to provide more all-in or total, if you will—

Mr. LAWSON. The gentleman's time has expired.

Mr. WILLIAMS. I appreciate you being here. Thank you.

I yield back.

Mr. LAWSON. Thank you.

The gentleman from Illinois, Mr. Garcia, is recognized for 5 minutes.

Mr. GARCIA OF ILLINOIS. Thank you, Mr. Chairman.

I would like to thank the two witnesses here today. I would like to dive a little deeper on the significance of this proposed merger and future implications.

The Federal Reserve approved 95 percent of bank merger applications last year, its highest approval rate since it began keeping track in 2011.

While a small number of applications have been withdrawn, the Federal Reserve has not rejected a bank merger application since 2003. It has been suggested that one reason for this high approval rating is the Fed's use of a preapproval process wherein the Fed works out issues with banks in advance of a merger announcement.

In an American Banker op-ed published in April, a former Fed attorney wrote, "It was common for a bank or its law firm to have private conversations with Fed representatives to informally vet a proposal before signing a merger agreement. If Fed representatives raised concerns about a proposal, the bank might not pursue the deal. But when Fed representatives expressed no reservations, the bank could enter a merger agreement with the Fed's implicit blessing."

Mr. King, did you or anyone on your staff meet with regulators before signing the merger agreement or filing the merger application?

Mr. KING. Thank you, Representative.

I did have conversations, phone conversations, with regulators as we are required to, because when we are doing anything that is strategic and significant in our company, whether it is related to mergers or not, we are required to consult with our regulators.

Mr. GARCIA OF ILLINOIS. So you did.

Mr. Rogers?

Mr. ROGERS. Representative, we informed the Federal Reserve that we were undertaking a merger.

Mr. GARCIA OF ILLINOIS. Did you meet with them?

Mr. ROGERS. We had a conversation with the Federal Reserve. We are always meeting with our regulators at any particular time.

Mr. GARCIA OF ILLINOIS. So you did.

Mr. ROGERS. But we informed them we were entertaining a merger versus seeking an opinion on approval.

Mr. GARCIA OF ILLINOIS. Thank you. If so, if you did, and you just answered the question, did you ask for assurances that the merger would be approved?

Mr. KING. Representative, we did not ask for any assurances that it would be approved, nor did they give us any.

Mr. GARCIA OF ILLINOIS. Okay. Did the regulators provide assurances that there would be no barriers to approval?

Mr. KING. Representative, we are a little bit limited in terms of what we can say in terms of conversations that we had with our regulators.

Mr. GARCIA OF ILLINOIS. So you can't answer that?

Mr. KING. But I can assure you that the process that we are going through is extraordinarily rigorous.

Mr. GARCIA OF ILLINOIS. Okay. I get that.

I want to ask about one potential barrier to approval, the Community Reinvestment Act (CRA).

The Federal Reserve and the FDIC must specifically consider, "the record of performance under the Community Reinvestment Act," when reviewing the merger.

In 2008, the FDIC downgraded BB&T's CRA rating from outstanding to satisfactory due to violations of the antidiscrimination provisions of the fair lending laws and regulations.

What assurances have you provided your regulators that BB&T's record will not spread to SunTrust, and how can we be sure that the $1.6 billion in operating expense reductions projected from this merger won't impair Truist's ability to comply with the CRA?

Mr. KING. Thank you, Representative. Our current CRA rating is outstanding, as it has been for almost my entire career. That particular situation was a short-term situation where there was an area we needed to correct with regard to auto lending, and that has been corrected and is being given very good ratings from the regulators.

With regard to cost reductions going forward, I can assure you that we will not be sparing any dollars necessary to provide the utmost level of Community Reinvestment Act support and overall support of our communities.

Mr. GARCIA OF ILLINOIS. Has your most recent rating on CRA—were there any problems identified?

Mr. KING. There were no major problems identified.

Mr. GARCIA OF ILLINOIS. No major ones. Any minor ones?

Mr. KING. Representative, in any examination, there are always minor ones.

Mr. GARCIA OF ILLINOIS. Okay. The lenient attitude of regulators toward mergers has led to a concentration in your industry. When markets are concentrated, consumers and small businesses suffer from higher interest rates and less favorable financing terms.

After S.2155 passed, an analyst for Wells Fargo told CNBC, "We absolutely expect bank consolidation to accelerate."

The BB&T and SunTrust merger is the most high-profile and biggest example of a merger. If this merger were approved, can we expect it to set a trend in your industry, in other words, usher in many more?

Mr. KING. Representative, the S.2155 change that you are referring to had absolutely nothing to do with our decision to merge. It was based on many other—

Mr. LAWSON. The gentleman's time has expired.

Mr. GARCIA OF ILLINOIS. But will this usher in more mergers—

Mr. LAWSON. The gentleman's time has expired.

Mr. GARCIA OF ILLINOIS. Thank you, Mr. Chairman.

Mr. LAWSON. I now recognize the gentleman from Arkansas, Mr. Hill, for 5 minutes.

Mr. HILL. Thank you, Mr. Lawson. Thanks for sitting in the chair today. You look good up there.

Mr. King, Mr. Rogers, thanks for coming today. I was in and out of the discussions today.

You filed your application with the Fed for a merger, is that correct?

Mr. KING. Representative, that is correct.

Mr. HILL. And the State of North Carolina has approved the merger?

Mr. KING. Representative, that is correct.

Mr. HILL. Are there any other States that have to approve the merger?

Mr. KING. There are a couple of other States that have to opine on the merger, yes, sir.

Mr. HILL. And in response to my friend from Illinois' question, you both have a satisfactory CRA rating, is that correct?

Mr. KING. Representative, that is correct.

Mr. HILL. The responsibility of the Fed is to evaluate the impact on all of your communities and do that in a very careful way. CRA is a big part of that. Have you been given the list of assets that you have to divest in this merger?

Mr. KING. Representative, we are working with all of the various regulatory bodies. And that process primarily originates with the Department of Justice. And we are in the process of having confidential discussions with the Department of Justice and the other regulators with regard to any types of divestitures that may be required.

Mr. HILL. Because one thing we talk a lot about in this committee is the impact on—consolidation industry on the rural counties. There are 33 counties in the country now that have no physical bank presence at all, and 2 of those are in Georgia, in Quitman and Stewart Counties. So, that is always of interest here.

But we also have 122 counties in the country that have only one bank office and 163 counties that have two. And this is something that I have seen over the course of my career where the Fed is, I think, too narrow in the definition in the Herfindahl Index in what is competition by using the deposits only and not taking into account all of the other ways that people have access to credit and access to deposits.

And they are also too narrow, I think, in this divestiture they might be considering in a rural county where it can only be sold to another commercial bank, for example. I really think if you are in a rural county, you have zero bank locations or potentially zero, or one or two, that offering opportunity for other financial institutions to buy those branch locations would be better.

Do you have any plans to ensure that there aren't additional counties in Georgia that would go bankless by virtue of the merger?

Mr. ROGERS. Representative, our combined company will represent more rural counties than any of the largest banks combined. So we have a fundamental belief and approach to rural counties.

As you identified, deposits and branches aren't the only ways to serve rural counties. And we are committed to serving all of the customers who are in our geographies.

Mr. HILL. Thank you. I hope that the Fed will broaden the definition of how they look at bank concentration in the Department of Justice and really get away from the Herfindahl Index, which I think is outdated.

My friends on the other side of the aisle have talked about bank concentration and their concerns about that. And, of course, that is a longstanding, over 200-year concern of all Americans about concentration of assets in our banking system.

But I would again argue that the fault of that is our Bank Holding Company Act, that we don't allow more variety of people to buy banks that get in trouble, and therefore, when you look at the majority's chart up there and you see failing banks, they are only allowed to be sold to what? Larger banks. It is our Federal policy,

I think, that drives bank concentration, in addition to the overregulation that has been talked about today.

Let me ask each of you, Mr. King and Mr. Rogers, are you involved in fintech partnerships? Have you gotten an emerging company that you have partnered with in the fintech world? Mr. King?

Mr. KING. Representative, we do have a partnership and are considering others.

Mr. HILL. What is the nature of the one that you have now?

Mr. KING. It is actually a very interesting company, Representative, that helps banks and other organizations with risk management processes, particularly in the AML area.

Mr. HILL. Thank you.

Mr. Rogers?

Mr. ROGERS. Representative, we do have partnerships with a variety of different fintech companies ranging from areas that are focused on consumers, related to areas that are focused on technology, all different areas that we think will enhance our ability to serve consumers in the future.

Mr. HILL. Good. I thank the Chair, and I yield back the balance of my time.

Mr. LAWSON. Thank you.

Now, the Chair recognizes the gentleman from Missouri, Mr. Cleaver, who is also the Chair of our Subcommittee on National Security, International Development, and Monetary Policy. You are recognized for 5 minutes.

Mr. CLEAVER. Thank you, Mr. Chairman.

Mr. King, Mr. Rogers, thank you for being here today.

Let me begin by paying a compliment to you. I thought it was revealing and significant that your two companies did, in fact, furnish diversity and inclusion data to the regulator. I have been on this committee for 15 years in January, and this is the first time I have seen anything like that. So, let me compliment you. That is rare, and I hope other companies will take a page out of your book in doing that. So it would at least suggest that there is great interest in trying to maintain a workforce that is diverse and looks like and represents the country.

And I have the numbers that you presented: 20 percent women, 30 percent people of color. And on the board as well and 27 percent people of color.

One of the problems we have in many of the corporations, including financial institutions, is that the ranks of the middle level are, in fact, very diverse. But the problem that, as time moves on, they don't move up.

And I am wondering, is there something that needs to be done or maybe even that you guys could do, since you seem to be a little more advanced than most of these financial institutions, where a pipeline is developed so that women and minorities don't stay at that middle level which makes the diversity numbers look good but they never go up?

Mr. ROGERS. Representative, I think you are correct in that that is one of the challenges that corporate America has about diversity at the C-suite level.

We took the opportunity, as you recognized, to put diversity and inclusion in our application, which is not required, to signify how important it was.

But most importantly, in the thousand or so people that we have chosen to move into the executive positions in our company, we realized we were at a seminal moment for Truist, and exactly what you described as we had an opportunity.

And although we wish we had made more progress, our collective executive team is 25 percent more diverse than it would have been if we had just added the two companies together. So we did want to make sure that we took that opportunity at this juncture.

Mr. CLEAVER. Are you familiar with the NFL Rooney Rule?

Mr. KING. Representative, yes.

Mr. ROGERS. We are.

Mr. CLEAVER. You too as well, Mr. King?

Do you think that works in corporate America?

Mr. KING. Representative, I think Mr. Rooney was a brilliant person, although I have never met him. I think it was a very good way to provide some discipline for the NFL and it certainly applies to any other business.

In our business, we applied the Rooney Rule, and we have expanded it to include women as well so that when we are making selections at our mid- to higher-level jobs, we imposed an expanded Rooney Rule to make sure that we are getting diverse candidates who have a fair chance before the final decision is made.

Mr. CLEAVER. I am going to yield back my time. Because normally I would—you know, you need to fuss a little bit when you are sitting up here. You have to fuss just a little, because it is almost required in Congress.

But I am going to yield back, because I am impressed with what you are doing.

I yield back, Mr. Chairman.

Mr. LAWSON. Thank you.

And now, I recognize the gentleman from North Carolina, the ranking member, Mr. McHenry, for 5 minutes.

Mr. MCHENRY. I guess we will leave the rancor down the hall, and we have a bit of comity here, which is welcome.

This hearing is fairly unprecedented. The last time this committee had a hearing that was similar to this, it was the merger of Travelers and Citi. And by the way, both of those institutions were larger than your merged institution, and that was 20 years ago, so not even adjusted for inflation. So, we are in a significantly different place.

I just want to ask you, FDIC Chair McWilliams indicated that the entire FDIC Board would vote on your merger. Is that your understanding?

Mr. KING. Representative, it is.

Mr. ROGERS. Representative, that is what I understood as well.

Mr. MCHENRY. It seems to be a fairly proactive step. Her predecessor delegated that authority and didn't require a Board vote.

Is that your understanding as well?

Mr. KING. Representative, that has happened before.

Mr. MCHENRY. Okay. But you chose the FDIC as your regulator to merge this institution for the review. Why? Why did you choose the FDIC?

Mr. KING. Representative, BB&T is the acquiring company, and the FDIC has been our primary regulator for as long as I have been with the company.

First of all, it is not appropriate to be trying to change regulators in the midst of significant combination.

And second, we have had very good regulatory scrutiny and oversight from the FDIC. And our boards combined believe that it would be an appropriate form of regulation for our company, and frankly I believe that is what the regulators would prefer.

Mr. MCHENRY. In that process, how many pages of information have you filed?

Mr. KING. I'm sorry. Could you say that again?

Mr. MCHENRY. How many pages of information have you filed with the FDIC?

Mr. KING. I would be happy to get with your staff, Representative, to give you that number, but it would be well into the thousands.

Mr. MCHENRY. Okay. Have you had public meetings?

Mr. KING. Representative, we had the 2 public meetings that were held by the Federal Reserve and the FDIC, plus we had 6 listening sessions voluntarily where we had people come in from 12 States and made presentations.

Mr. MCHENRY. How many of those listening sessions were mandated under rules or regulations?

Mr. KING. None were mandated.

Mr. MCHENRY. Okay. And you have had a lot of conversations and tried to have a transparent process. A lot has been touched on in terms of the questions on regulation.

Your merged institutions will have significant cost savings by merging your regulatory and compliance departments, for sure, but you also both highlight the need for technology investment.

According to Pew Research, in 2011, 35 percent of Americans had a smartphone. Today, it is 81 percent. How does that change the banking landscape for your institution?

Mr. KING. Well, Representative, on both sides—and Mr. Rogers can speak to this as well—it has changed it dramatically. For example, in our company today, on any given day, we have 1.8 million touches with our clients digitally and about 87,000 in the branches.

Mr. MCHENRY. Say that again?

Mr. KING. 1.8 million touches digitally or online with our clients each day and 87,000 in the branches.

Mr. MCHENRY. Okay. So the branch network is not what it used to be?

Mr. KING. That is correct.

Mr. MCHENRY. Okay. Because your customers are driving that change. What kind of investment is necessary to compete in that marketplace and to give your customers what they demand?

Mr. KING. Representative, it requires a huge investment, because we have to have not only the platforms to be able to interface with those clients, but they have to be changed almost daily.

And the reason is because consumer preferences are changing literally as we speak. It is what I call real-time satisfaction. Clients today demand to have what they want, when they want it, exactly where they want it. And it is happening in all industries, not just banking.

Even in the past, when I first started, if you had a good friendly branch system, you didn't need any kind of technology for the client.

Today, if you don't have the latest and greatest technology, you are simply not in the consideration set in terms of which institution they will pick.

Mr. MCHENRY. So, regardless of this merger taking place, your branch network in the next decade looks dramatically different than it did over the last decade; is that fair to say?

Mr. KING. Representative, I believe that is very fair.

Mr. MCHENRY. Okay. Thank you. I yield back.

Mr. LAWSON. Thank you.

I now recognize myself for 5 minutes.

Mr. King, Mr. Rogers, again, I would like to welcome you to the committee and I think I have heard a little bit of it in listening to the testimony but I want to make sure I clearly understand.

As we look at the global market, what impact would the merger have on the global economy? Specifically, what benefits and challenges would this merger have on the global market?

Mr. ROGERS. Representative, in fairness, I think this merger has a lot of impact on local communities. I think that is where the big impact is. Our operations aren't global or international by nature. So our impact is on local communities. Our impact is a Main Street impact.

Mr. LAWSON. Okay. And I thought I had heard and one thing I would like to say to you, Mr. Rogers, about SunTrust is, being in business over 36 years, I had the opportunity to deal with SunTrust on many occasions, and that relationship was always great. You even had the mortgage on my house, but I have always been really impressed with the way you handle the consumer, which brings me to this question.

A question was asked by one of my colleagues here about what is the relationship going to be with the underserved? I understand—and you commented on it again—that that is one of the relationships that you all, both you and Mr. King, have observed and talked about as this merger comes together.

Could you elaborate, Mr. King, on that again, about how does a larger institution go about looking and being in the capacity to give a smaller loan to individuals? Because one of the things that we thought that this would be a situation that exists with credit unions, but oftentimes a lot of the people, even though they have expanded, still walk into those institutions because they feel close to them, because they are all over their communities.

So, could you elaborate on how will the institution, once the merger continues, and the relationship to deal with the underserved?

Mr. KING. Representative, that is a very important area because so many of our families and individuals in this country today have very limited resources, and being able to transact business in small

amounts is the only way they can live, so we need to have products and services that make it not only available but easy for them.

So, we are doing a lot of thinking, a lot of planning, and, frankly, having discussions with regulators with regard to how we can provide better services, and it is a complex process. It is not as simple as you might expect to be able to say, we will just do it, because there are rules and regulations in terms of what types of loans and deposits and other services that we can offer, that we have to comply with every day.

But the spirit of it is important, and that is that we want to try. We want to try to open up the banking system to more people who are underserved and who deserve banking services. We believe simply that more individuals and families in this country can be better served by having access to the banking system.

Mr. LAWSON. Thank you.

Mr. Rogers, one of the questions that was asked about during the downturn in the economy was on what institutions were doing, and you all stated that you were doing everything you could to save homes.

There was a situation some years ago when people were having problems with the notes on their cars and I was able to contact your institution and asked them if they could work with these individuals? Could those individuals pay interest only until they get back on their feet? And SunTrust was able to grant that. Do you still run into situations like that?

Mr. ROGERS. Representative, there are always situations in the communities that we serve where people have challenges and problems and need some kind of assistance and some kind of help; and we want to have products, services, and capabilities to accommodate their needs.

Mr. LAWSON. Okay.

I think that was my last question.

I am going to move on and recognize Mr. Loudermilk from Georgia for 5 minutes.

Mr. LOUDERMILK. Thank you, Mr. Chairman.

And I thank you both for being here. We have had a good opportunity to have dialogue since this announcement was made back in February, and I appreciate the transparency that we have had through both sides of the merger. Quite frankly, it took some of us by surprise. As you both know, we have gone to bat a lot for small banks, community banks, and regional banks; and our first concern and my major concern was what is the impact this is going to have on Georgia?

Being the sole Republican from Georgia on this committee, I feel I represent the entirety of the State in financial services. I have a good working relationship with my good friend also from Georgia, Mr. Scott; and as he said, my first concern was over the banking community and the service to the constituents and consumers of Georgia.

As you know, as Mr. Rogers can attest, the banking community in Georgia is a very tight-knit community, with a lot of good working relationships between the locally owned community banks and the larger banks and even some recent aspects have brought credit unions into the fold of a good working relationship.

One of the things that I do is not only get the pulse of what is happening here but also back in the community, and we have had several prominent Democrats also come out and support the idea of this merger as being something good for the State of Georgia.

And so, it was a little bit different than what we are hearing here today; and, in fact, as I am sitting in the committee, I often not just listen to the testimony from you but also questions that I am getting from both sides of the aisle to try to get a sense of the pulse of what is going on here.

I think it is interesting that there has been a lot of criticism of big business coming from some of the folks here today and throughout this Congress, some criticisms of what they call megabanks; but they don't seem to mind mega-government, and big government is really what the source of the problem is. It even goes back to the founding of this nation. Thomas Jefferson wrote in the Declaration of Independence that one of their biggest concerns was the growth of government that has erected a multitude of new offices and sent swarms of officers to harass the people and eat at our substance. It is the government that is the major drain on the American economy and individuals.

I also had heard that there is concern over what you would do to local community banks and credit unions, and that was one of the concerns I had early on. I talked to a lot of our local community banks, and ever once did they mention the merger of these two banks as a concern. Their number one concern is the 400 regulations and 2,800 restrictions brought on by Dodd-Frank. That has done more damage to the banking community in Georgia.

So, I just want to lay that out there that the sense in Georgia is this is going to be a positive move. Even though there is a loss of a regional bank headquartered there, we think we are growing.

I do have some questions, though. I understand that banking operations would continue to be based—some of it would be based in Georgia. However, there are about 740 SunTrusts and BB&T bank branches within 2 miles of each other. So, my concern is the—other concerns are the possible branch closures and job losses.

Mr. Rogers, I know that you are prohibited from making decisions on branch consolidation until after the merger is approved but can you kind of comment on how Georgia consumer employees will fare after all this is settled?

Mr. ROGERS. Representative, thank you.

As you noted, I have been a proud member of the Georgia banking group for a long time. And Georgia will continue to be important to Truist.

I think the question was about—

Mr. LOUDERMILK. You have several branches of both banks that are close to each other.

Mr. ROGERS. Yes.

Mr. LOUDERMILK. I know you cannot go into details. But can you comment on what the outcome is going to be?

Mr. ROGERS. Yes. Thank you.

Mr. LOUDERMILK. The intention.

Mr. ROGERS. The outcome, the intention—as you noted, we can't disclose because we haven't been able to do the work yet on which branches in specific would be subject to decisioning, but what we

have said is that all client-facing teammates—and those are teammates and employees who exist in branches—will have employment. So, the job loss in those branches we expect to be de minimus because we will offer them other opportunities in our company in other places.

As I mentioned, we have natural turnover in that business. So, we can say with a great deal of confidence that those employees will be offered opportunities. So in the State of Georgia, if someone was in a branch and that branch got consolidated, they would have an opportunity with the new company.

Mr. LOUDERMILK. All right. Thank you.

I am running out of time. I have some other questions that I will submit for the record.

But I also want to comment on one of the big concerns I heard, which is what is going to happen to the name of the park, especially since we probably will host a World Series this year, and I appreciate my colleague on the other side strongly advocating for a Loudermilk-Scott name possibly for it.

With that, I yield back.

Mr. LAWSON. Thank you.

The Chair now recognizes the gentlewoman from Michigan, Ms. Tlaib.

Ms. TLAIB. Thank you so much, Mr. Chairman.

Thank you both for being here. I want to talk about mega-discrimination. Folks are using these various words but it is really people at home in my district who are directly impacted by some of the practices by banks, small and large, but it is the human impact. We lost more Black home ownership in Michigan than any other State.

We have seen more of kinds of practices that are happening on the ground that are preventing the majority of folks in my district who are lower-income, moderate-income families who have decent-paying jobs but for the fact that we have various systems in place, I think, that lack accountability.

And so both of you know, I have the lawsuits here and some of the settlement agreements in regard to some of the practices.

From 2005 to 2009, Mr. Rogers, SunTrust Mortgage violated both the Fair Housing Act and the Equal Credit Opportunity Act by charging more than 20,000 African-American and Latino borrowers higher fees and interest rates than non-Latino and white borrowers, resulting in thousands of families, Brown and Black families, paying more for their loans.

Could you describe SunTrust's effort to repair, to address the scheme of the discriminatory practices within the lending process right now? Because then I want to ask you about the merger.

Mr. ROGERS. Representative thank you. No consumer, regardless of race or gender, should ever be discriminated against.

Ms. TLAIB. I agree.

Mr. ROGERS. And so, we agree on that.

In that specific case, we didn't have agreement on whether we discriminate or not but we did have agreement that our policies could be better, so we have put forth policies at SunTrust that check on a weekly, daily, and monthly basis to ensure that we don't have policies and practices in place that discriminate against any-

one. We look at our compensation practices and those are monitored very effectively at our company, and our low- to moderate-income lending has increased substantially since then.

Ms. TLAIB. Yes, and there was a $21 million settlement. I think folks need to know that. That sounds like something was wrong.

Can you describe the current state of SunTrust Mortgage's monitoring efforts for discriminatory lending and if these restrictions on loan offices and mortgage brokers have been reduced?

Mr. ROGERS. They have been. We have a monthly process where we look at virtually every loan that we have made to ensure that we don't have a discriminatory practice from a pricing standpoint. We have eliminated any of that in our compensation practices and we continuously monitor for that to ensure that we don't have any defects along with that process, because this is critically important to us. That was a chapter that we are not proud of in our company and one that we do not intend to repeat.

Ms. TLAIB. Finally, what assurances can you provide the public and for us in this committee that the merger, the merged bank, will not engage in the same discriminatory lending as its predecessor? Do the settlement requirements go along with the merger, or do you all get to wipe that clean and start all over again?

Mr. ROGERS. Representative, we will never wipe discrimination clean.

Ms. TLAIB. I am glad you answered it that way.

Mr. ROGERS. The policies that we have in place will be key going forward.

Ms. TLAIB. Mr. King, will the merged bank participate, if it is in approved, in the Federal Housing Authority's Endorsement Program?

Mr. KING. What's that program again? I'm sorry.

Ms. TLAIB. If the merger is approved, the bank, both of your banks merging—I think you call it Truist—will you be participating in the Federal Housing Authority Endorsement Lender Program?

Mr. KING. Representative, we will.

Ms. TLAIB. And does the merged bank plan on adhering to the False Claims Act?

Mr. KING. Absolutely.

Ms. TLAIB. Between January 1, 2016, and September 30, 2014, your bank, Mr. King, endorsed FHA insurance for mortgage loans that did not meet the HUD underwriting requirements and did not adhere to FHA's quality control requirements—to continue to have loans backed by FHA, your bank lied to continue to participate in FHA's Direct Endorsement Program.

So, Mr. King, could you describe how your bank has addressed this issue and the effectiveness of the changes implemented?

Mr. KING. Thank you, Representative.

We did, like most institutions, have challenges with regard to our processes to meet the utmost standards.

Ms. TLAIB. I know, Mr. King, but calling it challenges and not lies does not mean you are going to address the problem and I know I don't have enough time. We can talk offline but—

Mr. LAWSON. The gentlelady's time has expired.

Ms. TLAIB. —please don't call it challenges. It was lies. You misled them.

Mr. LAWSON. The time has expired.

The Chair now recognizes the gentleman from North Carolina, Mr. Budd.

Mr. BUDD. I thank the Chair.

As a Winston-Salem native, I know that BB&T's contributions to our local economy and charitable causes have helped a lot in a lot of parts of our State. So, the name means a lot to our community; and I am happy to have you here, Mr. King, along with you, Mr. Rogers.

Look, we all know that this is a political hearing. Both of your banks are strong. Both of your banks are following a detailed merger process. And the North Carolina Commissioner of Banks, Ray Grace, approved this about 2 weeks ago, on July 10th.

That being said, I have a couple of questions. I want to start with you, Mr. King. Can you tell this committee more about your experience back, this is maybe a decade or two ago, when you were in Wilson, North Carolina? You moved to Winston-Salem, so a bigger community, leaving a smaller community. And how did Wilson fare after you moved to Winston-Salem?

Mr. KING. Thank you, Representative.

I think that is a very insightful and fair question because that was a merger of equals as well.

Our company, BB&T, merged in a merger of equals with Southern National Company and as a part of the transaction, we did move our headquarters out of Wilson, a town of about 30,000 people. There was great concern at that time in the community that the loss of jobs would be catastrophic.

We told the community at that time that we were merging to go forward to grow and prosper and that we thought that it would be good for the community and, in fact, at the time we did the merger in 1995, we had about 1,000 employees in Wilson, and today, we have over 2,000 employees there. The community has continued to thrive. We are, in fact, building a brand new state-of-the-art headquarters there today as we speak.

And so, it has turned out to be very good for Wilson. It has turned out to be good for Winston-Salem, just as I believe the Truist combination will be good for Atlanta, good for Winston-Salem, and good for Charlotte.

Mr. BUDD. Thank you.

So, following up—and this is a bit the inverse of my colleague, Mr. Hill from Arkansas, his questions, which were about rural communities. My question is, what role do you see rural communities playing in the future of your business? I want to see how you are engaged there. And how does Truist plan to stay involved in small-town America?

Mr. KING. We believe very strongly, Representative, in supporting rural America. Rural America is at the roots, if you will, of our great country. We grew up as a farm bank, and for almost my entire career we have served almost predominantly rural areas. We will continue to be deeply committed to rural areas.

We have expressed that through our actions. Over the years, we have acquired major institutions in West Virginia and in Kentucky.

We have expanded in our old markets in North Carolina and South Carolina. We are active in southern Georgia. We like, to be honest, small markets as well, or better, than large markets. They are all really important.

I can say to you that I firmly believe our commitment to small, rural America will be no less than it has been in the past and will almost certainly be greater because we will have more capacity to make more investments in those communities.

For example, we recently made a $5 million-commitment to West Virginia to help fight the opioid crisis. Recently, we committed $5 million in eastern North Carolina to help build and restore housing that was wiped out by floods. We are building headquarters, as I mentioned, in Wilson but also in Whiteville. We are doing things in small communities today that we simply don't have to do by any regulation or any mandate. We are doing it because it is the right thing to do.

Mr. BUDD. Yes, every time you have mentioned a different area, I can put faces and names with those stories. So, thank you so much for what you are doing there.

Mr. Rogers, continuing on, how do you think rural and smaller communities will fare as technology advances the business of banking? Things are changing. How can you make sure that the rural and these smaller communities don't get left behind when it comes to technology?

Mr. ROGERS. I think that will be critical, and that is one of the key reasons for this merger is to afford the opportunity to reach out to all of our communities. The rural communities will be a big part of that. If you think today as sort of what a tractor looks like and think about all the technology that exists on that, that is the same with financial services is those rural communities want the same type of benefits and the same type of opportunities. They want to deal with financial services just like they deal with everything else that is part of their infrastructure.

And I think this is going to afford us the opportunity. I think we will really be the bank that will be recognized for physically and digitally and humanly serving rural markets.

Mr. BUDD. Very good.

I think my time has nearly expired.

Mr. Chairman, I yield back.

Mr. LAWSON. Thank you.

The Chair now recognizes the gentlelady from New York, Ms. Ocasio-Cortez.

Ms. OCASIO-CORTEZ. Thank you, Mr. Chairman.

Mr. King and Mr. Rogers, as you understand it, this is the largest bank merger since the 2008 financial crisis, correct?

Mr. KING. Correct.

Mr. ROGERS. Representative, I believe that is correct.

Ms. OCASIO-CORTEZ. Okay. As a part of the settlement with the government, Mr. King, BB&T admitted that between January 1, 2006, and September 30, 2014, "it certified for FHA insurance mortgage loans that did not meet the HUD underwriting requirements," meaning that it sold the public junk mortgages and as a result of that settlement, your bank paid $83 million to the public. Is that correct?

Mr. KING. Representative, in that experience this was a conclusion by the FHA that some of our documentation was not up to their standards.

Ms. OCASIO-CORTEZ. I see.

Mr. KING. And as a result, they denied the guarantee of the loan between the FHA and BB&T. It had nothing to do with the client. It was between our company and the FHA.

Ms. OCASIO-CORTEZ. Thank you.

And, Mr. Rogers, in 2014, the CFPB, the DOJ, HUD, and the AG in 49 of the 50 States, plus the District of Columbia, reached an agreement requiring SunTrust to pay $968 million for engaging in, "systemic mortgage servicing misconduct." Is that correct?

Mr. ROGERS. Representative, that is correct.

Ms. OCASIO-CORTEZ. Okay. And in a statement released by the CFPB, SunTrust was found to have engaged in illegal foreclosure practices, providing false and misleading information to consumers.

Regardless of intent, these things have happened. They have been documented as having happened. And we often rely on watchdogs to make sure that the public is being protected; but if this merger is approved, the FDIC would be the primary regulator for you both, is that correct?

Mr. KING. Representative, that is correct.

Ms. OCASIO-CORTEZ. In other words, the FDIC Chair would be responsible for overseeing the largest bank for which the FDIC has served as a primary regulator.

Are you aware that only three of the five seats at the FDIC are filled?

Mr. KING. Representative, as I understand it, that is correct.

Ms. OCASIO-CORTEZ. So, the FDIC is supposed to be an impartial watchdog, except the only vacancies on the FDIC are for Democrats, so currently, the FDIC is only chaired by Republicans. Correct?

Mr. KING. Representative, I believe that is correct. That is not my specialty.

Ms. OCASIO-CORTEZ. Of course.

So, right now we are dealing with an all-Republican FDIC when it is supposed to be impartial which, I think, raises questions, Mr. Chairman, about the potential politicization of a merger, which should not be the case.

Are you also aware that the FDIC Chair, the White House official responsible for filling these vacancies, and SunTrust head lobbyists were all employed by the Republican Senate Banking Committee?

Mr. ROGERS. Representative, I was aware of that.

Ms. OCASIO-CORTEZ. Okay. In other words, the primary regulator who is supposed to provide oversight of the industry, ask the toughest questions, and scrutinize the merger has longstanding ties through her former employment to one of the banks requesting this merger.

I think it is something that should be noted and I think it raises questions about the process through which it is happening on the executive level. I understand you are not responsible for those appointments.

And, lastly, it is also true that this will be the largest bank, even though it would not be deemed too-big-to-fail nationally. This will be the largest bank in Georgia, West Virginia, and Virginia, and the second largest bank in Maryland and North Carolina. Correct?

Mr. KING. I believe that is correct.

Ms. OCASIO-CORTEZ. Okay. Thank you.

I yield back.

Mr. LAWSON. Thank you.

The Chair now recognizes the gentleman from Tennessee, Mr. Rose, for 5 minutes.

Mr. ROSE. Thank you, Mr. Lawson. I appreciate the opportunity.

And thank you, Mr. King and Mr. Rogers, for being with us today, although I must say, to some degree, I question why we have you here. It has long been my belief that free markets with proper regulatory oversight bring about outcomes that work efficiently for both consumers and share holders.

Banking, of course, is a highly competitive industry. Shareholders demand their banks are innovative and serve the needs of customers because otherwise those customers, quite simply, will go somewhere else and I am sure you have both experienced that. At the end of the day, history shows us that competition is the ultimate consumer protection.

And I share the concerns of some of my colleagues across the aisle about the politicization, if I say that correctly, of the regulatory oversight and so I might just say that our intervention in mergers like this where there is a proper regulatory framework, I think is, in fact, the source of in some cases of that politicization, if I can say it.

And I appreciate also the concerns from my colleagues from Georgia, notwithstanding their maybe outsized claims about the prospects for their local baseball team, and it struck me that it was just 30 years ago that SunTrust merged with the old Third National Bank in Nashville and there were concerns then about the future of that institution as it related to both Nashville and the broader Tennessee community. But I think that experience also proves that those combinations led to efficient markets, and I think we should trust those markets for the market-optimizing solutions that we trust free markets to deliver.

I do have concerns that I wanted to address with the two of you today about what I fear are lingering effects of Operation Choke Point, particularly with regard to bank customers that operate independent ATM machines and networks.

And I wonder if the two of you could address this and let me know, have either of your banks unbanked independent ATM operators in the past 18 months, and what visibility can you give us to your policy going forward with respect to dealing with those particular customers?

Mr. KING. Representative, I do not recall us unbanking anybody dealing directly as an independent ATM operator nor would I find that to be an offensive business. We are for competition. We would say that anyone that operates an independent ATM operation should follow the rules and regulations that are promulgated, that apply to all of us so that our clients will be safe in terms of their

privacy of information and the privacy of their money and security of their money.

Mr. ROSE. Mr. Rogers, do you have anything to add?

Mr. ROGERS. Representative, I am not aware of any action we have taken but I would have to get back to you on that.

Mr. ROSE. I would appreciate it if you would get back to me following the hearing on that.

I note that Operation Choke Point has ostensibly been ended and is a stain in my opinion on some of our government regulatory and criminal justice or justice players.

But I wonder if your banks are continuing to receive any pressure from bank regulators or other governmental authorities to unbank customers of any description?

Mr. KING. Representative, we are not.

Mr. ROGERS. Representative, I have not had that experience.

Mr. ROSE. And then my concerns about the remnants, if you will, of Operation Choke Point and related or similar unbanking efforts or movements driven by perhaps special interest extends to other legal businesses and industries.

In particular, I might mention a few: gun dealers and manufacturers; small-dollar lenders; and legal detention center operators.

Given the scale of the combined institution that Truist will be, could you tell us a little about if you have any plans and what your policies might be going forward with whether or not you might choose to disfavor what are otherwise legal businesses?

Mr. KING. Representative, we cannot speak specifically with regard to what the Truist policies will be since Truist does not exist today. We will have a process where management will make recommendations to our board, and they will approve the final policies for Truist.

But for BB&T, I can tell you that we try very hard to help our clients achieve economic success and financial security. We focus on lawful institutions and then we consider many other factors, financial and economic, in terms of deciding whether or not they are a bankable enterprise.

Mr. ROSE. And that seems very reasonable.

Mr. Rogers, could you—

Mr. LAWSON. The gentleman's time has expired.

Mr. ROSE. Thank you.

I yield back.

Mr. LAWSON. Thank you.

The Chair now recognizes the gentlelady from Ohio, Mrs. Beatty, who is also the Chair of our Subcommittee on Diversity and Inclusion. She is recognized for 5 minutes.

Mrs. BEATTY. Thank you, Mr. Chairman.

And thank you, Mr. King and Mr. Rogers, for testifying today and for also coming in to talk to me about diversity and inclusion. I am going to take the limited time I have to divide it into two parts.

My first part is I have been listening carefully and intensely to my colleagues on both sides of the aisle. So, I am going to ask you to listen intensely for my first 50 percent of my comments.

I have heard you both talk about local communities. I have heard my colleagues on both sides, Mr. Chairman, talk about big govern-

ment and not big banks. Maybe it is both. For me it is about constituents, your consumers. It is about communities, and it is about collaboration.

So, here is what I want to say to you. When you have bank mergers—and some of this is through no fault of your own—you find out about the branches, and I know there are legal things you can't disclose.

For me, let me tell you how I connect the dots. I have people who will come in and say they have lost their jobs because of mergers. I have communities who will say it was the only bank in my community, like when we take away grocery stores and create food deserts. I really respect the technology and online.

But let me just tell you in my district, in many rural parts of the State of Ohio, people can't get online. There are elderly people who can who choose not to and that they go—my father walked into his bank every weekend and banked. He never thought about getting online. I have young people who get online. I have Gen X and Gen X who only get online but they, too, have concerns when you have mergers, because they are underbanked or they are unbanked, and they can't get their loans and mortgages.

This week, I have had more people call me about, how do we close the wealth gap and the lack of affordable homes, and that ties directly back to getting loans or knowing how to bank.

The other thing right here in this committee, 56 Members, Democrats and Republicans, voted for a bill that I put out that the Federal Reserve banks must have people of color sitting there because it makes a difference when you are in the room. If there is a female, if there is a person who is Brown or Black, knowing the experiences that many others haven't had, I personally believe it makes a difference.

So, when I think about what are the real issues here, it is about getting educated, getting the communities educated, and you doing a better job. When you pull it up and you see all these lawsuits, you see the Black farmers are opposed to this, because they have not been educated.

For me, it is structural, racial disparities that we need to work on. So, let me go to the DNI and say you have done a great job in presenting your case on what you have done.

Here is where you haven't done a great job, and here is where it ties into the wealth gap. When I look at what I call business diversity—and we have had this conversation. So, let's just take for the sake of time when we talk about utilizing diverse asset managers across your various platforms, including the 401K, the pension plans, the wealth management; that is where banks like you have failed. We do not have it. If we look at the law firms and the accountants, I won't go through the numbers because they are minuscule.

So, my question to you for us to take away all of the negatives—and they are out there—and how we deal with removing the disparities, it starts with a commitment to a plan. And so I am asking, what are your partnerships with the Urban League, with the NAACP, with the Hispanic Caucus, with women's programs, with the farmers' programs, with the veterans? Those are the kinds of

things you have to do to build platforms. It is not always money. It is access and fair treatment.

So, I am asking for a commitment from you to go beyond the technology—technology is wonderful, but it cannot be the answer to everything.

So, you have 15 seconds apiece to say something.

Mr. KING. Thank you, Chairwoman Beatty.

We agree with what you are saying. We want to support diversity and inclusion in any form and fashion we can. We recognize there is much work to be done. We recognize that it is going to take a collaborative effort. There are a lot of things that need to be focused on, as you know better than most.

We believe some of the most important areas are housing, jobs, and education. We talked about, when we met, the issues in education in this country. We simply have to provide a more even playing field for education for those that are—

Mr. LAWSON. The gentlelady's time has expired.

Mrs. BEATTY. Thank you.

I yield back.

Mr. LAWSON. Now, the Chair will recognize the gentleman from Tennessee, Mr. Kustoff.

Mr. KUSTOFF. Thank you, Mr. Chairman.

I appreciate Mr. King and Mr. Rogers being here this morning to testify.

If I could for a moment, I would like to comment on the question from the gentlewoman from New York regarding the composition of the FDIC. I believe there is one Democrat on the FDIC Board, Marty Gruenberg, who was the Chair of the FDIC during the Obama Administration. I believe, as the ranking member has already noted, Chairman McWilliams has indicated that the full FDIC Board will vote on this merger.

Mr. Rogers, I represent part of Memphis, Tennessee, and also the west Tennessee area. You had a predecessor bank in Memphis, National Bank of Commerce, which you acquired in the mid-2000s.

And if I could to both of you, we have talked this morning about branch closures, the evolution of technology, changing consumer habits. But if your banks merge, can you anticipate what the geographical footprint of your combined bank would be 3 years down the road and 5 years down the road? In other words, will you operate in other States that you currently don't operate in today or can you envision that?

Mr. King?

Mr. KING. Representative, I can envision that our footprint will look substantially like it does today, which is 17 States primarily in the south and southeast, expanding over to Texas. I can see us having a very diverse footprint between metropolitan areas and a lot of rural areas.

As you may know, we are very much and happily invested in places like eastern Tennessee, western Tennessee, Kentucky, West Virginia, and eastern North Carolina. We like those markets. I would expect we would continue to invest in those markets in the foreseeable future.

Mr. KUSTOFF. But you do not see any geographic expansion in terms of other States 3 years down the road if the merger is, in fact, approved?

Mr. KING. Representative, it is changing. The world is changing really fast. It is hard to see that far, but we have a lot of work to do to make sure we take care of clients and communities in our existing footprint.

Mr. KUSTOFF. Thank you.

As it relates to the evolution of technology—and my colleague, Mr. Rose, asked you about independent ATMs. What do you see as your ATM commitment in the regions that you serve?

Will you grow the ATM network? Are people using ATMs these days? And what do you see, again, 3 years down the road and 5 years down the road?

Mr. ROGERS. Representative, I think, like many of the things that we will be doing, it will be driven by the consumer. It will be driven by what is able to be done at an ATM. Today, we have ATMs that take deposits. We have ATMS that allow you to have a physical interaction with a representative.

So, a lot of it will be dependent on what consumers want and how we deliver that and whether that can or will be delivered through an ATM. So it is hard to say 3 years from now whether we will have more or less ATMs, but I am confident we will have more capability to serve our clients in the physical and the digital ways in which they want to be served.

Mr. KUSTOFF. You have touched on this, both of you have, at various times this morning. Why the need to merge? What economic conditions and what regulatory conditions drove you two to the decision that for the ultimate benefit of both banks, you need to merge?

Mr. KING. Representative, the primary factors are market driven, economically driven, and financially driven. The world has changed really, really fast in retail in general, and particularly in banking, and it is primarily around the use of technology.

Historically, a relationship is based on quality, and quality was defined as the touch or the personal interaction. Over the last 4 or 5 years, that has changed dramatically. People expect today what I call real-time satisfaction. They expect to have the technological platform, the technological capability to be able to do what they want to do, when they want to do it, where they want to do it.

So, as two separate institutions, we are doing okay, but as we looked forward, we saw a marketplace that was changing fast, and the larger institutions were becoming very good in the technological area. We simply believed, by combining together, we will be able to meet our clients' and our communities' needs even better.

Mr. KUSTOFF. And you could not, existing the way you exist today as separate entities?

Mr. KING. Representative, we do not believe that we can compete effectively today nearly as well as we can combined.

Mr. KUSTOFF. Thank you.

I yield back.

Mr. LAWSON. Thank you.

The Chair now recognizes the gentleman from Texas, Mr. Green, who is also the Chair of our Subcommittee on Oversight and Investigations. You are recognized for 5 minutes.

Mr. GREEN. Thank you, Mr. Chairman.

I thank the witnesses for appearing as well.

Is it true that last week, BB&T reported record earnings of $842 million with assets of approximately $226 billion? Is this true, Mr. King?

Mr. KING. Representative, that is true.

Mr. GREEN. And is it also true that SunTrust has assets of about $216 billion?

True, Mr. Rogers?

Mr. ROGERS. Representative, that is correct.

Mr. GREEN. And is it true that, while you may not be making the profits that you desire—I am not sure anyone ever does, but is it true that you are not going out of business anytime soon, either of you?

Is that a fair statement?

Mr. KING. Representative, I would not expect us to go out of business anytime soon.

Mr. GREEN. Mr. Rogers?

Mr. ROGERS. Representative, I think that is a fair statement.

Mr. GREEN. And is it also true that the two of you, should you merge, will have some 740 branches within 2 miles of each other?

Fair statement?

Mr. KING. Yes, sir.

Mr. GREEN. And is it also true that branches within 2 miles of each other can at some point be deemed as, you are competing against yourself? Fair statement?

Mr. KING. Well, Representative, all of the banks in those markets, whether they are 2 miles apart or 3 or 4 miles apart, are competing against each other.

Mr. GREEN. But you would not want to compete against yourself, would you?

Mr. KING. We would tend not to want to compete against ourselves.

Mr. GREEN. Which means that you would likely close some of these institutions so as to avoid self-competition. Nobody competes against himself or herself, if possible.

Mr. KING. Representative, this is a very complex area, and if I may, just because a branch is 2 miles apart does not mean that we would rule it to be not necessary.

Mr. GREEN. Then, my guess is that you would be amenable to having it recorded among the merger documents that you will not close any of these banks that are within 2 miles of each other, fair statement?

Mr. KING. Representative, we have said that we are not going to close any branches in any States where we both do business for at least a year. We have said in rural markets or smaller markets—

Mr. GREEN. Excuse me for interrupting, but time is of the essence. Within a year, my belief is that we will probably have a lifespan that will exceed a year. People who are working will want to keep their jobs beyond one year. So, what you are saying is that

you may close after a year some of these banks that are within a couple of miles of each other, fair statement?

Mr. KING. Representative, that is a fair statement. We have also said that our client-facing performing associates will not lose their jobs.

Mr. GREEN. Okay. If they will not lose their jobs, does that mean then that you won't have any layoffs at all?

Mr. KING. Representative, I did not say that, sir. We have said to our client-facing performing associates that they will not lose their jobs. There may be other opportunities throughout the entire enterprise where associates may be offered different jobs or opportunities.

Mr. GREEN. Well, let's accept what you've said. Let's accept it. I will note that in 2004 when Bank of America merged with FleetBoston, they cut 12,500 jobs, approximately 7 percent of the workforce; and a few banks will advertise that we will be cutting some significant portion of our workforce at the genesis of a merger.

But let's put that aside, and let's accept what you have said as the gospel. My grandfather was a preacher. So, forgive me. But let's accept it as the gospel that there will be no jobs lost. Are you amenable to having it made a part of your merger documents that, in fact, make it conditioned upon no jobs being lost?

Mr. KING. Representative, there are economic factors in this—

Mr. GREEN. See, that wasn't what you said just a minute ago now. You said no jobs would be lost, and I am accepting that as the gospel. So let's put that gospel into the Bible. The Bible will be the merger documentation. Can we do this?

Mr. KING. Representative, I am a Baptist. So, I like to tell the truth.

Mr. GREEN. Well, good for you.

Mr. KING. I did not say what you said. I said no client-facing performing associates would lose their jobs.

Mr. GREEN. Oh, well, then I am a Baptist as well, and I like to be corrected. Having been corrected, you are saying that some people will lose their jobs then?

Mr. KING. Representative, it is likely that some people will lose their jobs.

Mr. GREEN. So, now let's go back.

Mr. Chairman, I ask unanimous consent that I have an additional 2 minutes, without objection.

Thank you, Mr. Chairman.

Now, we do have people losing their jobs. Let's talk about what we will do for the people who will lose their jobs as we acknowledge that there will be job losses; and I am not going to try to nail you down to the numbers, so you can relax, okay? But we do know that people will lose their jobs.

Are you amenable to doing more than 2-week's severance, which is not a golden parachute? That is what the two of you would get when you exit, golden parachutes, and I am not opposed to golden parachutes, but those are lead parachutes for the people who work at the lower levels in these banks.

So, will you guarantee more than a few weeks of severance and more than simply counseling people? That is good. Some people will

probably need additional training. Some people will probably need some additional support beyond the usual severance package. So now you are about to merge, and you have indicated that there will be job losses. You are doing quite well. You are making $842 million in earnings, which is a record for you. You are going to do well.

I am not saying to you that you have to guarantee people a job for life, but you both have said that there is a good likelihood that you won't go out of business anytime in the near future. So, if you just stay apart, the people who are working will probably be able to keep their jobs, minus bad behavior, lack of competency, or other things, but they will be able to keep their jobs.

So, if we are going to see this merger take place with two companies that are doing quite well, why not in your merger documents indicate that you will do more than severance and counseling? Would you be amenable to having that in the merger documents?

Mr. KING. Well, Representative, first, neither one of us is getting a golden parachute with regard to this merger.

Second, we will do everything we can for our associates. I have been involved in almost 100 mergers—

Mr. GREEN. Excuse me. Then you can indicate in your merger documents that you will provide more than counseling and severance. Will you do this?

Mr. KING. We will do everything we can possibly do—

Mr. GREEN. Okay. I am going to recommend that that be in the merger documents.

I thank you very much. A good Baptist. I love you. I yield back.

Mr. LAWSON. Okay. Without objection, the gentleman from North Carolina is recognized for 2 minutes.

Mr. BUDD. Thank you, Mr. Chairman.

So, we are talking about job loss, and job creation here. Mr. King, you mentioned, when we were talking about the 1995 merger with Southern National, leaving a small town which, of course, was going to be fearful for their jobs but you said it had 1,000 jobs then and it now has 2,000 jobs.

What were some of those jobs that were created?

Mr. KING. We made Wilson our technology center, and over the course of these years we have created a huge number of technology jobs and support jobs that support those technology jobs. There have been marketing jobs that have been created and a number of other types of administrative jobs. It is primarily support jobs that are very stable jobs.

Mr. BUDD. So these jobs are minimum wage? I wouldn't think they would be.

Mr. KING. Representative, these would be relatively much higher paying jobs.

Mr. BUDD. One of you mentioned earlier talking about branches having, just the nature of the branches, they have some higher turnover; and we are talking about branches within 2 miles of each other, sort of a concern there if you happen to close one of those one day. You talked about there not being expected layoffs because you could give them opportunities either in another branch or maybe even somewhere else in Truist, the combined bank.

Talk a little bit about that.

Mr. KING. Representative, that is exactly what happens. I have been through many mergers, as I indicated, and what we do with the branches is to provide that people don't lose their jobs, as I indicated. We promise them jobs. Even if we consolidate branches, we pull the employees together because we still have the business. Then sometimes they relocate, but they have jobs.

In the back room we work very hard to offer, first of all, our associates opportunities to retrain and take other jobs, relocate to markets where there are openings for their existing job; and then in the final analysis, if we try really hard and can't find a job, we have a very robust outplacement service and relocation service for them.

Mr. BUDD. Thank you.

My time has expired.

Mr. LAWSON. Okay. I would like to thank the witnesses for their testimony today, and I see the chairwoman just walked in. I did want to see if she had any comments before we adjourn. Thank you.

The Chair notes that some Members may have additional questions for this panel, which they may wish to submit in writing. Without objection, the hearing record will remain open for 5 legislative days for Members to submit written questions to these witnesses and to place their responses in the record. Also, without objection, Members will have 5 legislative days to submit extraneous materials to the Chair for inclusion in the record.

This hearing is now adjourned.

[Whereupon, at 12:57 p.m., the hearing was adjourned.]

A P P E N D I X

July 24, 2019

House Financial Services Committee

Written Statement of Kelly S. King

Chairman and Chief Executive Officer

BB&T Corporation

July 24, 2019

Chairwoman Waters, Ranking Member McHenry and distinguished members of the Committee. Thank you for providing this opportunity to talk about the proposed merger between BB&T and SunTrust banks.

Benefits of the Merger for All Customers

The combination of these two iconic franchises is a true merger of equals. Bringing together two companies with client-centric cultures and compatible business models will create a stronger organization that is strategically positioned to meet the evolving needs of customers. By bringing the best of both companies together, we will be creating the premier financial institution of the future.

Our goal is to produce a bold, transformative organization that delivers a smarter and easier client experience through technology and human connection while embracing new technologies. The combined company will maintain a culture of delivering superior customer service, preserve the community banking model and maintain close ties to our communities. Both of our institutions are strong, and together we can create tremendous value for our clients, associates, communities, and shareholders.

True to the heritage of both companies, the combined company will operate under a new name and brand, Truist. Truist will reflect what we stand for – a shared belief in building a better future for our clients and communities.

For more than ten years, I have been very proud to lead BB&T, a mission and a purpose-driven company that has honorably served our clients and the communities where we conduct business for more than 145 years.

Our mission at BB&T has long been a simple one: to make the world a better place to live.

We accomplish that objective by helping our clients achieve economic success and financial security; by creating a place where our associates can learn and grow and be fulfilled in their work; and by fostering investment and economic growth that support local communities.

SunTrust lives these values as well.

Commitment to Communities

Our companies share a belief that our economic success is inextricably tied to the success of the communities in which we operate. For the last decade, BB&T's associates have participated in an annual community service effort called the BB&T Lighthouse Project. Since 2009, we have completed more than 12,000 community service projects, providing more than 640,000 volunteer hours, positively impacting

the lives of more than 18 million people. This is the type of spirit for bringing about positive change in our community that will guide and inform our new company.

Accordingly, BB&T and SunTrust recently announced a new Community Benefits Plan that would provide $60 billion in loans and investments to low- and moderate-income borrowers and communities over three-years from 2020 to 2022.

The $60 billion commitment includes $31 billion for home mortgage loans to LMI borrowers, $7.8 billion for lending to small businesses, $17.2 billion in Community Development Lending to support affordable housing development, and $3.6 billion in CRA Qualified Investments and Philanthropy. Additionally, the combined company plans to further the legacy institutions' commitments to underserved neighborhoods by seeking to open at least 15 new branches in LMI and majority-minority communities across its future footprint.

The support provided through the Truist Community Benefits Plan will benefit communities across the combined institution's footprint in Alabama, Arkansas, D.C., Florida, Georgia, Indiana, Kentucky, Maryland, Mississippi, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia and West Virginia.

The Community Benefits Plan is a direct result of input received during listening sessions that BB&T and SunTrust hosted in metro and rural communities around the combined institution's forecasted geographies, as well as from comments shared during public meetings regarding the proposed merger. The Community Benefits Plan exemplifies what Truist will stand for and how it will support local communities in the years to come.

BB&T consistently receives an "Outstanding" rating from the FDIC during its annual evaluation of the bank's Community Reinvestment Act (CRA) performance. Additionally, the combined company will strive to maintain that rating while increasing the level of CRA lending, investment and service activities throughout the combined company's footprint, relative to the activity levels of BB&T and SunTrust Bank.

Investments in Technology and Innovation

In our fast-changing world, we all expect things to work simply and quickly. Our clients' definition of quality service has changed, and there is a tremendous opportunity to combine BB&T and SunTrust's distinctive approaches to technology to build an organization that can combine touch and technology to create a high level of trust. I have called this approach T3. This level of personalized service will allow us to form even closer relationships with our clients and increase our ability to respond to their needs quickly and efficiently.

The merger will provide us with additional scale to make the investments in technology that will allow us to provide the digital services our clients expect.

We have pledged to invest an incremental $100 million annually into innovation and technology to create a digital client experience that is second-to-none. A new Innovation and Technology Center in Charlotte will focus on creating an industry-leading digital experience to better serve the technological needs of clients. This commitment will enable the combined company to better compete with the largest banks, creating a more competitive and systemically stabilizing landscape.

These investments will also ensure that we retain our best-in-class cybersecurity and risk management systems, enabling us to continue to offer a safe and secure digital platform for our clients. Along with these expanded digital offerings, our clients will also have access to even more branches and 24/7 service through an expanded network of ATMs.

Diversity and Inclusion

We understand that there remains a great deal of work to be done when it comes to the inequities that still exist in our communities and across our country. Our combined company will maintain our commitment to serving all communities fairly and equally when providing loans, investments, and other services. Everyone in this country deserves to be treated with dignity and respect.

Year after year, BB&T has been highly rated by the Human Rights Campaign on the Corporate Equality Index. In 2017 and 2018, BB&T was recognized as one of the "Best Places to Work for LGBT Equality." BB&T's diverse supplier spending was $173 million in 2018, a 40% increase from the previous year. We operate more than 600 Multicultural Banking Centers throughout our Community Banking footprint, all with teams that reflect the diversity of their neighborhoods.

Our commitment to diversity and inclusion begins at the top of each of our organizations, and is reflected in our boards of directors and executive teams. BB&T's executive management team includes among its thirteen members two women and one person of color, including the Chief Information Officer, the Treasurer, and the Chief Digital and Client Experience Officer. BB&T's Chief Diversity Officer is an African-American woman who serves as Vice Chair of BB&T's Executive Diversity & Inclusion Council, which includes all thirteen members of BB&T's executive management team. BB&T's Chief Diversity Officer drives all corporate strategy and programs supporting diversity and inclusion. BB&T's fifteen-member Board of Directors includes five women (33%) and four (27%) members with diverse backgrounds.

Operating a diverse and inclusive organization is not just the right thing to do; it is a business imperative that creates more productive associates, allows us a clearer understanding of the diverse client base we serve, and ultimately yields better business results. Truist will build upon that legacy by continuing to foster a diverse and inclusive culture and workforce that creates opportunities for the organizations we support.

In furtherance of that commitment to equality, we are joining Congresswoman Alma Adams, Representative of the 12th District of North Carolina and a distinguished member of this committee, in announcing a partnership that will benefit historically black colleges and universities across the country.

The Partnership Challenge is a public commitment to establish strategic partnerships with HBCUs and an acknowledgement that HBCUs are an important part of our diversity and inclusion strategy. BB&T and SunTrust have great existing relationships with a number of HBCUs in our footprint, but the Partnership will provide an additional pathway to enhancing our relationships with key stakeholders and a forum to share best practices with other employers. In addition, we intend to host HBCU Chancellors and Presidents from across our geographic footprint at our state-of-the-art Leadership Institute in Greensboro. We are excited to host this "Leadership Forum," where these university chief executives, at zero cost to them, will be exposed to a multi-day curriculum designed to enhance effectiveness in

leading complex organizations. Dates and program details have not been finalized, but we are targeting no later than 3rd quarter of 2020.

Products and Services

BB&T and SunTrust currently do not have definitive plans to change any of the products and services they currently offer at the combined company following the consummation of the merger. Following the merger, the combined company will continue to serve "Main Street America" through our lending to local businesses, families, and students. Joining our two companies will enhance our scale and financial strength, and that means more mortgages for families and loans to small businesses – the economic drivers of neighborhoods and job creation.

An integration planning project currently underway involves mapping each companies' products and services to the other's to identify similarities and differences in the terms of their respective products and services. The respective companies, however, will not have access to certain information, such as nonpublic pricing, until after consummation of the merger.

Jobs and Integration Plans

BB&T and SunTrust Bank are not in a position to make definitive decisions today regarding the future of existing branches after the two companies are combined; however, both banks have a demonstrated record of thoughtful analysis, including consideration of factors such as the convenience and needs of communities, in weighing potential branch consolidations and closures. Moreover, once combined, BB&T and SunTrust will seek to open at least 15 new branches in LMI and/or majority-minority communities to help ensure broad access to financial services across its future footprint.

Before any decision is made to consolidate or close branches, the combined entity will conduct a thorough analysis of a variety of factors and data points. The impact of any branch closing on a community and its local clients will be studied carefully to ensure minimal disruption. A branch closing decision will involve input from key stakeholders and compliance officials and also appropriate risk management oversight. The comprehensive review process includes an assessment of the potential impact from a fair banking perspective, examines for redlining concerns, considers CRA performance risk as it relates to services or distribution, monitors continued access to financial services for potentially impacted communities, and evaluates the business justification such as branch performance, branch redundancy, branch capacity, facility conditions and other key factors.

In our CRA and fair banking review process, BB&T currently performs in-depth analyses of all potential branch consolidation and closure actions that could potentially impact LMI, minority and/or rural communities, and utilizes data analytics and mapping technology to create a full picture of the potential community impact. This process is expected to continue in the combined entity.

The integration planning for the merger has begun, but is in early stages, including with respect to identifying anticipated effects on the workforce of SunTrust and BB&T. Both companies are committed to ensuring that the combined company will have appropriate leadership and staffing to continue providing a high level of service to all clients, operating in a safe and sound manner and maintaining the effectiveness of their business activities and operations.

Compensation and Accountability Practices

We value each of our employees and provide compensation at the top of the market. Our employees are our greatest asset, and we want to attract and retain the best talent available. The median pay for BB&T employees was $68,778 in 2019, and our lowest paid employee makes twice the federal minimum wage.

As the integration planning progresses, workforce-related aspects will become more certain. BB&T and SunTrust have each implemented a retention program with financial incentives to maintain appropriate management and staffing levels throughout the integration process. These retention programs are intended to retain critical staff at BB&T and SunTrust and to ensure an effective integration process and the success of the combined company.

Additionally, the benefits provided to employees that continue to work for the combined company will meet or exceed many industry standards. Currently, an integral part of BB&T's benefits package is a pension plan for its employees. Upon completion of the merger, most SunTrust employees who join BB&T will also be offered BB&T's pension plan, with years of service with SunTrust counting toward such plan's eligibility and vesting. The combination of the pension plan, the existing industry leading 401 (k) matches that each company offers, as well as the financial wellness programs and company-subsidized health care plans for employees, demonstrate the two companies' deep and ongoing commitment to the financial achievement of the employees of the combined company.

BB&T and SunTrust have committed to all performing customer-facing employees that they will have a position in the combined organization to ensure a highly effective client, employee and community transition. Moreover, any initial reductions in employment levels will be minimized whenever possible through attrition, retraining of employees and opportunities to seek other internal positions within the combined company. Additionally, any displaced employees will receive priority consideration for internal job opportunities and will be actively encouraged to apply for positions for which they are interested and qualified.

Employees who are displaced will receive a market-based severance package and will be offered outplacement services to assist in external job searches. BB&T and SunTrust also expect that the combined company will continue to grow, resulting in any initial employment losses being mitigated by other areas of new job opportunities. In addition, some employees may be asked to relocate, including to new or other operations centers. Any employees who are asked to relocate in-state or out-of-state will be offered competitive market relocation packages and services to mitigate any hardships.

Additionally, the combined company management is currently evaluating the possibility of re-shoring employees as part of the merger, effectively bringing back jobs to the US.

Our Board believes that the current structure of BB&T's incentive compensation recoupment practices is appropriate, effective, provides a balanced approach to risk management, and properly aligns the interests of our Executive Management and shareholders.

Our current Incentive Plan and award agreements contain language regarding clawbacks and make all awards under the Incentive Plan subject to recoupment, forfeiture, or reduction to the extent determined by the Compensation Committee as necessary to comply with applicable law and policies adopted by BB&T.

When determining incentive compensation, and consistent with regulatory guidance, the Compensation Committee evaluates our current risk environment and internal control positions relevant to incentive compensation and reviews an executive risk scorecard along with other reports provided by our Chief Risk Officer and our Chief Compliance Officer. The Compensation Committee also receives reports from our General Auditor, the head of BB&T's internal audit function, regarding the effectiveness of our overall system of internal controls.

To discourage imprudent risk-taking, we make all executive awards (cash and equity) subject to recoupment and also may utilize our executive risk scorecard to reduce incentive compensation for adverse risk outcomes.

My compensation is determined by the board and is directly related to the performance and long-term success of the Bank, which depends on the success of the communities we serve. While my total compensation of $8.6m last year is consistent with what other CEOs are paid, I recognize that I am blessed to be generously compensated for leading BB&T.

Safety and Soundness

We have a fundamental commitment to the safe and sound operation of the combined company. Individually, both BB&T and SunTrust have significant experience with the traditional banking business model. We use strong risk management practices and robust underwriting analytics, are deeply liquid and well capitalized, and have consistently demonstrated very strong results in our respective annual stress tests. While the merger will increase the total asset size of the legacy entities, such assets of the combined company will continue to be comprised of lower risk small- and middle market business loans, farm loans, student loans and mortgage loans. Indeed, in annual systemic risk testing BB&T and SunTrust have received scores in the teens (15 and 16, respectively) while other institutions received scores well over *four hundred*, making them more than twenty times riskier than our institutions.

We will draw from our experience and employ the best practices of both firms to ensure that the combined company continues to operate using strong risk management standards. Finally, notwithstanding recent regulatory changes for banking institutions of certain asset sizes, many changes previously applicable to BB&T and SunTrust as separate entities that would have eased some regulatory burden and the cost of compliance will not be applicable to the combined company upon completion of the merger. In fact, the sum total of regulations applicable to the combined company will increase significantly. We are positioned to address these new requirements and intend to faithfully adhere to them.

Investing in the Future

There are necessarily many details that need to be addressed as this merger moves forward. For us, these considerations come back to our foundational mission of serving our clients and communities. Because we believe it is the single most important factor behind our long-term success, it is also the cornerstone of this merger.

What gets us out of bed in the morning is thinking about ways to serve our clients and make a real difference in their lives, families, and businesses. Our companies have a rich heritage of supporting local events, community groups, and nonprofit organizations by rolling up our sleeves. That will not change.

But to best serve our clients, we need to invest in the future – and that is one of the primary factors driving this merger. It is about creating the kinds of products, services, and experiences that not only meet the needs of our clients but exceed their expectations. And it is about increasing our scale and capabilities so that we can serve our communities in even more profound ways.

I am pleased to have the opportunity to testify before the committee, and I look forward to answering your questions.

House Financial Services Committee

Statement of William H. Rogers, Jr.
Chairman and Chief Executive Officer
SunTrust Banks, Inc.

July 24, 2019

Chairwoman Waters, Ranking Member McHenry, and Members of the Committee, on behalf of SunTrust I would like to thank you for this opportunity to discuss the proposed merger with BB&T. I am Bill Rogers and since June 2011, I have been the Chief Executive Officer of SunTrust Bank. I have also been the company's Chairman since January 2012.

SunTrust is a Main Street bank with a community focus that offers our customers the products that are the building blocks of financial stability. I joined SunTrust in 1980, and two weeks ago, celebrated 39 years with the company. I have a long-term commitment to the success of this enterprise and our contribution to the U.S. economy, and to all who count on us. Allow me to provide some background, followed by the rationale for this partnership, which I sincerely believe will allow us to better serve our customers, communities, and employees.

Commitment to Community

Since our founding in 1891, SunTrust has worked to be purpose-driven. Today, we express our purpose as *Lighting the Way to Financial Well-Being*. From the teller and loan officer to every function, we are motivated by putting customers, communities and employees on the path to financial confidence. This commitment extends beyond any regulatory requirement. Fulfilling our purpose is central to everything we do.

We have helped millions of families purchase homes, finance their children's education, grow their small businesses and save for retirement. We've backed great companies, financed community development, funded affordable housing, and expanded financial literacy.

I am also proud of our philanthropic efforts and inclusion. Last year SunTrust employees volunteered more than 200,000 hours to support our communities, working with more than 5,300 organizations, and the SunTrust Foundation granted $19.5 million to charitable causes.

Diversity and Inclusion

SunTrust understands the need to hire and develop a skilled and diverse multi-generational workforce. Our executive leadership team is committed to diverse representation at all levels of the organization to ensure that our teams reflect the communities and customers we serve. We seek to hire talented people who have served in the military, are living with a disability, and who represent different genders, races, sexual orientation and ethnic backgrounds, while striving to create an inclusive environment where employees learn from and leverage strengths across generations.

Our current workforce is comprised of 60 percent women and 43 percent people of color, and my current Executive Council includes 50 percent women and 13 percent people of color. Our current SunTrust Board of Directors is made up of 20 percent women and 30 percent people of color, and the proposed Truist Board will be 29 percent women and 24 percent people of color.

We are a Best Place to Work according to the Human Rights Campaign's Corporate Equality Index. The Greater Women's Business Council awarded SunTrust a Top Corporation of the Year for empowering women in business.

At SunTrust, we maintain eight Teammate Networks to build appreciation for different cultures, backgrounds and perspectives, each led by an Executive Council member.

Both SunTrust and BB&T have signed the *CEO Action for Diversity & Inclusion* pledge, and will bring this commitment to the new combined company, including a commitment to promote use of diverse suppliers and contractors.

Financial Planning and Wellness

In the area of financial wellness, we have done extensive research. Many fully employed Americans borrow against 401(k) plans, do not save adequately for emergencies or retirement, and experience high financial stress.

This inspired us to introduce a financial wellness program at SunTrust with a $1,000 incentive toward emergency savings and a paid day off each year to focus on personal finances. In four years, we contributed $18 million to 18,000 employees, and 70 percent now report they can better handle an emergency *and* help others achieve financial well-being. SunTrust now provides a workplace financial wellness program to 200 other companies at no profit to SunTrust, with similar results among their employees.

So our purpose is more than words. We work hard to put it into practice.

A Shared Vision to Benefit Customers and Communities

So, why the merger? One primary reason for the proposed merger with BB&T is to team with a like-minded company whose mission is To Make the World a Better Place to Live. We both believe that our business and our public impact will be better together.

To be clear, SunTrust is a strong company, with seven consecutive years of performance improvement. But in today's fast-changing environment, no company can stand still.

We needed to consider how we can continue to fulfill our purpose and provide customers with tailored, real time, intuitive banking services delivered in the palm of their hand while providing access to expert help. And we need to do this in the context of competition growing by the day, compliance excellence increasing by the hour and cyber threats growing by the second.

Our best path forward is to align with a partner that has a similar purpose, a focus on sound risk management and an understanding of the importance of technology to customer satisfaction and protection.

We found that in BB&T.

This merger of equals gives us scale to serve more effectively. It will lead to enhanced data security and a full complement of financial services offerings fueled by leading technology.

Scale will also benefit the communities we serve.

Earlier this month, BB&T and SunTrust announced a Community Benefits Plan to lend or invest $60 billion to low- and moderate-income borrowers over a three-year period. We also pledged to open at least 15 new branches in low-to-moderate income neighborhoods.

While we are physically moving our headquarters to Charlotte with Truist, commitments to our current hometowns of Atlanta and Winston-Salem will remain strong. Last month, we announced that SunTrust will invest $100 million a year for the next three years in the Atlanta community. This will be for a range of affordable housing, economic development and financial wellness programs.

A Thoughtful Approach to Integration

Given our overlapping markets, we will be thoughtful in performing a market, branch and customer analysis before making any decisions – prioritizing our service to low- and moderate-income customers and communities. We will reach out to customers to minimize any disruption.

We have agreed that with this merger, all performing customer-facing employees will have a job. This too will ensure consistent and continued customer care. We have no plans to leave the communities we serve.

We have a multi-pronged approach and an array of services to support employees through the transition to Truist, whether they are assuming a role or whether they will be pursuing other opportunities outside the company.

While many employees will remain in their current location, we are offering a best-in-class relocation program for employees who need to move for their new role. The benefits are financially generous and supportive of personal transition needs, including a dedicated relocation specialist and a guaranteed buy-out of their existing home in most cases.

In the event a staff member is not offered a position or chooses not to accept a new position or location, we have a competitive severance plan, commensurate with one's tenure and role. As a general rule, our severance offers two weeks of pay for every year of service, with a minimum of eight weeks pay for impacted employees. All those impacted will be offered outplacement assistance with one-on-one coaching and access to a digital talent exchange of current job opportunities. In a few communities that

may have a greater job impact, we will plan to formalize collaboratives to directly connect talent to other employers in the area.

For employees looking for new opportunities within Truist, SunTrust is building on its already strong programs to add special career resources for retooling and redeployment to support emerging workplace needs, such as technology-related skills. This will include dedicated career coaching, as well as networks to target opportunities and access to educational platforms. In addition, we are optimistic that in the context of the merger, we will bring several hundred technology support jobs on-shore and eventually support additional hiring.

Compensation and Accountability

We also believe in a competitive pay structure, and in 2018, we raised our minimum wage to $15/hour and granted merit increases for additional hourly employees within our company.

We remain committed to compensating all employees at market competitive levels, and we have a compensation and benefits framework in place designed to attract and develop employees over their careers and meet the needs of their families. Many of these compelling employee benefits will carry forward to Truist, including robust physical and financial wellness programs, 16 weeks of paid maternity leave, six weeks of paid parental leave, and more.

The expectation is that the entire benefits package of Truist will be among the best in financial services, including an unprecedented commitment to pension plans. The goal will be to provide employees a salary and total benefits package that offers more than just a job, but also opportunity for employees to grow their careers with Truist.

We also understand the importance of accountability. SunTrust and its Board are committed to ensuring ethical practices and behaviors, including the ability to recoup previously awarded incentives to promote accountability and as a deterrent to improper risk-taking. SunTrust was an early adopter of a formal compensation clawback policy that meets or exceeds current requirements and the proposed Securities and Exchange Commission's regulations. We fully expect to carry forward a similar approach at Truist.

My compensation is determined by the Board and, for 2018, was $8.81 million, the majority of which is deferred to ensure alignment with the long-term interests of the company. A third-party firm is also engaged by the Compensation Committee of our Board to annually review the compensation of our senior executive team for conformity with benchmarks and to assure accountability. In 2018, SunTrust's CEO pay ratio to median employee was 131:1, which is below that of many of our peers.

Safety and Soundness

With regard to the impact on the industry, some have suggested that this transaction will create an institution that is too big. In the case of this merger, however, bigger does not mean riskier. Each company has a conservative risk profile now, and we will maintain so as a combined entity. We are adding scale, not complexity.

The combined BB&T/SunTrust entity will actually increase competition by creating a stronger regional bank that reduces concentration of systemic risk at the top of the market. The combined company will have an even more balanced profile due to greater diversification across customers, business lines and geographies, and it will bring new strengths to areas less served by major institutions.

Looking to the Future

Our mission and purpose-driven cultures will be amplified when combined, and I have the utmost conviction that this merger of equals between two great companies positions us to better serve our customers, local economies, and all who count on us.

Thank you and I look forward to answering your questions.

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BB&T Responses to Congressional Follow-Up Questions

Questions from Rep. Alexandria Ocasio-Cortez (D-NY)

Question for BB&T

1. *Question: Have representatives of your companies been in touch with the WH, members of the Senate, FDIC, or Fed Reserve about potential appointments to the FDIC or Fed while your merger was under review by those agencies or during the year prior to the announcement of said merger? If so, who were the participants in these interactions and what was their nature?*

To the best of my knowledge, no representative of BB&T was in contact with the White House, members of the Senate, the FDIC, or the Federal Reserve about potential appointments to the FDIC or the Federal Reserve while the pending merger with SunTrust was under review by those agencies or during the year prior to announcement of the merger.

Questions from Rep. Brad Sherman (D-CA)

Questions for BB&T and SunTrust

As has been reported, once SunTrust Bank and BB&T Bank merge, the name of the merged entity will be "Truist." There is a well established credit union within North Carolina named Truliant Federal Credit Union. What steps are being taken to ensure that consumers are aware of that distinction?

As part of the planning process for the merger of equals between BB&T and SunTrust, both companies conducted a rigorous process to research, select, and secure the new name. As you may have seen, the credit union referenced in the question has filed a trademark infringement suit against BB&T and SunTrust over this issue. From a legal standpoint, we are limited in what we can share about ongoing litigation. However, we can share a few of the numerous reasons we believe the suit lacks merit. The overall visual branding of Truist (logo, colors, etc.) will look significantly different from the visual brand of Truliant Federal Credit Union. For a period of time, many public-facing materials will state that BB&T and/or SunTrust are now known as Truist, which will further differentiate Truist in the minds of consumers. And many other banks and financial services entities currently use names that include the term "Tru." We believe it is unlikely consumers will be confused between the two entities.

Questions from Rep. Jesús "Chuy" García (D-IL)

Compensation and executive pay

1. *Your merger application includes a clause titled "synergy incentive awards." Although the clause claims that bonuses will not be paid to executives if there is a "good reason" for the executives' departure, it also stipulates that a bonus can be paid if there is a "severance qualifying termination." Can you please provide a definition for the term "severance qualifying termination"? Although you've provided assurances today that*

layoffs will be avoided to the greatest extent possible, we know some job loss is inevitable. Will the "severance qualifying termination" be extended to workers at branches that close or positions that are otherwise deemed redundant?

As the merger application notes, several BB&T executives have entered into cash retention incentive award letters (the "synergy incentive awards") to incentivize his or her continued employment through the completion of the merger and post-merger integration period. The synergy incentive awards will vest and be paid in two installments, subject to the completion of the merger and the executive officer's continued employment through the following applicable dates.

- 33% will vest on the earlier of (i) the date on which the conversion of the bank systems of the banking operations of BB&T and SunTrust is determined to be successfully completed and (ii) August 1, 2021 (the "first vesting date"), and
- 67% will vest on January 15, 2022 (the "second vesting date").

If an executive experiences a severance qualifying termination (i.e., a termination without cause or for good reason) prior to the first vesting date, only the first installment of the synergy incentive award will vest and be paid, and the second installment will be forfeited. In addition to these bonuses, nearly 40,000 other employees will receive a $1,500 bonus upon the completion of the merger transaction. The award will be paid to full-time and part-time employees who have been employed for at least 60 days as of the closing of the merger and is intended for employees who are not paid commissions or eligible for annual management bonuses (i.e., bank branch employees).

Although the synergy incentive awards will not be extended to all employees, BB&T and SunTrust are taking great care to minimize job losses through a number of measures. Both companies have committed to all performing, customer-facing employees that they will have a position in the combined organization. Moreover, any initial reductions in employment levels will be minimized whenever possible through attrition, retraining of employees, and opportunities to seek other internal positions within the combined company. Additionally, any displaced employees will receive priority consideration for internal job opportunities and will be actively encouraged to apply for positions for which they are interested and qualified. Employees who are displaced will receive a market-based severance package and will be offered outplacement services to assist in external job searches.

Cost reductions/efficiencies

2. ***Presumably the merger will result in a larger bank with new products and services. Why will the merged bank need less, not more, resources in the form of professionals to create these services and make them available to consumers?***

Clients and communities will benefit from the best of both BB&T and SunTrust. Legacy BB&T clients will gain access to SunTrust's digital consumer lending platform, which provides unsecured, consumer installment loans for a wide variety of needs, including home improvement and auto loans; expanded FHA-guaranteed home mortgage lending activity;

broader financing alternatives for affordable housing and commercial developments to revitalize targeted areas and provide for job creation for low- and moderate-income communities; broader corporate and investment banking activities; and a broader range of medical practice-related lending solutions. Legacy SunTrust clients will gain access to BB&T's broader personal and commercial insurance agency products and services; insurance premium financing and insurance advisory services; small business lending and commercial real estate lending to smaller sized businesses; municipal advisory services; and additional consumer and small business equipment financing opportunities.

The merged bank will, however, ultimately need fewer resources in the form of professionals than BB&T and SunTrust do today. The increased efficiency will result from the rationalization of redundant systems, support functions and physical offices. As discussed in response to question # 1, BB&T and SunTrust will take great care to minimize job losses through a number of measures. BB&T and SunTrust also expect that the merged bank will continue to grow, resulting in any initial employment losses being mitigated by other areas of new job opportunities.

3. ***While we acknowledge that cost synergies may translate to job loss, it remains unclear why synergy is only achievable through merger. To that end, if job loss is inevitable, can SunTrust and/or BB&T achieve the same synergy without the merger? Why is merger necessary to create the purported synergy?***

The anticipated synergies are dependent on the rationalization of redundant systems, support functions and physical offices. As separate companies, BB&T and SunTrust do not have the same level of redundancies as they would if they were to merge. Accordingly, they cannot achieve the same level of synergies on their own without a merger.

4. ***With regards to the Banks' statements that the merger will create cost savings and competitive advantages through information technology and systems, what is preventing SunTrust and/or BB&T from creating these efficiencies right now? Why is the merger necessary to create such technological efficiencies?***

While both BB&T and SunTrust are individually strong companies dedicated to serving their clients' evolving needs through technological innovation, the merger will enable the combined company to make more significant technological investments than if BB&T and SunTrust continued to operate separately. This is because of the ability to reinvest a portion of the synergies discussed above and the ability to leverage the increased scale of the combined company to create capacity for further investment in innovation and technology to better compete with the largest banking organizations. These efficiencies are not available to either BB&T or SunTrust on a standalone basis because of both the inability of the firms to independently achieve similar synergies that are anticipated from the merger and the scale of the required investment.

Liquidity Requirements

5. ***Today, as banks with just under $250 billion in assets, BB&T and SunTrust are required to hold about 70% of the liquid assets that you would have to hold if you were***

above $250 billion in assets. If your merger was approved effective immediately, you'd be subject to 100% of the liquidity coverage ratio. However, the Fed has proposed weakening liquidity requirements for firms in the $250 billion-$700 billion range, and if that proposal is finalized before the BB&T-SunTrust merger is approved, BB&T and SunTrust will not face heighted liquidity coverage requirements. Do you think it is appropriate that you will face the same liquidity coverage ratio after the merger, with the size of your institution doubled to $450 billion?

In October 2018 the Federal Reserve Board published a notice of proposed rulemaking to implement the Economic Growth, Regulatory Reform, and Consumer Protection Act of 2018. The proposed rule would tailor the liquidity coverage ratio, based upon bank size and complexity. The companies believe that prudential liquidity requirements are appropriate to ensure a safe and sound banking system. The regulators will consider the views from the public comment process and finalize a set of requirements which take into consideration financial stability and the ability of banks to support their communities and economic growth.

The companies are committed to maintaining sound liquidity to ensure that they meet the liquidity needs of their clients while also satisfying regulatory requirements. Each firm has a robust liquidity management program which evaluates liquidity needs under a range of normal and stressed scenarios. The firms have developed and maintain sufficient liquidity resources to ensure that they are able to meet their liquidity requirements across these scenarios while also meeting regulatory requirements.

The respondents submit that it would be appropriate for the combined company to be subject to the same liquidity coverage ratio after the merger that each is subject to today. BB&T and SunTrust each have a conservative risk profile and will maintain that profile following the merger. The strategic objective of the merger is to add scale rather than risk or complexity.

6. ***If the merged bank is going to double in size to $450 billion, what is the estimated value of liquid assets you will need to hold to satisfy liquidity requirements at your new size? What do you estimate this to be if the Fed finalizes its proposal to reduce the liquidity coverage ratio for banks between $250-700 billion in assets?***

Under current regulations, financial institutions with assets greater than $250 billion are required to hold high quality liquid assets ("HQLA") at least equal to their estimated net cash outflows. For the combined company, BB&T estimates that the HQLA requirement would be approximately $70 billion. The proposed tailoring rule would change the minimum liquidity coverage ratio to 70% to 85% of net cash outflows. If the rule is finalized as proposed, the combined company's required minimum HQLA would be $49 billion to $60 billion.

7. ***In the judgment of your companies, is it better for the safety and soundness of the banking system for the FDIC to have the full complement of commissioners contemplated by federal law?***

SunTrust Banks, Inc. Responses to Congressional Follow-Up Questions

Questions from Rep. Alexandria Ocasio-Cortez (D-NY)

Question for William H. Rogers, Jr. Chairman and Chief Executive Officer, SunTrust Banks, Inc.

Have representatives of your companies been in touch with the WH, members of the Senate, FDIC, or Federal Reserve about potential appointments to the FDIC or Fed while your merger was under review by those agencies or during the year prior to the announcement of said merger? If so, what who were the participants in these interactions and what was their nature?

To the best of my knowledge, neither I, nor any representative of SunTrust Banks, Inc., has made contact with the White House, members of the Senate, the Federal Deposit Insurance Corporation or the Board of Governors of the Federal Reserve System in support of, or opposition to, any prospective nominee to the Federal Deposit Insurance Corporation or the Board of Governors of the Federal Reserve System since the announcement of the merger or during the year prior to the announcement.

Has Mark Oesterle, SunTrust's lead lobbyist, had any contact with White House, FDIC, Fed regarding prospective nominees to either the Fed or FDIC? If so, what who were the participants in these interactions?

To the best of my knowledge, Mark Oesterle has not made contact with the White House, the Board of Governors of the Federal Reserve System or the Federal Deposit Insurance Corporation in support of, or opposition to, any prospective nominee to the Board of Governors of the Federal Reserve System or the Federal Deposit Insurance Corporation.

Additionally, please note, SunTrust files quarterly Lobbying Disclosure Act reports detailing lobbying activity as required by law and copies of the reports for the time period in question are attached.

Questions from Rep. Brad Sherman (D-CA)

Questions for BB&T and SunTrust

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Liquidity Requirements

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   Under current regulations, financial institutions with assets greater than $250 billion are required to hold high quality liquid assets ("HQLA") at least equal to their estimated net cash outflows. For the combined company, BB&T estimates that the HQLA requirement would be approximately $70 billion. The proposed tailoring rule would change the minimum liquidity coverage ratio to 70% to 85% of net cash outflows. If the rule is finalized as proposed, the combined company's required minimum HQLA would be $49 billion to $60 billion.

7. ***In the judgment of your companies, is it better for the safety and soundness of the banking system for the FDIC to have the full complement of commissioners contemplated by federal law?***

   Under the FDIC's rules and regulations, its current board (which includes four board members) constitutes a quorum. We respectfully submit that this is otherwise a matter under the purview of the United States Senate.

Clerk of the House of Representatives	Secretary of the Senate
Legislative Resource Center	Office of Public Records
135 Cannon Building	232 Hart Building
Washington, DC 20515	Washington, DC 20510
http://lobbyingdisclosure.house.gov	http://www.senate.gov/lobby

LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - **All Filers Are Required to Complete This Page**

1. Registrant Name ☑ Organization/Lobbying Firm ☐ Self Employed Individual
SunTrust Bank

2. Address
Address1 1445 New York Avenue Address2
City Washington State DC Zip Code 20005 Country USA

3. Principal place of business (if different than line 2)
City State Zip Code Country

4a. Contact Name: Mr. Mark F. Oesterle | b. Telephone Number: 2028796011 | c. E-mail: Mark.F.Oesterle@suntrust.com
5. Senate ID#: 11333-12

7. Client Name ☑ *Self* *Check if client is a state or local government or instrumentality*
SunTrust Bank
6. House ID#: 318780000

TYPE OF REPORT

8. Year 2019 Q1 (1/1 - 3/31) ☑ Q2 (4/1 - 6/30) Q3 (7/1 - 9/30) Q4 (10/1 - 12/31)

9. Check if this filing amends a previously filed version of this report

10. Check if this is a Termination Report Termination Date 11. No Lobbying Issue Activity

INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13

12. Lobbying

INCOME relating to lobbying activities for this reporting period was:

☐ Less than $5,000

☐ $5,000 or more $

Provide a good faith estimate, rounded to the nearest $10,000, of all lobbying related income for the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSE relating to lobbying activities for this reporting period were:

☐ Less than $5,000

☑ $5,000 or more $ 910,900.00

14. REPORTING Check box to indicate expense accounting method. See instructions for description of options.

☑ **Method A.** Reporting amounts using LDA definitions only

☐ **Method B.** Reporting amounts under section 6033(b)(8) of the Internal Revenue Code

☐ **Method C.** Reporting amounts under section 162(e) of the Internal Revenue Code

Signature Digitally Signed By: Mark F. Oesterle **Date** 4/19/2019 9:57:04 AM

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code BAN

16. Specific lobbying issues

Comprehensive data privacy, protection, cyber and breach notification standards; Anti-Money Laundering and Bank Secrecy Act reform; Accounting standards changes and impact on bank capital and lending ("CECL"); Housing Finance Reform, Community Reinvestment Act modernization; and proposed merger transaction involving SunTrust Banks, and BB&T.

17. House(s) of Congress and Federal agencies ☐ Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES

18. Name of each individual who acted as a lobbyist in this issue area

First Name	Last Name	Suffix	Covered Official Position (if applicable)	New
Mark	Oesterle		General Counsel, U.S. Senate Committee on Banking Housing and Urban Affairs	

19. Interest of each foreign entity in the specific issues listed on line 16 above ☐ Check if None

Information Update Page - Complete ONLY where registration information has changed.

20. Client new address

Address _____

City _____ State _____ Zip Code _____ Country _____

21. Client new principal place of business (if different than line 20)

City _____ State _____ Zip Code _____ Country _____

22. New General description of client's business or activities

LOBBYIST UPDATE

23. Name of each previously reported individual who is no longer expected to act as a lobbyist for the client

	First Name	Last Name	Suffix		First Name	Last Name	Suffix
1				3			
2				4			

ISSUE UPDATE

24. General lobbying issue that no longer pertains

BAN								

AFFILIATED ORGANIZATIONS

25. Add the following affiliated organization(s)

Internet Address:

Name	Address Street Address City State/Province Zip Country	Principal Place of Business (city and state or country) City State Country

26. Name of each previously reported organization that is no longer affiliated with the registrant or client

1 2 3

FOREIGN ENTITIES

27. Add the following foreign entities:

Name	Address Street Address City State/Province Country	Principal place of business (city and state or country)	Amount of contribution for lobbying activities	Ownership percentage in client
		City State Country		%

28. Name of each previously reported foreign entity that no longer owns, or controls, or is affiliated with the registrant, client or affiliated organization

1 3 5
2 4 6

CONVICTIONS DISCLOSURE

29. Have any of the lobbyists listed on this report been convicted in a Federal or State Court of an offense involving bribery, extortion, embezzlement, an illegal kickback, tax evasion, fraud, a conflict of interest, making a false statement, perjury, or money laundering?

✓ No Yes

Lobbyist Name	Description of Offense(s)

Clerk of the House of Representatives	Secretary of the Senate
Legislative Resource Center	Office of Public Records
135 Cannon Building	232 Hart Building
Washington, DC 20515	Washington, DC 20510
http://lobbyingdisclosure.house.gov	http://www.senate.gov/lobby

LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - **All Filers Are Required to Complete This Page**

1. Registrant Name ◉ Organization/Lobbying Firm ○ Self Employed Individual
SunTrust Bank

2. Address
Address1 1445 New York Avenue Address2

City Washington State DC Zip Code 20005 Country USA

3. Principal place of business (if different than line 2)
City State Zip Code Country

4a. Contact Name: Mr. Mark F. Oesterle
b. Telephone Number: 2028796011
c. E-mail: Mark.F.Oesterle@suntrust.com
5. Senate ID#: 11333-12

7. Client Name ◉ *Self* *Check if client is a state or local government or instrumentality*
SunTrust Bank
6. House ID#: 318780000

TYPE OF REPORT

8. Year 2019 Q1 (1/1 - 3/31) Q2 (4/1 - 6/30) ◉ Q3 (7/1 - 9/30) Q4 (10/1 - 12/31)

9. Check if this filing amends a previously filed version of this report

10. Check if this is a Termination Report Termination Date

11. No Lobbying Issue Activity

INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13

12. Lobbying

INCOME relating to lobbying activities for this reporting period was:

○ Less than $5,000

○ $5,000 or more $

Provide a good faith estimate, rounded to the nearest $10,000, of all lobbying related income for the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSE relating to lobbying activities for this reporting period were:

○ Less than $5,000

◉ $5,000 or more $ 140,000.00

14. REPORTING Check box to indicate expense accounting method. See instructions for description of options.

◉ **Method A.** Reporting amounts using LDA definitions only

○ **Method B.** Reporting amounts under section 6033(b)(8) of the Internal Revenue Code

○ **Method C.** Reporting amounts under section 162(e) of the Internal Revenue Code

Signature Digitally Signed By: Kevin Schutte **Date** 7/19/2019 7:31:28 PM

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code BAN

16. Specific lobbying issues

Flood insurance reauthorization; LIBOR transition; CECL accounting standards; and proposed merger transaction involving SunTrust Banks, and BB&T.

17. House(s) of Congress and Federal agencies Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES

18. Name of each individual who acted as a lobbyist in this issue area

First Name	Last Name	Suffix	Covered Official Position (if applicable)	New
Mark	Oesterle		General Counsel, U.S. Senate Committee on Banking Housing and Urban Affairs	

19. Interest of each foreign entity in the specific issues listed on line 16 above Check if None

Information Update Page - Complete ONLY where registration information has changed.

20. Client new address

Address _____

City _____ State _____ Zip Code _____ Country _____

21. Client new principal place of business (if different than line 20)

City _____ State _____ Zip Code _____ Country _____

22. New General description of client's business or activities

LOBBYIST UPDATE

23. Name of each previously reported individual who is no longer expected to act as a lobbyist for the client

	First Name	Last Name	Suffix		First Name	Last Name	Suffix
1				3			
2				4			

ISSUE UPDATE

24. General lobbying issue that no longer pertains

AFFILIATED ORGANIZATIONS

25. Add the following affiliated organization(s)

Internet Address:

Name	Address Street Address City State/Province Zip Country	Principal Place of Business (city and state or country) City State Country

26. Name of each previously reported organization that is no longer affiliated with the registrant or client

1 2 3

FOREIGN ENTITIES

27. Add the following foreign entities:

Name	Address Street Address City State/Province Country	Principal place of business (city and state or country)	Amount of contribution for lobbying activities	Ownership percentage in client
		City State Country		%

28. Name of each previously reported foreign entity that no longer owns, or controls, or is affiliated with the registrant, client or affiliated organization

1 3 5
2 4 6

CONVICTIONS DISCLOSURE

29. Have any of the lobbyists listed on this report been convicted in a Federal or State Court of an offense involving bribery, extortion, embezzlement, an illegal kickback, tax evasion, fraud, a conflict of interest, making a false statement, perjury, or money laundering?

No Yes

Lobbyist Name	Description of Offense(s)

Clerk of the House of Representatives	Secretary of the Senate
Legislative Resource Center	Office of Public Records
135 Cannon Building	232 Hart Building
Washington, DC 20515	Washington, DC 20510
http://lobbyingdisclosure.house.gov	http://www.senate.gov/lobby

LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - **All Filers Are Required to Complete This Page**

1. Registrant Name ♂ Organization/Lobbying Firm Self Employed Individual
SunTrust Bank

2. Address
Address1 1445 New York Avenue Address2
City Washington State DC Zip Code 20005 Country USA

3. Principal place of business (if different than line 2)
City State Zip Code Country

4a. Contact Name: Mrs. Sherry Wright
b. Telephone Number: 8047827008
c. E-mail: Sherry.Wright@suntrust.com
5. Senate ID#: 11333-12

7. Client Name ♂ *Self* *Check if client is a state or local government or instrumentality*
SunTrust Bank
6. House ID#: 318780000

TYPE OF REPORT

8. Year 2018 Q1 (1/1 - 3/31) Q2 (4/1 - 6/30) Q3 (7/1 - 9/30) Q4 (10/1 - 12/31) ♂

9. Check if this filing amends a previously filed version of this report

10. Check if this is a Termination Report Termination Date _____ 11. No Lobbying Issue Activity

INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13

12. Lobbying

INCOME relating to lobbying activities for this reporting period was:

Less than $5,000

$5,000 or more $ _____

Provide a good faith estimate, rounded to the nearest $10,000, of all lobbying related income for the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSE relating to lobbying activities for this reporting period were:

Less than $5,000

$5,000 or more ♂ $ 105,000.00

14. REPORTING Check box to indicate expense accounting method. See instructions for description of options.

♂ **Method A.** Reporting amounts using LDA definitions only

Method B. Reporting amounts under section 6033(b)(8) of the Internal Revenue Code

Method C. Reporting amounts under section 162(e) of the Internal Revenue Code

Signature Digitally Signed By: Sherry L. Wright **Date** 1/22/2019 4:13:21 PM

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code BAN

16. Specific lobbying issues

S.2155 Federal Flood insurance program reform and reauthorization.

CECL: accounting standard reform and implementation.

17. House(s) of Congress and Federal agencies Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES

18. Name of each individual who acted as a lobbyist in this issue area

First Name	Last Name	Suffix	Covered Official Position (if applicable)	New
Mark	Oesterle		Senior Council	

19. Interest of each foreign entity in the specific issues listed on line 16 above Check if None

Information Update Page - Complete ONLY where registration information has changed.

20. Client new address

Address _____

City _____ State _____ Zip Code _____ Country _____

21. Client new principal place of business (if different than line 20)

City _____ State _____ Zip Code _____ Country _____

22. New General description of client's business or activities

LOBBYIST UPDATE

23. Name of each previously reported individual who is no longer expected to act as a lobbyist for the client

	First Name	Last Name	Suffix		First Name	Last Name	Suffix
1				3			
2				4			

ISSUE UPDATE

24. General lobbying issue that no longer pertains

AFFILIATED ORGANIZATIONS

25. Add the following affiliated organization(s)

Internet Address:

Name	Address Street Address City State/Province Zip Country	Principal Place of Business (city and state or country) City State Country

26. Name of each previously reported organization that is no longer affiliated with the registrant or client

1 2 3

FOREIGN ENTITIES

27. Add the following foreign entities:

Name	Address Street Address City State/Province Country	Principal place of business (city and state or country)	Amount of contribution for lobbying activities	Ownership percentage in client
		City State Country		%

28. Name of each previously reported foreign entity that no longer owns, or controls, or is affiliated with the registrant, client or affiliated organization

1 3 5
2 4 6

Clerk of the House of Representatives	Secretary of the Senate
Legislative Resource Center	Office of Public Records
135 Cannon Building	232 Hart Building
Washington, DC 20515	Washington, DC 20510
http://lobbyingdisclosure.house.gov	http://www.senate.gov/lobby

LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - **All Filers Are Required to Complete This Page**

1. Registrant Name ✓ Organization/Lobbying Firm Self Employed Individual
SunTrust Bank

2. Address
Address1 1445 New York Avenue Address2
City Washington State DC Zip Code 20005 Country USA

3. Principal place of business (if different than line 2)
City State Zip Code Country

4a. Contact Name: Mrs. Sherry Wright b. Telephone Number: 8047827008 c. E-mail: Sherry.Wright@suntrust.com

5. Senate ID# 11333-12

7. Client Name ✓ *Self* *Check if client is a state or local government or instrumentality*
SunTrust Bank

6. House ID# 318780000

TYPE OF REPORT

8. Year 2018 Q1 (1/1 - 3/31) Q2 (4/1 - 6/30) Q3 (7/1 - 9/30) ✓ Q4 (10/1 - 12/31)

9. Check if this filing amends a previously filed version of this report

10. Check if this is a Termination Report Termination Date 11. No Lobbying Issue Activity

INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13

12. Lobbying

INCOME relating to lobbying activities for this reporting period was:

Less than $5,000

$5,000 or more $

Provide a good faith estimate, rounded to the nearest $10,000, of all lobbying related income for the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSE relating to lobbying activities for this reporting period were:

Less than $5,000

$5,000 or more ✓ $ 105,000.00

14. REPORTING Check box to indicate expense accounting method. See instructions for description of options.

✓ **Method A.** Reporting amounts using LDA definitions only

Method B. Reporting amounts under section 6033(b)(8) of the Internal Revenue Code

Method C. Reporting amounts under section 162(e) of the Internal Revenue Code

Signature Digitally Signed By: Sherry L. Wright **Date** 10/18/2018 2:07:05 PM

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code BAN

16. Specific lobbying issues

S.2155 Implementation
S.3045/H.R.5783 comprehensive cyber security, data protection and breach notification legislation; Anti-money laundering, bank secrecy and customer identification reform; CECL accounting/capital standards implementation; federal flood insurance program reform and reauthorization.

17. House(s) of Congress and Federal agencies Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES

18. Name of each individual who acted as a lobbyist in this issue area

First Name	Last Name	Suffix	Covered Official Position (if applicable)	New
Mark	Oesterle		Senior Council	

19. Interest of each foreign entity in the specific issues listed on line 16 above Check if None

Information Update Page - Complete ONLY where registration information has changed.

20. Client new address

Address _____

City _____ State _____ Zip Code _____ Country _____

21. Client new principal place of business (if different than line 20)

City _____ State _____ Zip Code _____ Country _____

22. New General description of client's business or activities

LOBBYIST UPDATE

23. Name of each previously reported individual who is no longer expected to act as a lobbyist for the client

	First Name	Last Name	Suffix		First Name	Last Name	Suffix
1				3			
2				4			

ISSUE UPDATE

24. General lobbying issue that no longer pertains

AFFILIATED ORGANIZATIONS

25. Add the following affiliated organization(s)

Internet Address:

Name	Address Street Address City State/Province Zip Country	Principal Place of Business (city and state or country) City State Country

26. Name of each previously reported organization that is no longer affiliated with the registrant or client

1 2 3

FOREIGN ENTITIES

27. Add the following foreign entities:

Name	Address Street Address City State/Province Country	Principal place of business (city and state or country)	Amount of contribution for lobbying activities	Ownership percentage in client
		City State Country		%

28. Name of each previously reported foreign entity that no longer owns, or controls, or is affiliated with the registrant, client or affiliated organization

1 3 5
2 4 6

Clerk of the House of Representatives	Secretary of the Senate
Legislative Resource Center	Office of Public Records
135 Cannon Building	232 Hart Building
Washington, DC 20515	Washington, DC 20510
http://lobbyingdisclosure.house.gov	http://www.senate.gov/lobby

LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - **All Filers Are Required to Complete This Page**

1. **Registrant Name** ☐ Organization/Lobbying Firm ☐ Self Employed Individual
SunTrust Bank

2. Address
Address1 1445 New York Avenue Address2
City Washington State DC Zip Code 20005 Country USA

3. Principal place of business (if different than line 2)
City State Zip Code Country

4a. Contact Name: Mrs. Sherry Wright
b. Telephone Number: 8047827008
c. E-mail: Sherry.Wright@suntrust.com
5. Senate ID# 11333-12

7. Client Name ☑ *Self* *Check if client is a state or local government or instrumentality*
SunTrust Bank
6. House ID# 318780000

TYPE OF REPORT 8. Year 2018 ☐ Q1 (1/1 - 3/31) ☐ Q2 (4/1 - 6/30) ☑ Q3 (7/1 - 9/30) ☐ Q4 (10/1 - 12/31)

9. ☐ Check if this filing amends a previously filed version of this report

10. ☐ Check if this is a Termination Report Termination Date ____ 11. ☐ No Lobbying Issue Activity

INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13

12. Lobbying

INCOME relating to lobbying activities for this reporting period was:

☐ Less than $5,000

☐ $5,000 or more $ ____

Provide a good faith estimate, rounded to the nearest $10,000, of all lobbying related income for the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSE relating to lobbying activities for this reporting period were:

☐ Less than $5,000

☑ $5,000 or more $ 105,000.00

14. REPORTING Check box to indicate expense accounting method. See instructions for description of options.

☑ **Method A.** Reporting amounts using LDA definitions only

☐ **Method B.** Reporting amounts under section 6033(b)(8) of the Internal Revenue Code

☐ **Method C.** Reporting amounts under section 162(e) of the Internal Revenue Code

Signature Digitally Signed By: Sherry L. Wright **Date** 7/20/2018 2:57:10 PM

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code BAN

16. Specific lobbying issues

Systemic Risk Regulation Reform. Legislative Passage and implementation. (S.2155, H.R. 3312)

Federal Flood Insurance Reform. (H.R. 2874 and various funding bills extending the program authorization date.)

Cyber Security, Data Breach Legislation.

Anti-Money Laundering, Bank Secrecy Act Reform.

Community Reinvestment Act Reform.

17. House(s) of Congress and Federal agencies ☐ Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES

18. Name of each individual who acted as a lobbyist in this issue area

First Name	Last Name	Suffix	Covered Official Position (if applicable)	New
Mark	Oesterle		Senior Council	

19. Interest of each foreign entity in the specific issues listed on line 16 above ☐ Check if None

Information Update Page - Complete ONLY where registration information has changed.

20. Client new address

Address _____

City _____ State _____ Zip Code _____ Country _____

21. Client new principal place of business (if different than line 20)

City _____ State _____ Zip Code _____ Country _____

22. New General description of client's business or activities

LOBBYIST UPDATE

23. Name of each previously reported individual who is no longer expected to act as a lobbyist for the client

	First Name	Last Name	Suffix		First Name	Last Name	Suffix
1				3			
2				4			

ISSUE UPDATE

24. General lobbying issue that no longer pertains

AFFILIATED ORGANIZATIONS

25. Add the following affiliated organization(s)

Internet Address:

Name	Address Street Address City State/Province Zip Country	Principal Place of Business (city and state or country) City State Country

26. Name of each previously reported organization that is no longer affiliated with the registrant or client

1 2 3

FOREIGN ENTITIES

27. Add the following foreign entities:

Name	Address Street Address City State/Province Country	Principal place of business (city and state or country)	Amount of contribution for lobbying activities	Ownership percentage in client
		City State Country		%

28. Name of each previously reported foreign entity that no longer owns, or controls, or is affiliated with the registrant, client or affiliated organization

1 3 5
2 4 6

Clerk of the House of Representatives	Secretary of the Senate
Legislative Resource Center	Office of Public Records
135 Cannon Building	232 Hart Building
Washington, DC 20515	Washington, DC 20510
http://lobbyingdisclosure.house.gov	http://www.senate.gov/lobby

LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - **All Filers Are Required to Complete This Page**

1. Registrant Name ☐ Organization/Lobbying Firm ☐ Self Employed Individual
SunTrust Bank

2. Address
Address1 1445 New York Avenue Address2
City Washington State DC Zip Code 20005 Country USA

3. Principal place of business (if different than line 2)
City State Zip Code Country

4a. Contact Name b. Telephone Number c. E-mail 5. Senate ID#
Mrs. Sherry Wright 8047827008 Sherry.Wright@suntrust.com 11333-12

7. Client Name ☐ *Self* *Check if client is a state or local government or instrumentality* 6. House ID#
SunTrust Bank 318780000

TYPE OF REPORT

8. Year 2018 Q1 (1/1 - 3/31) ☐ Q2 (4/1 - 6/30) Q3 (7/1 - 9/30) Q4 (10/1 - 12/31)

9. Check if this filing amends a previously filed version of this report

10. Check if this is a Termination Report Termination Date 11. No Lobbying Issue Activity

INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13

12. Lobbying

INCOME relating to lobbying activities for this reporting period was:

Less than $5,000

$5,000 or more $

Provide a good faith estimate, rounded to the nearest $10,000, of all lobbying related income for the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSE relating to lobbying activities for this reporting period were:

Less than $5,000

☐ $5,000 or more $ 842,000.00

14. REPORTING Check box to indicate expense accounting method. See instructions for description of options.

☐ **Method A.** Reporting amounts using LDA definitions only

Method B. Reporting amounts under section 6033(b)(8) of the Internal Revenue Code

Method C. Reporting amounts under section 162(e) of the Internal Revenue Code

Signature Digitally Signed By: Sherry L. Wright **Date** 4/20/2018 12:43:30 PM

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code BAN

16. Specific lobbying issues

S.2155 - Regulatory Relief. Anti-money laundering and bank secrecy act reform.
Comprehensive Cyber-Security, Data Protection and Brach Notification Legislation.

17. House(s) of Congress and Federal agencies Check if None

U.S. SENATE, U.S. HOUSE OF REPRESENTATIVES

18. Name of each individual who acted as a lobbyist in this issue area

First Name	Last Name	Suffix	Covered Official Position (if applicable)	New
Mark	Oesterle		Senior Council	

19. Interest of each foreign entity in the specific issues listed on line 16 above Check if None

Information Update Page - Complete ONLY where registration information has changed.

20. Client new address

Address _____

City _____ State _____ Zip Code _____ Country _____

21. Client new principal place of business (if different than line 20)

City _____ State _____ Zip Code _____ Country _____

22. New General description of client's business or activities

LOBBYIST UPDATE

23. Name of each previously reported individual who is no longer expected to act as a lobbyist for the client

	First Name	Last Name	Suffix		First Name	Last Name	Suffix
1	Brenda	Skidmore		3			
2				4			

ISSUE UPDATE

24. General lobbying issue that no longer pertains

AFFILIATED ORGANIZATIONS

25. Add the following affiliated organization(s)

Internet Address:

Name	Address Street Address City State/Province Zip Country	Principal Place of Business (city and state or country) City State Country

26. Name of each previously reported organization that is no longer affiliated with the registrant or client

1 2 3

FOREIGN ENTITIES

27. Add the following foreign entities:

Name	Address Street Address City State/Province Country	Principal place of business (city and state or country)	Amount of contribution for lobbying activities	Ownership percentage in client
		City State Country		%

28. Name of each previously reported foreign entity that no longer owns, or controls, or is affiliated with the registrant, client or affiliated organization

1 3 5
2 4 6