

SUNTRUST BANKS INC
Form 424B5
March 21, 2011
Table of Contents

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell nor do they seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

FILED PURSUANT TO RULE 424(B)(5)

REGISTRATION NO: 333-161712

PROSPECTUS SUPPLEMENT (Subject to Completion)

(To Prospectus dated September 3, 2009)

Issued March 21, 2011

SunTrust Banks, Inc.

\$

% Senior Notes due 2016

SunTrust Banks, Inc. will pay interest on the notes on _____ and _____ of each year, beginning _____, 2011. The notes will mature on _____, 2016.

The notes will be senior unsecured indebtedness of SunTrust Banks, Inc. and rank equally with SunTrust Banks, Inc.'s other senior unsecured indebtedness and will be effectively subordinated to SunTrust Banks, Inc.'s secured indebtedness and indebtedness of its subsidiaries. The notes will be issued only in fully registered book-entry form without coupons and in denominations of \$5,000 and integral multiples of \$1,000 in excess thereof. The notes will not be subject to redemption at our option at any time prior to _____, 2016 (one month prior to their maturity date). At any time on or after _____, 2016, we may, at our option, at any time and from time to time, upon not less than 10 nor more than 60 days' prior notice, redeem all or any portion of the notes at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued interest thereon to the date of redemption. The notes will not be subject to repayment at the option of the holder at any time prior to maturity and will not be entitled to any sinking fund.

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The notes will not be listed on any securities exchange. Currently there is no public market for the notes.

On March 18, 2011, we agreed to sell approximately \$1.04 billion of our common stock. The net proceeds from the offering of the notes and the common stock, together with available cash on hand, will be, subject to consultation with our banking regulators and the approval of the United States Treasury, used to repurchase all of our outstanding Fixed Rate Cumulative Perpetual Preferred Stock, Series C and all of our outstanding Fixed Rate Cumulative Perpetual Preferred Stock, Series D issued to the United States Treasury under the Capital Purchase Program. See [Use of Proceeds](#) for more information.

The notes and common stock are being offered separately, and the closing of the offering of the notes is not conditioned on the closing of the offering of common stock or vice versa. We may complete one or both offerings.

The notes will not be deposits or other obligations of a depository institution and will not be insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. The notes will not be guaranteed under the Federal Deposit Insurance Corporation's Temporary Liquidity Guarantee Program.

Investing in the notes involves risk. See [Risk Factors](#) beginning on page S-4 of this prospectus supplement to read about factors you should consider before investing in the notes.

Neither the Securities and Exchange Commission, any state securities commission, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Initial public offering price(1)	%	\$
Underwriting discount	%	\$
Proceeds, before expenses, to SunTrust Banks, Inc.	%	\$

(1) Plus accrued interest, if any, from March , 2011.

The underwriters expect to deliver the notes in book-entry form only through the facilities of The Depository Trust Company against payment in New York, New York on March , 2011. Beneficial interests in the notes will be shown on, and transfers thereof will be effected only through, records maintained by The Depository Trust Company and its direct and indirect participants, including Clearstream Banking, société anonyme, Luxembourg and Euroclear Bank S.A./N.V.

Joint Bookrunners

SunTrust Robinson Humphrey

Barclays Capital

Prospectus Supplement dated March , 2011

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

	Page
<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	ii
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	iii
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	iv
<u>SUMMARY</u>	S-1
<u>RISK FACTORS</u>	S-4
<u>RECENT DEVELOPMENTS</u>	S-6
<u>USE OF PROCEEDS</u>	S-8
<u>REGULATORY CONSIDERATIONS</u>	S-9
<u>SELECTED FINANCIAL DATA</u>	S-10
<u>CAPITALIZATION</u>	S-13
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	S-14
<u>DESCRIPTION OF THE NOTES</u>	S-15
<u>BOOK-ENTRY, DELIVERY AND FORM OF NOTES</u>	S-21
<u>CERTAIN UNITED STATES FEDERAL TAX CONSEQUENCES TO HOLDERS OF NOTES</u>	S-26
<u>EMPLOYEE RETIREMENT INCOME SECURITY ACT</u>	S-30
<u>UNDERWRITING (CONFLICTS OF INTEREST)</u>	S-32
<u>VALIDITY OF SECURITIES</u>	S-35
<u>EXPERTS</u>	S-35

Prospectus

<u>ABOUT THIS PROSPECTUS</u>	1
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	1
<u>USE OF PROCEEDS</u>	2
<u>VALIDITY OF SECURITIES</u>	2
<u>EXPERTS</u>	3

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the prospectus, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described below under the heading *Where You Can Find More Information*.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement to *SunTrust*, *we*, *us*, *our* or similar references mean SunTrust Banks, Inc. and its subsidiaries.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. This prospectus supplement may be used only for the purpose for which it has been prepared. No one is authorized to give information other than that contained in this prospectus supplement and in the documents referred to in this prospectus supplement and which are made available to the public. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it.

We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this prospectus supplement or any document incorporated by reference is accurate as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase, any of the securities and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. Our SEC filings are available to the public from the SEC's web site at <http://www.sec.gov>. To receive copies of public records not posted to the SEC's web site at prescribed rates, you may complete an online form at <http://www.sec.gov>, send a fax to (202) 772-9337 or submit a written request to the SEC, Office of FOIA/PA Operations, 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information. Our SEC filings are also available at the offices of the NYSE. For further information on obtaining copies of our public filings at the NYSE, you should call 212-656-3000.

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement, and later information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the following documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the *Exchange Act* (other than, in each case, information that is deemed not to have been filed in accordance with SEC rules), prior to the termination of the offering:

Annual Report on Form 10-K for the year ended December 31, 2010; and

Current Reports on Form 8-K dated December 31, 2010, February 7, 2011 and March 9, 2011 (Item 8.01 only).

You may request a copy of these filings (other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing), at no cost, by writing or calling us at the following address:

SunTrust Banks, Inc.
303 Peachtree Street, NE
Atlanta, Georgia 30308
Telephone: 404-588-7711
Attn: Corporate Secretary

We have also filed a registration statement (No. 333-161712) with the SEC relating to the securities offered by this prospectus supplement and the accompanying prospectus. This prospectus supplement is part of the registration statement. You may obtain from the SEC a copy of the registration statement and exhibits that we filed with the SEC when we registered the notes. The registration statement may contain additional information that may be important to you.

Unless otherwise indicated, currency amounts in this prospectus supplement are stated in U.S. dollars.

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information included or incorporated by reference in this prospectus supplement may contain forward-looking statements, including statements about credit quality and the future prospects of SunTrust. Statements that do not describe historical or current facts, including statements about beliefs and expectations, are forward-looking statements. These statements often include the words *believes*, *expects*, *anticipates*, *estimates*, *intends*, *plans*, *targets*, *potentially*, *probably*, *projects*, *outlook* or similar expressions or future conditions. *may*, *will*, *should*, *would* and *could*.

Such statements are based upon the current beliefs and expectations of SunTrust's management and on information currently available to management. The forward-looking statements are intended to be subject to the safe harbor provided by Section 27A of the Securities Act of 1933, as amended, or the *Securities Act*, and Section 21E of the Exchange Act. Such statements speak as of the date hereof, and SunTrust does not assume any obligation to update the statements included or incorporated by reference herein or to update the reasons why actual results could differ from those contained in such statements in light of new information or future events.

Forward-looking statements are subject to significant risks and uncertainties. Investors are cautioned against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause actual results to differ materially from those described in the forward-looking statements can be found beginning on page 8 of SunTrust's Annual Report on Form 10-K for the year ended December 31, 2010 and elsewhere in SunTrust's periodic reports and Current Reports filed on Form 8-K with the SEC and available at the SEC's internet site (<http://www.sec.gov>). Those factors include:

difficult market conditions have adversely affected our industry;

concerns over market volatility continue;

recently enacted legislation, legislation enacted in the future, and certain proposed federal programs subject us to increased regulation and may adversely affect us;

we have not yet received permission to repay Troubled Asset Relief Program funds;

the Dodd-Frank Act makes fundamental changes to the regulation of the financial services industry, some of which may adversely affect our business;

we may be subject to higher deposit insurance assessments;

we are subject to capital adequacy and liquidity guidelines and, if we fail to meet these guidelines, our financial condition would be adversely affected;

emergency measures designed to stabilize the U.S. banking system are beginning to wind down;

we are subject to credit risk;

our allowance for loan and lease losses may not be adequate to cover our eventual losses;

we will realize future losses if the proceeds we receive upon liquidation of nonperforming assets are less than the carrying value of such assets;

weakness in the economy and in the real estate market, including specific weakness within our geographic footprint, has adversely affected us and may continue to adversely affect us;

weakness in the real estate market, including the secondary residential mortgage loan markets, has adversely affected us and may continue to adversely affect us;

Table of Contents

we are subject to certain risks from originating, selling, and holding mortgages, including the risk that we may be required to repurchase mortgage loans or indemnify mortgage loan purchasers as a result of breaches of representations and warranties, borrower fraud, or certain borrower defaults, which could harm our liquidity, results of operations, and financial condition;

we are subject to risks related to delays in the foreclosure process;

we may continue to suffer increased losses in our loan portfolio despite enhancement of our underwriting policies;

as a financial services company, adverse changes in general business or economic conditions could have a material adverse effect on our financial condition and results of operations;

changes in market interest rates or capital markets could adversely affect our revenue and expense, the value of assets and obligations, and the availability and cost of capital or liquidity;

the fiscal and monetary policies of the federal government and its agencies could have a material adverse effect on our earnings;

depressed market values for our stock may require us to write down goodwill;

clients could pursue alternatives to bank deposits, causing us to lose a relatively inexpensive source of funding;

consumers may decide not to use banks to complete their financial transactions, which could affect net income;

we have businesses other than banking which subject us to a variety of risks;

hurricanes and other natural or man-made disasters may adversely affect loan portfolios and operations and increase the cost of doing business;

negative public opinion could damage our reputation and adversely impact business and revenues;

the soundness of other financial institutions could adversely affect us;

we rely on other companies to provide key components of our business infrastructure;

we rely on our systems, employees, and certain counterparties, and certain failures could materially adversely affect our operations;

we depend on the accuracy and completeness of information about clients and counterparties;

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regulation by federal and state agencies could adversely affect the business, revenue, and profit margins;

competition in the financial services industry is intense and could result in losing business or margin declines;

maintaining or increasing market share depends on market acceptance and regulatory approval of new products and services;

we may not pay dividends on our common stock;

our ability to receive dividends from our subsidiaries could affect our liquidity and ability to pay dividends;

v

Table of Contents

disruptions in our ability to access global capital markets may negatively affect our capital resources and liquidity;

any reduction in our credit rating could increase the cost of our funding from the capital markets;

we have in the past and may in the future pursue acquisitions, which could affect costs and from which we may not be able to realize anticipated benefits;

we are subject to certain litigation, and our expenses related to this litigation may adversely affect our results;

we depend on the expertise of key personnel, and if these individuals leave or change their roles without effective replacements, operations may suffer;

we may not be able to hire or retain additional qualified personnel and recruiting and compensation costs may increase as a result of turnover, both of which may increase costs and reduce profitability and may adversely impact our ability to implement our business strategy;

our accounting policies and processes are critical to how we report our financial condition and results of operations, and require management to make estimates about matters that are uncertain;

changes in our accounting policies or in accounting standards could materially affect how we report our financial results and condition;

our stock price can be volatile; our disclosure controls and procedures may not prevent or detect all errors or acts of fraud;

our financial instruments carried at fair value expose us to certain market risks;

our revenues derived from our investment securities may be volatile and subject to a variety of risks; and

we may enter into transactions with off-balance sheet affiliates or our subsidiaries.

Table of Contents

SUMMARY

The following information should be read together with the information contained in or incorporated by reference in other parts of this prospectus supplement and in the accompanying prospectus. It may not contain all the information that is important to you. You should carefully read this entire prospectus supplement and the accompanying prospectus, as well as the information to which we refer you and the information incorporated by reference herein, before making a decision about whether to invest in the notes. To the extent the following information is inconsistent with the information in the accompanying prospectus, you should rely on the following information. If any statement in this prospectus supplement conflicts with any statement in a document which we have incorporated by reference, then you should consider only the statement in the more recent document. You should pay special attention to the Risk Factors section of this prospectus supplement to determine whether an investment in the notes is appropriate for you.

SunTrust Banks, Inc.

SunTrust Banks, Inc., with total assets of \$172.9 billion as of December 31, 2010, is one of the nation's largest financial services holding companies.

Through our flagship subsidiary, SunTrust Bank, we provide deposit, credit and trust and investment services. Additional subsidiaries provide mortgage banking, insurance, asset management, equipment leasing, brokerage and capital market services. SunTrust's client base encompasses a broad range of individuals and families, high-net-worth clients, businesses and institutions.

SunTrust enjoys strong market positions in some of the highest growth markets in the United States and also serves clients in selected markets nationally. Our priorities include consistency in financial performance, quality in customer service and a strong commitment to all segments of the communities we serve.

As of December 31, 2010, SunTrust had 1,668 retail and specialized service branches and 2,918 ATMs, which are located primarily in Florida, Georgia, Maryland, North Carolina, South Carolina, Tennessee, Virginia and the District of Columbia. In addition, SunTrust provides clients with a selection of technology-based banking channels including Internet, PC and Telephone Banking. Our internet address is www.suntrust.com. Information presented on or accessed through our web site is not incorporated into, or made a part of, this prospectus supplement.

As of December 31, 2010, SunTrust had total assets under advisement of \$195.5 billion. This includes \$160.9 billion in trust assets as well as \$34.6 billion in retail brokerage assets. SunTrust's mortgage servicing portfolio was \$167.2 billion as of December 31, 2010.

See Recent Developments concerning (i) the anticipated repurchase of our Series C Preferred Stock and Series D Preferred Stock, (ii) our concurrent offering of common stock and (iii) the first quarter of fiscal 2011.

Our principal executive offices are located at SunTrust Banks, Inc., 303 Peachtree Street, NE, Atlanta, Georgia 30308. Our telephone number is 404-588-7711.

Table of Contents**Summary of the Offering**

The following summary contains basic information about the notes and the offering and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the notes, you should read the section of this prospectus supplement entitled Description of the Notes.

Issuer	SunTrust Banks, Inc.
Securities Offered	% Senior Notes due 2016.
Maturity Date	, 2016.
Interest Payments	The notes will bear interest from , 2011 or from the most recent interest payment date on which we paid or provided for interest on the notes, at the rate of % per annum. We will pay interest semiannually in arrears on and of each year beginning on , 2011. Interest will be calculated based on a 360-day year composed of twelve 30-day months.
Redemption/Repayment	<p>The notes will not be subject to redemption at our option at any time prior to , 2016 (one month prior to their maturity date). At any time on or after , 2016, we may, at our option, at any time and from time to time, upon not less than 10 nor more than 60 days prior notice, redeem all or any portion of the notes at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued interest thereon to the date of redemption.</p> <p>The notes will not be subject to repayment at the option of the holder at any time prior to maturity.</p>
Ranking	The notes will be senior unsecured indebtedness of SunTrust Banks, Inc. and rank equally with our other senior unsecured indebtedness and will be effectively subordinated to our secured indebtedness and indebtedness of our subsidiaries. As of December 31, 2010, we had \$771 million of outstanding secured debt. At December 31, 2010, our subsidiaries direct borrowings and deposit liabilities totaled approximately \$131.7 billion.
Use of Proceeds	We expect to receive net proceeds from this offering of approximately \$, after expenses and underwriting commissions. We intend to notify the United States Treasury of our intent to repurchase all of the 35,000 shares of our Fixed Rate Cumulative Perpetual Preferred Stock, Series C (the <i>Series C Preferred Stock</i>) and all of the 13,500 shares of our Fixed Rate Cumulative Perpetual Preferred Stock, Series D (the <i>Series D Preferred Stock</i>) issued to the United States Treasury under the Capital Purchase Program (the <i>CPP</i>) established by the United States Treasury as part of its Troubled Asset Relief Program (<i>TARP</i>) as authorized by the Emergency Economic Stabilization Act of

Table of Contents

2008 (the *EESA*). If permitted to do so, we expect to fund any such repurchases with the proceeds of this offering together with the proceeds from our concurrent common stock offering (the *Common Stock Offering*) and other funds. We currently anticipate based on discussion with our banking regulators that we will be permitted to repurchase the Series C Preferred Stock and Series D Preferred Stock following consummation of this offering. If the repurchase is not permitted, we will use the net proceeds from this offering for general corporate purposes. See *Recent Developments* *Repurchase of Series C and Series D Preferred Stock* and *Recent Developments* *Common Stock Offering*.

Form and Denomination

The notes will be issued in book-entry form through the facilities of The Depository Trust Company, which we refer to along with its successors in this capacity as *DTC*, in minimum denominations of \$5,000 and integral multiples of \$1,000 in excess thereof.

The notes will be accepted for clearance by DTC. Beneficial interests in the global securities will be shown on, and transfers thereof will be effected only through, the book-entry records maintained by DTC and its direct and indirect participants, including Euroclear Bank, S.A./N.V. (*Euroclear*) and Clearstream Banking, société anonyme, Luxembourg (*Clearstream*). Owners of beneficial interests in the notes will receive all payments relating to their notes in U.S. dollars.

Listing

The notes will not be listed on any securities exchange.

Trustee

U.S. Bank National Association.

Governing Law

The notes and the indenture governing the notes are governed by the laws of the State of New York.

Risk Factors

See *Risk Factors* and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of the factors you should consider carefully before deciding to invest in the notes.

Conflicts of Interest

SunTrust Robinson Humphrey, Inc., our subsidiary, is participating in this offering of notes as an underwriter. Accordingly, this offering is being conducted in compliance with the provisions of FINRA Rule 5121. SunTrust Robinson Humphrey, Inc. is not permitted to sell the notes in this offering to an account over which it exercises discretionary authority without the prior specific written approval of the customer to which the account relates.

Table of Contents

RISK FACTORS

An investment in the notes involves certain risks. You should carefully consider the risks related to the notes described below, the risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2010 and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. This prospectus supplement also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks related to the notes and faced by us described below and elsewhere in this prospectus supplement and the accompanying prospectus.

The Notes Are Our Obligations and Not Obligations of Our Subsidiaries and Will Be Structurally Subordinated to the Claims of Our Subsidiaries' Creditors.

The notes are exclusively our obligations and not those of our subsidiaries. We are a holding company that conducts substantially all of our operations through our bank and non-bank subsidiaries. As a result, our ability to make payments on the notes will depend primarily upon the receipt of dividends and other distributions from our subsidiaries. If we do not receive sufficient cash dividends and other distributions from our subsidiaries, it is unlikely that we will have sufficient funds to make payments on the notes.

Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the notes or to provide us with funds to pay our obligations, whether by dividends, distributions, loans or other payments. In addition, any dividend payments, distributions, loans or advances to us by our subsidiaries in the future will require the generation of future earnings by our subsidiaries and may require regulatory approval. Regulations of the Federal Reserve affect the ability of SunTrust Bank to pay dividends and other distributions to us and to make loans to us. If SunTrust Bank is unable to make dividend payments to us and sufficient capital is not otherwise available, we may not be able to make principal and interest payments on our debt, including the notes.

In addition, our right to participate in any distribution of assets of any of our subsidiaries upon the subsidiary's liquidation or otherwise will generally be subject to the prior claims of creditors of that subsidiary. Your ability as a holder of the notes to benefit indirectly from that distribution also will be subject to these prior claims. The notes are not guaranteed by any of our subsidiaries. As a result, the notes will be structurally subordinated to all existing and future liabilities and obligations of our subsidiaries, including deposits, which means that our subsidiaries' creditors will be paid from our subsidiaries' assets before holders of the notes would have any claims to those assets. At December 31, 2010, our subsidiaries' direct borrowings and deposit liabilities totaled approximately \$131.7 billion. Our subsidiaries may incur additional debt and liabilities in the future, all of which would rank structurally senior to the notes.

The Notes Will Be Effectively Junior to All of Our and Our Subsidiaries' Secured Indebtedness

The notes will be effectively subordinated to any future secured debt we or our subsidiaries may incur, to the extent of the value of the assets securing such debt. In the event that we are declared bankrupt, become insolvent or are liquidated or reorganized, any debt that ranks ahead of the notes will be entitled to be paid in full from our assets before any payment may be made with respect to the notes. Holders of the notes will participate ratably with all holders of our unsecured indebtedness that is deemed to be of the same ranking as the notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets.

Table of Contents

In any of the foregoing events, we may not have sufficient assets to pay amounts due on the notes. As a result, if holders of the notes receive any payments, they may receive less, ratably, than holders of secured indebtedness.

As of December 31, 2010, we had \$771 million of outstanding secured debt, and the indenture under which the notes will be issued does not preclude us from issuing additional secured debt. See the section of this prospectus supplement entitled *Description of the Notes* *Limitations on Mergers and Sale of Assets* and *Restrictions on Disposition of Voting Stock of Certain Subsidiaries* .

There Are Limited Covenants in the Indenture

Neither we nor any of our subsidiaries is restricted from incurring additional debt or other liabilities, including additional senior debt, under the indenture. If we incur additional debt or liabilities, our ability to pay our obligations on the notes could be adversely affected. We expect to incur, from time to time, additional debt and other liabilities. In addition, we are not restricted under the indenture from granting security interests over our assets, except to the extent described under *Description of the Notes* *Limitations on Mergers and Sale of Assets* and *Restrictions on Disposition of Voting Stock of Certain Subsidiaries* in this prospectus supplement, or from paying dividends or issuing or repurchasing its securities.

In addition, there are no financial covenants in the indenture. You are not protected under the indenture in the event of a highly leveraged transaction, reorganization, a default under our existing indebtedness, restructuring, merger or similar transaction that may adversely affect you, except to the extent described under *Description of the Notes* *Limitations on Mergers and Sale of Assets* and *Restrictions on Disposition of Voting Stock of Certain Subsidiaries* included in this prospectus supplement.

The Notes Are not Insured or Guaranteed By the FDIC

The notes are not savings accounts, deposits or other obligations of any of our bank or non-bank subsidiaries and are not insured by the FDIC or any other governmental agency or instrumentality. In addition, the notes are not guaranteed under the FDIC's Temporary Liquidity Guarantee Program.

You May Be Unable to Sell the Notes Because There is no Public Trading Market For the Notes

The notes are a new issue of securities with no established trading market. The notes will not be listed on any securities exchange or included in any automated quotation system. Consequently, the notes will be relatively illiquid and you may be unable to sell your notes. Although the representatives of the underwriters have advised us that, following completion of the offering of the notes, one or more of the underwriters currently intend to make a secondary market in the notes, they are not obligated to do so and may discontinue any market-making activities at any time without notice. Accordingly, a trading market for the notes may not develop or any such market may not have sufficient liquidity.

Table of Contents

RECENT DEVELOPMENTS

Repurchase of Series C and Series D Preferred Stock

In November 2008 we issued 35,000 shares of our Fixed Rate Cumulative Perpetual Preferred Stock, Series C, having a liquidation preference of \$100,000 per share, to the United States Treasury and in December 2008 we issued 13,500 shares of our Fixed Rate Cumulative Perpetual Preferred Stock, Series D to the United States Treasury. These issuances were made pursuant to the CPP as part of the TARP. We issued to the United States Treasury in connection with each of the Series C Preferred Stock transaction and the Series D Preferred Stock transaction a ten-year warrant relating to the purchase of up to 11,891,280 shares of our common stock at an initial exercise price of \$44.15 per share and the purchase of up to 6,008,902 shares of our common stock at an initial exercise price of \$33.70 per share, respectively.

Subject to approval by the United States Treasury, we intend to redeem all the shares of our Series C Preferred Stock and Series D Preferred Stock. We will use the net proceeds from this offering together with Common Stock Offering described below under Common Stock Offering and other funds for the redemption of the Series C Preferred Stock and Series D Preferred Stock. In connection with the redemption of the Series C Preferred Stock and Series D Preferred Stock if and as approved by the United States Treasury, we have agreed to undertake the Common Stock Offering. If the repurchase of the Series C Preferred Stock and Series D Preferred Stock is completed, we may seek at a future date to repurchase the common stock warrants issued to the United States Treasury in connection with the Series C and Series D Preferred Stock issuances; however, we can provide no assurances that we will decide or be able to repurchase the warrants in the future.

In the period in which we repurchase the Series C Preferred Stock and Series D Preferred Stock, we will accelerate the accretion of the issuance discount on the Series C Preferred Stock and Series D Preferred Stock and record a corresponding reduction in retained earnings, resulting in a one-time, noncash reduction in the calculation of diluted earnings per common share (i.e., a reduction in net income available to common stockholders in an amount equal to the issuance discount accelerated). The issuance discount is due to the carrying value of the Series C Preferred Stock and Series D Preferred Stock being at a discount to their liquidation values as a result of the initial recognition of Series C Preferred Stock, Series D Preferred Stock and the related warrants based on their relative fair values at issuance. As of March 17, 2011, the amount of the remaining issuance discount on the Series C Preferred Stock and Series D Preferred Stock was \$74 million.

Common Stock Offering

On March 18, 2011, we commenced a \$1.04 billion offering of shares of our common stock to fund, in part, our proposed redemption of the Series C Preferred Stock and Series D Preferred Stock. The completion of this offering is not conditioned upon the completion of the Common Stock Offering. There can be no assurance that the Common Stock Offering will be completed and the Series C Preferred Stock and Series D Preferred Stock redeemed. This prospectus supplement is not an offer to sell common stock; any offer to sell common stock will be made only by a separate prospectus supplement.

First Quarter 2011

While our first quarter is not yet complete and we plan to release our first quarter results in late April, the following list describes our current expectations for the first quarter of 2011:

we expect that we will experience continued modest net interest margin expansion due to lower deposit costs and efforts to enhance loan spreads;

Table of Contents

we expect that average loans and deposits will be relatively stable compared to the fourth quarter of 2010;

we expect that core fees will be down an approximate low double digit percentage amount compared to the fourth quarter of 2010, due to market sensitive revenue, including (i) a decline in investment banking fees due in part to the first quarter being seasonally slower than the fourth quarter and (ii) mortgage production fees declining primarily due to higher interest rates resulting in lower origination volumes;

we expect that noninterest income will benefit from securities gains in amounts comparable to recent quarters;

we expect that noninterest expense will be modestly down from the fourth quarter of 2010;

we expect that net charge-offs will be stable to modestly down compared to the fourth quarter of 2010;

we expect that the reduction in our allowance for loan and lease losses (*ALLL*) will be similar to the *ALLL* release in the fourth quarter of 2010 subject to normal quarter-end evaluation; and

we expect a one time charge in this quarter of \$74 million to net income available to common shareholders, or approximately \$0.15 per share, related to the difference of the carrying value of the Series C and Series D Preferred Stock and the repayment amount.

The expectations described in this section are preliminary in nature and are based upon currently available information, and the line items described can be highly volatile. Accordingly, no assurance can be given that our financial results for the completed quarter will be consistent with our current expectations described above.

Table of Contents

USE OF PROCEEDS

We expect to receive net proceeds from this offering of approximately \$ _____, after estimated expenses and underwriting commissions. We intend to notify the United States Treasury of our intent to repurchase all of the shares of our Series C Preferred Stock and Series D Preferred Stock issued to the United States Treasury under the CPP. We currently anticipate based on discussion with our banking regulators that we will be permitted to repurchase the Series C Preferred Stock and Series D Preferred Stock following consummation of this offering. If permitted to do so, we expect to fund such repurchase with the proceeds of this offering, the proceeds of the Common Stock Offering and cash on hand. The Series C Preferred Stock and Series D Preferred Stock would each be repurchased at its \$100,000 per share liquidation preference, plus accrued and unpaid dividends.

If we do not repurchase the Series C Preferred Stock and Series D Preferred Stock, then we may use the net proceeds of this offering and the Common Stock Offering for general corporate purposes. Pending the use of the net proceeds, we may invest the proceeds in highly liquid short term securities.

If we complete the repurchase of the Series C Preferred Stock and Series D Preferred Stock, we may in the future seek to repurchase the warrants that we issued to the United States Treasury as a result of our participation in the CPP at a price to be determined. However, we can provide no assurances that we will decide or be able to repurchase the warrants in the future.

Table of Contents

REGULATORY CONSIDERATIONS

As a financial holding company and a bank holding company under the Bank Holding Company Act of 1956, as amended, SunTrust is subject to regulation, supervision and examination by the Federal Reserve. For a discussion of the material elements of the regulatory framework applicable to financial holding companies, bank holding companies and their subsidiaries and specific information relevant to SunTrust, please refer to SunTrust's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, and the subsequent reports we file with the SEC, which are incorporated by reference in this prospectus supplement. This regulatory framework is intended primarily for the protection of depositors and the federal deposit insurance funds and not for the protection of security holders. As a result of this regulatory framework, SunTrust's earnings are affected by actions of the Federal Reserve, the FDIC, which insures the deposits of our banking subsidiaries within certain limits, and the SEC, which regulates the activities of certain subsidiaries engaged in the securities business.

SunTrust's earnings are also affected by general economic conditions, our management policies and legislative action.

In addition, there are numerous governmental requirements and regulations that affect our business activities. A change in applicable statutes, regulations or regulatory policy may have a material effect on SunTrust's business.

Depository institutions, like SunTrust's bank subsidiaries, are also affected by various federal laws, including those relating to consumer protection and similar matters. SunTrust also has other financial services subsidiaries regulated, supervised and examined by the Federal Reserve, as well as other relevant state and federal regulatory agencies and self-regulatory organizations. SunTrust's non-bank subsidiaries may be subject to other laws and regulations of the federal government or the various states in which they are authorized to do business.

No regulatory approvals are required to effect this offering of notes.

Table of Contents**SELECTED FINANCIAL DATA**

The following is selected consolidated financial data for SunTrust for the years ended December 31, 2010, 2009 and 2008.

The selected consolidated financial data for each of the years ended December 31, 2010, 2009 and 2008 are derived from our audited consolidated financial statements. Our consolidated financial statements for each of the three fiscal years ended December 31, 2010, 2009 and 2008 were audited by Ernst & Young LLP, an independent registered public accounting firm. The summary below should be read in conjunction with our audited consolidated financial statements, and the related notes thereto, and the other detailed information contained in our 2010 Annual Report on Form 10-K. For more information, see the section entitled [Where You Can Find More Information](#).

(Dollars in millions, except per share amounts)	2010	Year Ended December 31 2009	2008
Summary of Operations			
Interest, fees, and dividend income	\$ 6,343	\$ 6,710	\$ 8,328
Interest expense	1,489	2,244	3,708
Net interest income	4,854	4,466	4,620
Provision for credit losses	2,651	4,064	2,474
Net interest income after provision for credit losses	2,203	402	2,146
Noninterest income	3,729	3,710	4,473
Noninterest expense	5,911	6,562	5,879