



Truist Merger: **New Branch Investment Cut Out Low-income, Diverse Areas**

KEY FINDINGS

The BB&T and SunTrust merger creating Truist has resulted in a significant loss in opening branches in low and moderate income communities compared to in upper-income neighborhoods. The merger also resulted in a shift away from opening new branches in minority communities regardless of income.

- Truist has only opened 10 branches in low and moderate income communities, falling way short of its commitment to open 15 branches made at a U.S. Congressional hearing on July 24, 2019.
- The Truist merger resulted in a significant shift in where new branches were opened:
 - 35 percent reduction in low and moderate income and minority communities;
 - 50 percent reduction in minority communities regardless of income;
 - 22 percent reduction in low and moderate income communities regardless of race; and
 - Upper income minority areas were hit the hardest with a reduction by 73 percent in the number of branches opened.

INTRODUCTION

New research by [The Committee for Better Banks](#) into megabank investment in new branches finds that trends in branch openings compounds the established problem of branch closures' unequal impact. Our analysis of branch opening data from the Federal Deposit Insurance Corporation and census data from the Federal Financial Institutions Examination Council shows that more new branches opened in majority-white and middle-upper income areas than low-moderate and diverse areas from January 2010 through March 2021. Combined, these trends in branch openings and closings increase economic problems associated with branch closings: limited access to financial services, especially the provision of credit, and reduced employment opportunities in financial services.

Previous research into branch closures by the National Community Reinvestment Coalition found that branch closures between 2017 and 2020 happened at roughly the same rate in majority white and upper income areas as they happened in low-income and majority-minority areas. Despite the roughly equal rate of closures, these events still disproportionately impact low-income and communities of color by

closing branch access in communities that had fewer branches to begin with.¹ At the same time, each new branch represents access to financial services like mortgages, cash deposits, and small business lending in areas that lack access to these essential economic tools. Unfortunately, as the 2019 merger of SunTrust and BB&T into Truist Bank shows, new branch investment favors middle-upper income and majority white areas already served by megabanks.

TRUIST MERGER: NEW BRANCH OPENING PROMISE NOT MET

In 2019, BB&T and SunTrust announced a planned merger that was expected to redefine regional banking in the Southeast. To overcome concerns about the disparate impact of the merger in low-income and communities of color, the Chief Executive Officers of SunTrust and BB&T promised to open 15 new branches in low-moderate income areas once the merger was complete during July 2019 testimony before the House Financial Services Committee. SunTrust Chairman and CEO William Rogers said: “We also pledge to open at least 15 new branches in low to moderate income neighborhoods.” He added that “Our focus will not abandon communities. We’ve committed to keep branches in rural markets. We’ve committed to open branches in LMI markets because our—we’ll only be as strong as our communities.”² Federal data shows that Truist opened 10 branches in low-moderate income census tracts between January 1, 2020 and March 31, 2021, six of which were in diverse census tracts.

Truist Bank Branch Openings (2020-2021)		
Income	Majority- Minority	Minority-white
Low-Moderate Income	6	4
Middle-Upper Income	1	25
Grand Total	7	29

TRUIST OPENED NEW BRANCHES IN WHITE, MIDDLE-UPPER INCOME AREAS

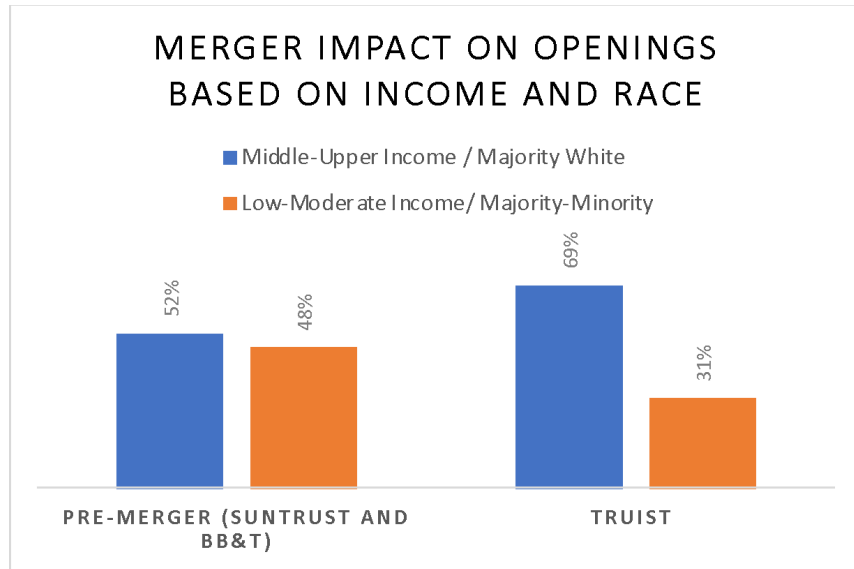
In addition to failing to meet public promises related to the merger, the Truist merger started a shift in the bank’s branch opening strategy. Comparing pre-merger opening trends for both SunTrust and BB&T with post-merger branch opening data under Truist shows that the bank stopped investing in new branches in LMI and majority-minority areas while simultaneously increasing investment in majority-white and middle-upper income areas.

Truist Reduced Branch Openings In Low-Moderate Income And Majority-Minority Neighborhoods By -35 Percent After The Merger. Prior to the merger, FDIC data shows that SunTrust and BB&T opened new branches in roughly the same numbers in LMI and majority-minority areas as UMI and majority-white areas. The Committee for Better Banks found that the number of new branches opened by Truist after the merger and in low-moderate income and majority-minority census tracts

¹ “Research Brief: Bank Branch Closure Update (2017-2020),” National Community Reinvestment Coalition, Accessed [September 26, 2021](#).

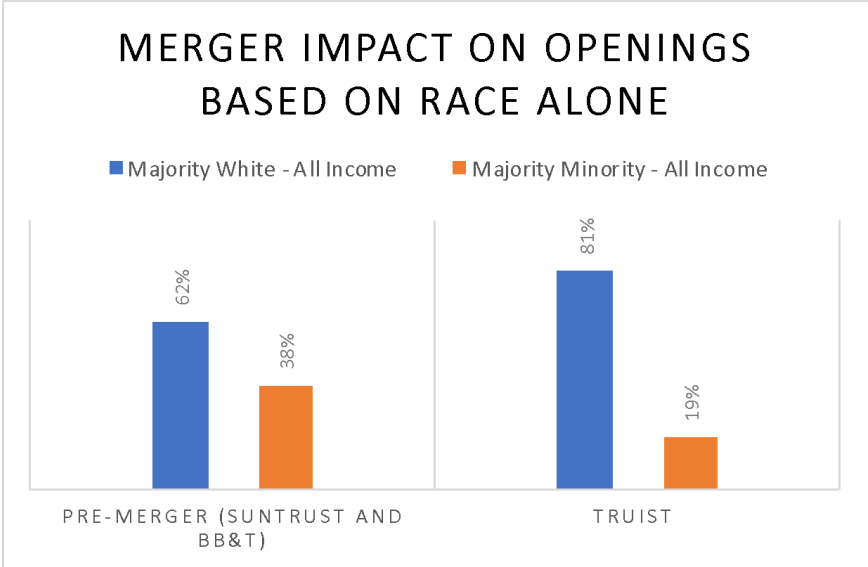
² “House Financial Services Committee Holds Hearing on SunTrust and BB&T Bank Merger,” July 24, 2019, CQ Transcripts

decreased by -35 percent. At the same time, Truist invested in new branches in middle-upper income and majority white areas by opening 33 percent more branches in those areas than before the merger.



MERGER IMPACT ON OPENINGS BASED ON INCOME AND RACE			
Branch openings	Pre-Merger (SunTrust and BB&T)	Truist	Merger Trend
Total open	187	36	
Middle-Upper Income / Majority White	52%	69%	33%
Total #	98	25	
Low-Moderate Income / Majority-Minority	48%	31%	-35%
Total #	89	11	

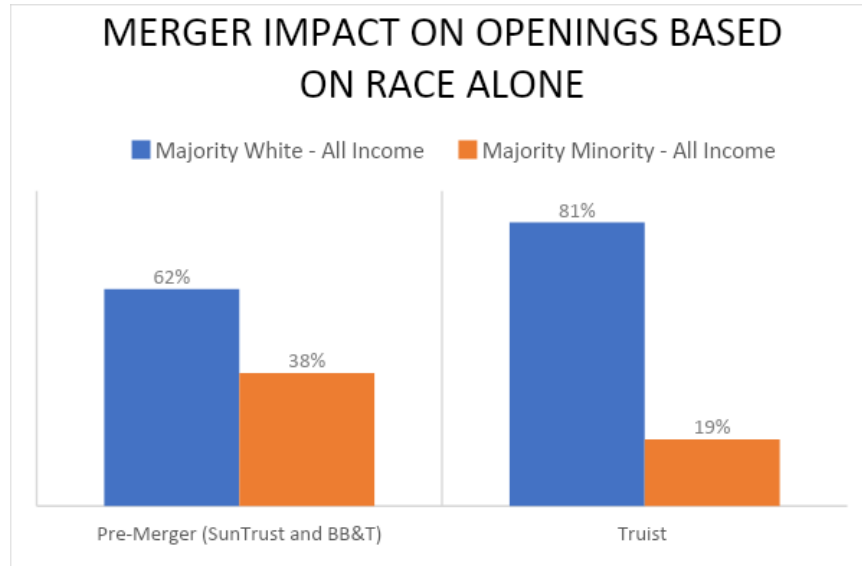
Truist Reduced Branch Openings In Majority-Minority Areas By -50 Percent After The Merger. Looking at new branch openings solely by race, the number of new branches Truist opened in majority-minority areas decreased by 50 percent after the merger compared to the combined new branch openings of SunTrust and BB&T. At the same time, Truist opened 31 percent more new branches in majority-white areas after the merger compared to pre-merger trends.



MERGER IMPACT ON OPENINGS BASED ON RACE REGARDLESS OF INCOME			
Branch openings	Pre-Merger (SunTrust and BB&T)	Truist	Merger Trend
Total open	187	36	
Majority White - All Income	62%	81%	31%
Total #	116	29	
Majority Minority - All Income	38%	19%	-50%
Total #	71	7	

Truist Cut Branch Openings In Low-Moderate Income Areas By -22 Percent After The Merger.

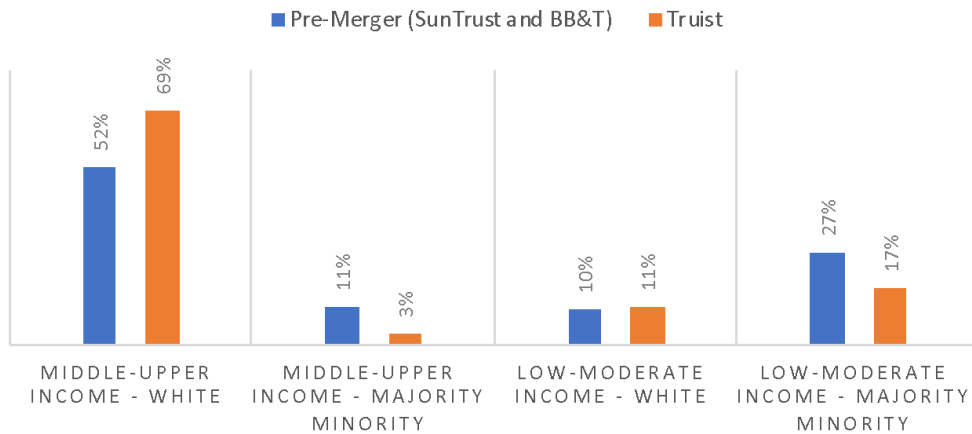
Looking at new branch trends solely by income, the number of new branches Truist opened in low-moderate income areas decreased by -22 percent while it opened 13 percent more branches in middle-upper income areas compared to pre-merger trends.



MERGER IMPACT ON OPENINGS BASED ON INCOME REGARDLESS OF RACE			
Branch openings	Pre-Merger (SunTrust and BB&T)	Truist	Merger Trend
Total open	187	36	
Middle-Upper Income - All race	64%	72%	13%
Total #	119	26	
Low-Moderate Income - All Race	36%	28%	-22%
Total #	68	10	

Truist Increased New Branches In Majority LMI And MUI White Areas While Reducing New Branch Openings In LMI And MUI Majority-Minority Areas. Comparing income and race shows that Truist favored majority white areas to majority-minority areas even controlling for income. In low-moderate income areas, Truist increased the number of branches in majority-white areas by 10 percent post-merger while it reduced the number of new branches compared to pre-merger trends by -37 percent. Likewise, in middle-upper income areas, Truist increased new branch openings at a higher rate in majority white areas (33 percent) while reducing new branch openings (-73 percent) compared to pre-merger trends.

MERGER IMPACT ON OPENINGS BASED ON INCOME & RACE



MERGER IMPACT ON OPENINGS BASED ON INCOME & RACE			
Branch openings	Pre-Merger (SunTrust and BB&T)	Truist	Merger Trend
Total open	187	36	
Middle-Upper Income - White	52%	69%	33%
Total #	98	25	
Middle-Upper Income - Majority Minority	11%	3%	-73%
Total #	21	1	
Low-Moderate Income - White	10%	11%	10%
Total #	18	4	
Low-Moderate Income - Majority Minority	27%	17%	-37%
Total #	50	6	