

Waters on Proposed SunTrust and BB&T Merger: Many Questions Remain

Today, **Congresswoman Maxine Waters (D-CA)**, Chairwoman of the House Committee on Financial Services, delivered the following opening statement at a [full Committee hearing](#) entitled, “The Next Megabank? Examining the Proposed Merger of SunTrust and BB&T.”

As Prepared for Delivery

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 sixth 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 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 two banks have 740 branches that are within two 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 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 (FDIC) 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 banks make in the agreement seem to be a positive step, though it is non-binding and it is unclear if it represents a meaningful increase in lending and investments beyond what the banks already have been doing. Ultimately, it’s 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.

I look forward to hearing from our witnesses

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