

May 3, 2019

*Via Electronic Mail*

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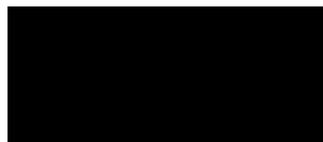
Re: Proposal by BB&T Corporation to acquire SunTrust Banks, Inc. and its subsidiary, SunTrust Bank, and to merge SunTrust Bank with and into Branch Banking and Trust Company

The Bank Policy Institute is pleased to comment on the proposal by BB&T Corporation, Winston-Salem, North Carolina, to acquire SunTrust Banks, Inc., and thereby indirectly acquire SunTrust Bank, both of Atlanta, Georgia, pursuant to the Bank Holding Company Act and related statutes. Although BPI generally does not comment on the merits of any regulatory action involving specific financial institutions, we comment here on two larger policy issues that have been raised by some in connection with the proposal.

First, we note that some have asserted, in the context of the proposal, that the U.S. banking sector is highly or unduly concentrated, and that the BB&T/SunTrust combination would make it more so. But as recent BPI research demonstrates, using the most commonly used measure of market concentration (the Herfindahl-Hirschman Index), the U.S. banking industry is unconcentrated, both in absolute terms and relative to other industries, and would remain so were BB&T and SunTrust to combine.<sup>1</sup>

Second, we note that some have also asserted, in the context of the proposal, that the Federal Reserve and FDIC should take into account, and make a decision on the proposal based on, various factors that have no basis in the Bank Holding Company Act, the Bank Merger Act, or other relevant statutes. We strongly urge the agencies to follow the law, applying the specific factors and considerations articulated by Congress in the relevant statutes, and not other, extra-legal criteria that have no basis in law and have never been subject to public notice and comment.<sup>2</sup>

Sincerely,



Greg Baer  
President & CEO  
Bank Policy Institute

<sup>1</sup> See The BPI Blog, *The Banking Industry is Unconcentrated, and Will Remain So After the BB&T/SunTrust Merger* (Feb. 15, 2019), available at <https://bpi.com/the-bbt-corp-and-suntrust-banks-merger-will-not-raise-the-concentration-of-the-banking-industry/>

<sup>2</sup> For a further discussion of the fundamental problems with applying such extra-legal criteria, including those enumerated in the Federal Reserve's Supervisory Letter 14-02, see Testimony of Greg Baer before the Senate Banking Committee (April 30, 2019), available at <https://www.banking.senate.gov/imo/media/doc/Baer%20Testimony%204-30-19.pdf> at p. 9 et seq.