

[Banking and Finance Law Daily Wrap Up, TOP STORY—BB&T and SunTrust to divest \\$2.3B in deposits to finish merger of equals, \(Nov. 8, 2019\)](#)

Banking and Finance Law Daily Wrap Up

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BB&T and SunTrust have agreed to the largest bank merger divestiture in over a decade.

In order to complete their merger of equals, BB&T Corporation and SunTrust Banks, Inc. have agreed to [divest](#) 28 branches across North Carolina, Virginia, and Georgia with approximately \$2.3 billion in deposits to resolve antitrust concerns. The divested assets will include all deposits and loans associated with the divested branches. According to the Justice Department, "the divestiture constitutes the largest divestiture in a bank merger in over a decade."

SunTrust and BB&T announced their all-stock merger of equals in February 2019. At the time of the merger announcement, the parties indicated that the combined company will be the sixth-largest U.S. bank, with approximately \$442 billion in assets, \$301 billion in loans, and \$324 billion in deposits. Pending the approvals of shareholders and regulators, the deal is expected to close in the fourth quarter of 2019 (see [Banking and Finance Law Daily](#), Feb. 7, 2019).

Commenting on the divestiture, Assistant Attorney General Makan Delrahim of the Justice Department's Antitrust Division [stated](#), "Today's settlement ensures that banking customers across Virginia, North Carolina, and Georgia will continue to have access to competitively priced banking products, including loans to small businesses, while preserving the investments in innovation and technology this merger is expected to generate."

Although the Federal Reserve Board and Federal Deposit Insurance Corporation must still approve the merger, the Justice Department will not challenge the merger. This action is subject to the following conditions: the parties divest the branch offices and entire customer relationships, that is all deposits and loans, associated with the divestiture branches; the parties commit to the Fed that they will comply with the agreement with the Justice Department; and the parties' commitments to the Justice Department are included as a condition to any order the Fed enters approving the transaction.

Following announced divestiture, the BB&T Corporation and SunTrust Banks, Inc. [announced](#) that First Horizon National Corp. has entered into an agreement to acquire 30 branches from SunTrust Bank. As part of the transaction, First Horizon will assume approximately \$2.4 billion in deposits for a deposit premium of 3.40 percent, and will purchase approximately \$410 million in loans.

Companies: BB&T Corporation; First Horizon National Corp.; SunTrust Banks, Inc.

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