

SUNTRUST BANKS INC  
Form 424B2  
December 14, 2012  
Table of Contents

**FILED PURSUANT TO RULE 424(b)(2)**

**REGISTRATION NO. 333-183516**

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities Offered</b>	<b>Maximum Aggregate Offering Price(1)</b>	<b>Amount of Registration Fee(2)</b>
Depository Shares of SunTrust Banks, Inc. (each representing a 1/4000th interest in a share of 5.875% Perpetual Preferred Stock, Series E)	\$500,000,000.00	\$68,200.00
5.875% Perpetual Preferred Stock, Series E	(3)	(3)

- (1) Includes depository shares subject to an option to purchase additional depository shares granted to the underwriters.
- (2) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.
- (3) No separate consideration will be payable in respect of shares of 5.875% Perpetual Preferred Stock, Series E, which are issued in connection with this offering.

**Table of Contents**

PROSPECTUS SUPPLEMENT

(To Prospectus dated August 23, 2012)

# SunTrust Banks, Inc.

**18,000,000 Depositary Shares**

**Each Representing a 1/4,000<sup>th</sup> Interest**

**in a Share of 5.875% Perpetual Preferred Stock, Series E**

Each of the 18,000,000 depositary shares offered hereby represents a 1/4,000<sup>th</sup> ownership interest in a share of Perpetual Preferred Stock, Series E (the *Shares* or the *Series E Preferred Stock*), \$100,000 liquidation preference per share (equivalent to \$25 per depositary share), of SunTrust Banks, Inc. deposited with U.S. Bank National Association, as depositary. The depositary shares are evidenced by depositary receipts. As a holder of depositary shares, you are entitled to all proportional rights and preferences of the Series E Preferred Stock (including dividend, voting, redemption and liquidation rights). You must exercise such rights through the depositary.

Holders of Series E Preferred Stock will be entitled to receive dividend payments only when, as and if declared by our board of directors or a duly authorized committee of the board. Any such dividends will be payable from the date of original issue, quarterly in arrears on the 15<sup>th</sup> day of March, June, September and December of each year, commencing on March 15, 2013, at a rate *per annum* equal to 5.875%.

Dividends on the Shares will be non-cumulative. In the event dividends are not declared on Series E Preferred Stock for payment on any dividend payment date, then those dividends will not be cumulative and will not accrue or be payable, and if we have not declared a dividend before the dividend payment date for any dividend period, we will have no obligation to pay dividends for that dividend period, whether or not dividends on the Series E Preferred Stock are declared for any future dividend period.

On any dividend payment date occurring on or after March 15, 2018, we may redeem the Series E Preferred Stock, in whole or in part, at a redemption price of \$100,000 per Share (equivalent to \$25 per depositary share), plus any declared and unpaid dividends. In addition, we may redeem the Series E Preferred Stock, in whole but not in part, at any time within 90 days following a Regulatory Capital Event (as defined herein), at a redemption price of \$100,000 per Share (equivalent to \$25 per depositary share), plus any declared and unpaid dividends. The Series E Preferred Stock will not have voting rights, except as set forth under Description of Series E Preferred Stock Voting Rights beginning on page S-23.

Application will be made to list the depositary shares on the New York Stock Exchange under the symbol *STI PrE*. If the application is approved, trading of the depositary shares on the New York Stock Exchange is expected to commence within a 30-day period after the initial delivery of the depositary shares.

## Edgar Filing: SUNTRUST BANKS INC - Form 424B2

Neither the Series E Preferred Stock nor the depositary shares are savings accounts, deposits or other obligations of any of our bank or non-bank subsidiaries and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency or instrumentality.

Investing in the depositary shares involves risk. See **Risk Factors** beginning on page S-9 of this prospectus supplement to read about factors you should consider before investing in the depositary shares.

Neither the Securities and Exchange Commission, any state securities commission, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System (the Federal Reserve ) 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 Depositary Share	Total
Initial public offering price <sup>(1)</sup>	\$ 25.0000	\$ 450,000,000
Underwriting discount <sup>(2)</sup>	\$ 0.6962	\$ 12,531,600
Proceeds, before expenses, to SunTrust Banks, Inc.	\$ 24.3038	\$ 437,468,400

- (1) The initial public offering price set forth above does not include dividends, if any, that may be declared. Dividends, if declared, will be calculated from the date of original issuance, which is expected to be December 20, 2012.
- (2) Reflects 3,984,000 depositary shares sold to institutional investors, for which the underwriters received an underwriting discount of \$0.375 per depositary share, and 14,016,000 depositary shares sold to retail investors, for which the underwriters received an underwriting discount of \$0.7875 per depositary share.

The underwriters expect to deliver the depositary shares in book-entry form only through the facilities of The Depository Trust Company against payment in New York, New York on December 20, 2012. Beneficial interests in the depositary shares 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.

We have granted the underwriters an option to purchase up to an additional 2,000,000 depositary shares within 30 days after the date of this prospectus supplement at the public offering price, less underwriting discounts and commissions, solely to cover over-allotments, if any.

SunTrust Robinson Humphrey, Inc., our subsidiary, is participating in this offering of depositary shares as an underwriter. Accordingly, this offering is being conducted in compliance with the provisions of Financial Industry Regulatory Authority ( *FINRA* ) Rule 5121.

*Joint Bookrunners*

**Morgan Stanley**

**BofA Merrill Lynch**

**Citigroup**

**Goldman, Sachs & Co.**

**SunTrust Robinson Humphrey**

**UBS Investment Bank**

*Co-Managers*

Edgar Filing: SUNTRUST BANKS INC - Form 424B2

**Barclays Capital**

**Credit Suisse**

**Deutsche Bank Securities**

**Sandler O'Neill + Partners, L.P.**

Prospectus Supplement dated December 13, 2012

**Table of Contents**

**TABLE OF CONTENTS**

**Prospectus Supplement**

	<b>Page</b>
<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-9
<u>USE OF PROCEEDS</u>	S-13
<u>REGULATORY CONSIDERATIONS</u>	S-14
<u>SELECTED FINANCIAL DATA</u>	S-15
<u>CAPITALIZATION</u>	S-17
<u>DESCRIPTION OF THE SERIES E PREFERRED STOCK</u>	S-18
<u>DESCRIPTION OF THE DEPOSITARY SHARES</u>	S-27
<u>BOOK-ENTRY, DELIVERY AND FORM OF DEPOSITARY SHARES</u>	S-30
<u>UNITED STATES FEDERAL TAX CONSEQUENCES TO HOLDERS OF DEPOSITARY SHARES</u>	S-33
<u>EMPLOYEE RETIREMENT INCOME SECURITY ACT</u>	S-38
<u>UNDERWRITING (CONFLICTS OF INTEREST)</u>	S-40
<u>VALIDITY OF SHARES</u>	S-46
<u>EXPERTS</u>	S-46

**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>	2

**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, the accompanying prospectus and any fee writing prospectus filed by us with the Securities and Exchange Commission (the *SEC* ). 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, the accompanying prospectus or any free writing prospectus filed by us with the SEC and 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, the accompanying prospectus or any free writing prospectus filed by us with the SEC 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 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.

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 deemed to have been furnished and not 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, 2011 (as amended by our Current Report on Form 8-K dated August 1, 2012);

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012, June 30, 2012 and September 30, 2012; and

Current Reports on Form 8-K dated February 14, 2012, March 13, 2012, April 24, 2012, June 8, 2012, August 1, 2012, September 6, 2012 and October 3, 2012.

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. 333-183516) 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 depositary shares and the Series E Preferred Stock. 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, 2011 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:

as one of the largest lenders in the Southeast and Mid-Atlantic United States and a provider of financial products and services to consumers and businesses across the United States, our financial results have been, and may continue to be, materially affected by general economic conditions, particularly unemployment levels and home prices in the United States, and a deterioration of economic conditions or of the financial markets may materially adversely affect our lending and other businesses and our financial results and condition;

legislation and regulation, including the Dodd-Frank Act, as well as future legislation and/or regulation, could require us to change certain of our business practices, reduce our revenue, impose additional costs on us or otherwise adversely affect our business operations and/or competitive position;

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

loss of customer deposits and market illiquidity could increase our funding costs;

we rely on the mortgage secondary market and government-sponsored enterprises for some of our liquidity;

we are subject to credit risk;

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

we may have more credit risk and higher credit losses to the extent our loans are concentrated by loan type, industry segment, borrower type, or location of the borrower or collateral;



Edgar Filing: SUNTRUST BANKS INC - Form 424B2

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

iv

**Table of Contents**

a downgrade in the U.S. government's sovereign credit rating, or in the credit ratings of instruments issued, insured or guaranteed by related institutions, agencies or instrumentalities, could result in risks to us and general economic conditions that we are not able to predict;

the failure of the European Union to stabilize the fiscal condition and creditworthiness of its weaker member economies, such as Greece, Portugal, Spain, Hungary, Ireland, and Italy, could have international implications potentially impacting global financial institutions, the financial markets, and the economic recovery underway in the United States;

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

we are subject to certain risks related to originating and selling mortgages, and may be required to repurchase mortgage loans or indemnify mortgage loan purchasers as a result of breaches of representations and warranties, borrower fraud, or as a result of certain breaches of our servicing agreements, and this could harm our liquidity, results of operations, and financial condition;

financial difficulties or credit downgrades of mortgage and bond insurers may adversely affect our servicing and investment portfolios;

we may be terminated as a servicer or master servicer, be required to repurchase a mortgage loan or reimburse investors for credit losses on a mortgage loan, or incur costs, liabilities, fines and other sanctions if we fail to satisfy our servicing obligations, including our obligations with respect to mortgage loan foreclosure actions;

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 and practices;

our mortgage production and servicing revenue can be volatile;

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 and liquidity;

changes in interest rates could also reduce the value of our mortgage servicing rights and mortgages held for sale, reducing our earnings;

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;

Edgar Filing: SUNTRUST BANKS INC - Form 424B2

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 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;

v

**Table of Contents**

a failure in or breach of our operational or security systems or infrastructure, or those of our third party vendors and other service providers, including as a result of cyber attacks, could disrupt our businesses, result in the disclosure or misuse of confidential or proprietary information, damage our reputation, increase our costs and cause losses;

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

the soundness of other financial institutions could adversely affect us;

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

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

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

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

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

disruptions in our ability to access global capital markets may adversely 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 may incur fines, penalties and other negative consequences from regulatory violations, possibly even from inadvertent or unintentional violations;

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 strategies;

## Edgar Filing: SUNTRUST BANKS INC - Form 424B2

our accounting policies and processes are critical to how we report our financial condition and results of operations, and they 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 framework for managing risks may not be effective in mitigating risk and loss to us;

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 depositary shares representing interests in our Series E Preferred Stock.*

**SunTrust Banks, Inc.**

SunTrust Banks, Inc., with total assets of \$173.2 billion as of September 30, 2012, 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, asset management, securities brokerage capital market services, and credit-related insurance. SunTrust's client base encompasses a broad range of individuals and families, businesses, institutions, and governmental agencies.

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 September 30, 2012, SunTrust had 1,633 retail and specialized service branches and 2,914 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](http://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 September 30, 2012, SunTrust had total assets under advisement of \$196.9 billion. This includes \$157.8 billion in trust assets as well as \$39.1 billion in retail brokerage assets. SunTrust's mortgage servicing portfolio was \$149.7 billion as of September 30, 2012.

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 depositary shares representing interests in our Series E Preferred Stock 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 these securities, you should read the sections of this prospectus supplement entitled *Description of the Series E Preferred Stock* and *Description of the Depositary Shares*.*

Issuer	SunTrust Banks, Inc.
Securities Offered	<p>18,000,000 depositary shares (20,000,000 depositary shares if the underwriters exercise in full their over-allotment option to purchase additional depositary shares), each representing a 1/4,000th ownership interest in a share of Perpetual Preferred Stock, Series E, no par value (the <i>Shares</i> or the <i>Series E Preferred Stock</i> ), with a liquidation preference of \$100,000 per Share (equivalent to \$25 per depositary share) and \$450,000,000 in the aggregate (\$500,000,000 if the underwriters exercise in full their over-allotment option to purchase additional depositary shares), of SunTrust. Each holder of a depositary share will be entitled, through the depositary, in proportion to the applicable fraction of a Share represented by such depositary share, to all the rights and preferences of the Shares represented thereby (including dividend, voting, redemption and liquidation rights).</p> <p>SunTrust may from time to time elect to issue additional depositary shares representing additional Shares, and all such additional Shares will be deemed to form a single series with the Shares represented by the depositary shares offered hereby.</p>
Dividends	<p><u>Dividend Rate.</u> Dividends on the Shares will accrue at a rate of 5.875% <i>per annum</i>.</p> <p><u>Dividend Payment Dates.</u> The dividend payment dates for the Shares are the 15<sup>th</sup> day of March, June, September and December of each year, commencing on March 15, 2013. If any day that would otherwise be a dividend payment date is not a business day, then such date will nevertheless be a dividend payment date but dividends on the Series E Preferred Stock, when, as and if declared, will be paid on the next succeeding business day (without adjustment in the amount of the dividend per Share).</p> <p><u>Declaration of Dividends, etc.</u> Holders of Shares will be entitled to receive cash dividends, only when, as and if declared by SunTrust's board of directors or a duly authorized committee of the board, payable at the dividend rate applied to the liquidation preference per Share.</p>

**Table of Contents**

Non-Cumulative Dividends. Dividends on the Shares will be non-cumulative. For any dividend payment date we will have no obligation to pay dividends for the corresponding dividend period after that dividend payment date or to pay interest with respect to those dividends, whether or not we declare dividends on the Shares for any subsequent dividend period.

Redemption

On any dividend payment date occurring on or after March 15, 2018, we may redeem the Shares, in whole or in part, at a redemption price equal to \$100,000 per Share (equivalent to \$25 per depositary share), plus any declared and unpaid dividends, without regard to any undeclared dividends.

In addition, we may redeem the Shares, in whole but not in part, at any time within 90 days following a Regulatory Capital Event (as defined herein), at a redemption price equal to \$100,000 per Share (equivalent to \$25 per depositary share), plus any declared and unpaid dividends, without regard to any undeclared dividends.

The Shares will not be subject to any sinking fund or other obligation of SunTrust to redeem, repurchase or retire the Shares.

Ranking

The Shares:

will rank senior to SunTrust's junior stock with respect to the payment of dividends and distributions upon liquidation, dissolution or winding-up. Junior stock includes SunTrust's common stock and any other class of stock that ranks junior to the Shares either as to the payment of dividends or as to the distribution of assets upon any liquidation, dissolution or SunTrust's winding-up.

will rank equally with SunTrust's outstanding Perpetual Preferred Stock, Series A and Perpetual Preferred Stock, Series B and at least equally with each other series of parity stock that SunTrust may issue with respect to the payment of dividends and distributions upon liquidation, dissolution or SunTrust's winding-up.

During any dividend period, so long as any Shares remain outstanding, unless (a) the full dividends for the then-current dividend period on all outstanding Shares have been paid, or declared and funds set aside therefor and (b) we are not in default on our obligation to redeem any Shares that have been called for redemption as described herein:

no dividend whatsoever shall be paid or declared on SunTrust's common stock or other junior stock, other than:

a dividend payable in junior stock;





**Table of Contents**

cash in lieu of fraction shares in connection with such dividend; or

any dividend in connection with the implementation of a shareholders' rights plan, or the redemption or repurchase of any rights under any such plan;

no common stock or other junior stock shall be purchased, redeemed or otherwise acquired for consideration by SunTrust, other than:

as a result of a reclassification of junior stock for or into other junior stock;

the exchange or conversion of one share of junior stock for or into another share of junior stock;

through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock;

purchases, redemptions or other acquisitions of shares of junior stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants;

purchases of shares of junior stock pursuant to a contractually binding requirement to buy junior stock existing prior to the preceding dividend period, including under a contractually binding stock repurchase plan;

purchases of shares of junior stock by any investment banking subsidiary of SunTrust in connection with the distribution thereof;

purchases of shares of junior stock by any investment banking subsidiary of SunTrust in connection with market-making or other secondary-market activities in the ordinary course of business of the subsidiary; or

the purchase of fractional interests in shares of junior stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged; and

no shares of parity stock shall be repurchased, redeemed or otherwise acquired for consideration by us otherwise than pursuant to pro rata offers to purchase all, or a pro rata portion, of the Series E Preferred Stock and such parity stock except:

as a result of a reclassification of parity stock for or into other parity stock;

Edgar Filing: SUNTRUST BANKS INC - Form 424B2

the exchange or conversion of one share of parity stock for or into another share of parity stock;

through the use of the proceeds of a substantially contemporaneous sale of other shares of parity stock;

S-4

**Table of Contents**

purchases, redemptions or other acquisitions of shares of parity stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants;

purchases of shares of parity stock pursuant to a contractually binding requirement to buy parity stock existing prior to the preceding dividend period, including under a contractually binding stock repurchase plan;

purchases of shares of parity stock by any investment banking subsidiary of SunTrust in connection with the distribution thereof;

purchases of shares of parity stock by any investment banking subsidiary of SunTrust in connection with market-making or other secondary-market activities in the ordinary course of business of the subsidiary; or

the purchase of fractional interests in shares of parity stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged.

On any dividend payment date for which full dividends are not paid, or declared and funds set aside therefor, upon the Shares and other equity securities designated as ranking on parity with the Shares as to payment of dividends, all dividends paid or declared for payment on that dividend payment date with respect to the Shares and any such dividend parity stock shall be shared first ratably by the holders of any such shares who have the right to receive dividends with respect to prior dividend periods, in proportion to the respective amounts of the unpaid dividends relating to prior dividend periods, and thereafter by the holders of these shares on a pro rata basis.

Liquidation Rights

Upon SunTrust's voluntary or involuntary liquidation, dissolution or winding-up, holders of depositary shares representing the Shares are entitled to receive out of SunTrust's assets that are available for distribution to shareholders, before any distribution is made to holders of common stock or other junior stock, a liquidating distribution in the amount of \$100,000 per Share (equivalent to \$25 per depositary share), plus any declared and unpaid dividends, without regard for any undeclared dividends. Distributions will be made *pro rata* as to the Shares and any other parity stock and only to the extent of SunTrust's assets, if any, that are available after satisfaction of all liabilities to creditors.

Voting Rights

Holders of depositary shares representing the Shares will have no voting rights, except as provided below or as otherwise provided by applicable law. Holders of depositary shares must act through the depositary to exercise any voting rights.

**Table of Contents**

If and when dividends payable on the Shares and on any other class or series of stock of SunTrust ranking on a parity with the Shares as to payment of dividends and that have equivalent voting rights (including the Perpetual Preferred Stock, Series A and Perpetual Preferred Stock, Series B) ( *voting parity stock* ) shall have not been declared and paid in an aggregate amount equal, as to any such class or series, to at least six quarterly dividends (whether or not consecutive), the number of directors then constituting SunTrust's board of directors will be increased by two and the holders of Shares, together with the holders of all other affected classes and series of voting parity stock, voting as a single class, shall be entitled to elect the two additional directors at any annual meeting of shareholders or any special meeting of holders of Shares and holders of voting parity stock. In the case of the Shares, these voting rights shall continue until full dividends have been paid for at least one year.

Additionally, so long as any Shares remain outstanding, the affirmative vote of the holders of at least two-thirds of the Shares outstanding at the time, given in person or by proxy, either in writing or at a meeting (voting separately as a class), will be required to:

authorize or create, or increase the authorized or issued amount of, any class or series of capital stock ranking senior to the Shares with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding-up, or reclassify any authorized shares of capital stock into Shares; or

amend, alter or repeal the provisions of our articles of incorporation, whether by merger, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Shares or the holders thereof.

Maturity

The Shares do not have any maturity date, and SunTrust is not required to redeem the Shares. Accordingly, the Shares will remain outstanding indefinitely, unless and until SunTrust decides to redeem them. SunTrust may not redeem the Shares without receiving the prior approval of the Federal Reserve.

Preemptive Rights

Holders of depositary shares representing the Shares will have no preemptive rights.

Listing

SunTrust will apply to list the depositary shares representing the Shares on the New York Stock Exchange under the trading symbol *STI PrE* .

Tax Consequences

Dividends paid to U.S. Holders should generally be taxable as dividend income to the extent paid out of our earnings and profits (as determined for tax purposes). Dividends paid to

**Table of Contents**

corporate U.S. Holders generally should be eligible for the dividends-received deduction, subject to certain conditions and limitations.

Use of Proceeds

We expect to receive net proceeds from this offering of approximately \$436.9 million (\$485.3 million if the underwriters exercise in full their over-allotment option to purchase additional depositary shares), in either case after expenses and underwriting commissions. We intend to use the net proceeds for general corporate purposes. For further information, see "Use of Proceeds" in this prospectus supplement.

Registrar, Transfer Agent and Paying Agent

Computershare Trust Company, N.A.

Depositary

U.S. Bank National Association.

Calculation Agent

U.S. Bank National Association.

Conflicts of Interest

SunTrust Robinson Humphrey, Inc., our subsidiary, is participating in this offering of depositary shares 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 depositary shares 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.

In the future, SunTrust Robinson Humphrey, Inc. or our other affiliates may repurchase and resell the depositary shares in market-making transactions, with resales being made at prices related to prevailing market prices at the time of the resale or at negotiated prices.

**Table of Contents**

**Ratio of Earnings to Fixed Charges and Ratio of  
Earnings to Combined Fixed Charges and Preferred Stock Dividends**

The following table shows the ratio of earnings to fixed charges of our company, which includes our subsidiaries, on a consolidated basis. The ratio of earnings to fixed charges has been computed by dividing:

net income excluding income taxes plus fixed charges, by

fixed charges.

The ratio of earnings to combined fixed charges and preferred stock dividends has been computed by dividing:

net income excluding income taxes plus fixed charges, by

fixed charges plus preferred stock dividends.

Fixed charges represent interest expense, either including or excluding interest on deposits as set forth below, and the portion of net rental expense deemed to be equivalent to interest on long-term debt. Interest expense, other than on deposits, includes interest on long-term debt, funds purchased and securities sold under agreements to repurchase, trading liabilities and other short-term borrowings.

	Nine Months Ended September 30		2011	2010	Year Ended December 31		
	2012	2011			2009	2008	2007
<b>Ratio of Earnings to Fixed Charges</b>							
Including interest on deposits	4.43x	1.77x	1.61x	1.00x	NM(1)	1.19x	1.42x
Excluding interest on deposits	7.94x	2.62x	2.28x	1.01x	NM(1)	1.52x	2.31x
<b>Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends</b>							
Including interest on deposits	4.35x	1.48x	1.41x	0.85x	NM(1)	1.18x	1.41x
Excluding interest on deposits	7.67x	1.86x	1.77x	0.72x	NM(1)	1.47x	2.26x

- (1) NM-not meaningful. For the year ended December 31, 2009, earnings were inadequate to cover fixed charges by \$2.5 billion and combined fixed charges and preferred stock dividends by \$2.7 billion. Earnings included a \$751 million non-cash goodwill impairment charge in 2009, as well as elevated provision for credit losses.

**Table of Contents**

**RISK FACTORS**

*An investment in the depositary shares involves certain risks. You should carefully consider the risks related to the depositary shares and the Series E Preferred Stock described below, the risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2011, as well as 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 depositary shares and faced by us described below and elsewhere in this prospectus supplement and the accompanying prospectus.*

***You Are Making an Investment Decision with Regard to the Depositary Shares as well as the Series E Preferred Stock.***

As described in this prospectus supplement and the accompanying prospectus, we are issuing depositary shares representing fractional interests in shares of Series E Preferred Stock. Accordingly, the depositary will rely on the payments it receives on the Series E Preferred Stock to fund all payments on the depositary shares. You should carefully review the information in this prospectus supplement and the accompanying prospectus regarding both of these securities before making an investment decision.

***The Series E Preferred Stock Is Equity and Is Subordinate to our Existing and Future Indebtedness.***

The Shares are equity interests in SunTrust and do not constitute indebtedness. As such, the Shares will rank junior to all indebtedness and other non-equity claims on SunTrust with respect to assets available to satisfy claims on SunTrust, including in a liquidation of SunTrust. Additionally, unlike indebtedness, where principal and interest would customarily be payable on specified due dates, in the case of preferred stock like the Shares (1) dividends are payable only if declared by our board of directors and (2) as a corporation, we are subject to restrictions on payments of dividends and redemption price out of lawfully available funds.

Also, as a bank holding company, SunTrust's ability to declare and pay dividends is dependent on certain federal regulatory considerations. SunTrust has issued and outstanding debt securities under which we may defer interest payments from time to time, but in that case we would not be permitted to pay dividends on any of our capital stock, including the Shares, during the deferral period.

***Additional Issuances of Preferred Stock or Securities Convertible into Preferred Stock May Dilute Existing Holders of the Depositary Shares.***

We may, in the future, determine that it is advisable, or we may encounter circumstances where we determine it is necessary, to issue additional shares of preferred stock, securities convertible into, exchangeable for or that represent an interest in preferred stock, or preferred stock-equivalent securities. Our board of directors is authorized to cause us to issue one or more classes or series of preferred stock from time to time without any action on the part of the stockholders, including issuing additional Shares or additional depositary shares. Our board of directors also has the power, without stockholder approval, to set the terms of any such classes or series of preferred stock that may be issued, including voting rights, dividend rights, and preferences over the Series E Preferred Stock with respect to dividends or upon our dissolution, winding-up and liquidation and other terms. Though the approval of holders of depositary shares representing interests in the Series E Preferred Stock will be needed to issue any equity security ranking senior to the Series E Preferred Stock, if we issue



## **Table of Contents**

preferred stock in the future that has preference over the Series E Preferred Stock with respect to the payment of dividends or upon liquidation, or if we issue preferred stock with voting rights that dilute the voting power of the Series E Preferred Stock or depositary shares, the rights of holders of the depositary shares or the market price of the depositary shares could be adversely affected. The market price of the depositary shares could decline as a result of these other offerings, as well as other sales of a large block of depositary shares, Series E Preferred Stock or similar securities in the market thereafter, or the perception that such sales could occur. Holders of the Series Preferred Stock or depositary shares are not entitled to preemptive rights or other protections against dilution.

### ***Investors Should Not Expect SunTrust to Redeem the Shares on the Date They First Become Redeemable or on any Particular Date After They Become Redeemable.***

The Shares are perpetual equity securities. The Shares have no maturity or mandatory redemption date and are not redeemable at the option of investors. By their terms, the Shares may be redeemed by us at our option either in whole or in part on any dividend payment date occurring on or after March 15, 2018. Any decision we may make at any time to propose a redemption of the Shares will depend, among other things, upon our evaluation of the overall level and quality of our capital components, considered in light of our risk exposures, earnings and growth strategy, as well as general market conditions at such time. Our right to redeem the Shares is subject to the limitation described below. Accordingly, investors should not expect us to redeem the Shares on the date they first become redeemable or on any particular date thereafter.

Under the Federal Reserve's risk-based capital guidelines applicable to bank holding companies, any redemption of the Shares is subject to prior approval of the Federal Reserve. There can be no assurance that the Federal Reserve will approve any redemption of the Shares that we may propose. We understand that the factors that the Federal Reserve will consider in evaluating a proposed redemption include its evaluation of the overall level and quality of our capital components, considered in light of our risk exposures, earnings and growth strategy, and other supervisory considerations.

### ***SunTrust May Be Able to Redeem the Shares prior to the Dividend Payment Date in March 2018.***

By their terms, the Shares may be redeemed by SunTrust prior to the dividend payment date in March 2018 upon the occurrence of certain events involving the capital treatment of the Shares. In particular, upon SunTrust's determination in good faith that an event has occurred that would constitute a Regulatory Capital Event (as defined herein), SunTrust may, at its option at any time within 90 days following such Regulatory Capital Event, redeem in whole but not in part the Shares, subject to regulatory approval. See Description of the Series Preferred Stock Redemption.

Although the terms of the Shares have been established to satisfy the proposed criteria for Tier 1 capital instruments consistent with Basel III as set forth in a joint notice of proposed rulemaking issued in June 2012 by the Federal Reserve, the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency (the *June NPR*), it is possible that the Shares may not satisfy the criteria set forth in future rulemaking or interpretations. As a result, in addition to other circumstances that may constitute a Regulatory Capital Event, if the Federal Reserve revises and replaces its current capital rules with the proposed risk-based and leverage capital requirements set forth in the June NPR, a Regulatory Capital Event could occur whereby SunTrust would have the right, subject to regulatory approval, to redeem the Shares in accordance with their terms prior to the dividend payment date in March 2018 at a redemption price equal to \$100,000 per Share (equivalent to \$25 per depositary share), plus any declared and unpaid dividends.

---

**Table of Contents**

***Dividends on the Shares Will Be Non-Cumulative.***

Dividends on the Series E Preferred Stock are discretionary and will not be cumulative. If our board of directors does not authorize and declare a dividend for any dividend period, holders of depositary shares would not be entitled to receive any such dividend, and any such unpaid dividend will not accrue or be payable. We will have no obligation to pay dividends for a dividend period after the dividend payment date for that period if our board of directors has not declared such dividend before the related dividend payment date, whether or not dividends are declared for any subsequent dividend period with respect to the Shares or any other preferred stock we have issued or may issue.

***Our Results of Operations and Our Ability to Fund Dividend Payments and All Payments on Our Other Obligations Depend Upon the Results of Operations of Our Subsidiaries.***

We are a separate and distinct legal entity from our banking and non-banking subsidiaries. Our principal source of funds to make payments on securities is dividends from our banking subsidiaries. Various federal and state statutes and regulations limit the amount of dividends that our banking and non-banking subsidiaries may pay to us without regulatory approval. In particular, dividend and other distributions from our bank subsidiary to us would require notice to or approval of the applicable regulatory authority. There can be no assurances that we would receive such approval.

In addition, if, in the opinion of the applicable regulatory authority, a bank under its jurisdiction is engaged in or is about to engage in an unsafe or unsound practice, such authority may require, after notice and hearing, that such bank cease and desist from such practice. Depending on the financial condition of our banking subsidiaries, the applicable regulatory authority might deem us to be engaged in an unsafe or unsound practice if our banking subsidiaries were to pay dividends. The Federal Reserve has issued policy statements generally requiring insured banks and bank holding companies only to pay dividends out of current operating earnings.

Payment of dividends could also be subject to regulatory limitations if any of our banking subsidiaries became *under-capitalized* for purposes of the *prompt corrective action* regulations of the federal bank regulatory agencies that are the primary regulators of our banking subsidiaries.

Furthermore, our right to participate in any distribution of assets of any of our subsidiaries upon its liquidation or otherwise, and thus your ability as a holder of the depositary shares to benefit indirectly from such distribution, will be subject to the prior claims of creditors of such subsidiary, except to the extent that any of our claims as a creditor of such subsidiary may be recognized. As a result, our depositary shares are effectively subordinated to all existing and future liabilities and obligations of our subsidiaries.

***If We Are Deferring Payments on our Outstanding Junior Subordinated Debt Securities or Are in Default Under the Indentures Governing Those Securities, We Will Be Prohibited from Making Distributions on or Redeeming the Shares.***

The terms of our outstanding junior subordinated debt securities prohibit us from declaring or paying any dividends or distributions on the Shares, or redeeming, purchasing, acquiring or making a liquidation payment with respect to the Shares, if we are aware of any event that would be an event of default under the indenture governing those junior subordinated debt securities or at any time when we have deferred interest thereunder.

***Holders of Shares Will Have Limited Voting Rights.***

Holders of the depositary shares or the Shares have no voting rights with respect to matters that generally require the approval of voting shareholders, except as required by law and as provided below under [Description of the Series E Preferred Stock](#) [Voting Rights](#).

## **Table of Contents**

### ***General Market Conditions and Unpredictable Factors Could Adversely Affect Market Prices for the Depositary Shares.***

There can be no assurance about the market prices for the depositary shares. Several factors, many of which are beyond our control, will influence the market value of the depositary shares. Factors that might influence the market value of the depositary shares include:

whether dividends have been declared and are likely to be declared on the Shares from time to time;

our creditworthiness;

the market for similar securities; and

economic, financial, geopolitical, regulatory or judicial events that affect us or the financial markets generally.

Accordingly, the depositary shares that an investor purchases, whether in this offering or in the secondary market, may trade at a discount to the price that the investor paid for the depositary shares.

### ***A Downgrade, Suspension or Withdrawal of Any Rating Assigned by a Rating Agency to SunTrust or Our Securities, Including the Depositary Shares and the Series E Preferred Stock, Could Cause the Liquidity or Trading Price of the Depositary Shares to Decline Significantly.***

Real or anticipated changes in the credit ratings assigned to the depositary shares, the Series E Preferred Stock or our credit ratings generally could affect the trading price of the depositary shares. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. In addition, credit rating agencies continually review their ratings for the companies that they follow, including us. The credit rating agencies also evaluate the financial services industry as a whole and may change their credit rating for us and our securities, including the Series E Preferred Stock and depositary shares, based on their overall view of our industry. A future downgrade, withdrawal, or the announcement of a possible downgrade or withdrawal in the ratings assigned to the depositary shares, the Series E Preferred Stock, us or our other securities, or any perceived decrease in our creditworthiness could cause the trading price of the depositary shares to decline significantly.

### ***The Shares and the Related Depositary Shares May Not Have an Active Trading Market.***

The Shares and the related depositary shares are new issues with no established trading market. Although we plan to apply to have the depositary shares listed on the New York Stock Exchange, there is no guarantee that we will be able to list the depositary shares. Even if the depositary shares are listed, there may be little or no secondary market for the depositary shares. Even if a secondary market for the depositary shares develops, it may not provide significant liquidity and transaction costs in any secondary market could be high. As a result, the difference between bid and asked prices in any secondary market could be substantial. We do not expect that there will be any separate public trading market for the Shares except as represented by the depositary shares.

### ***The Depositary Shares Are not Insured or Guaranteed By the FDIC.***

The depositary shares are not savings accounts, deposits or other obligations of any of our bank or non-bank subsidiaries and are not insured by the Federal Deposit Insurance Corporation (the *FDIC*) or any other governmental agency or instrumentality. In addition, the depositary shares are not guaranteed under the FDIC's Temporary Liquidity Guarantee Program.

**Table of Contents**

**USE OF PROCEEDS**

We expect to receive net proceeds from this offering of approximately \$436.9 million, after expenses and underwriting commissions (or approximately \$485.3 million if the underwriters exercise in full their over-allotment option to purchase additional depository shares). We intend to use the net proceeds for general corporate purposes, which may include securities repurchase programs, capital expenditures, working capital, repayment or reduction of long-term and short-term debt and the financing of acquisitions. Pending such use of the net proceeds, we may invest the proceeds in highly liquid short-term securities.

S-13

**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 (the *BHC Act*), 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, 2011, 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.

**Table of Contents****SELECTED FINANCIAL DATA**

The following is selected consolidated financial data for SunTrust for the nine months ended September 30, 2012 and 2011 and the years ended December 31, 2011, 2010 and 2009.

The selected consolidated financial data for the nine months ended September 30, 2012 and 2011 are derived from our unaudited consolidated financial statements filed in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2012. Results for the nine months ended September 30, 2012 are not necessarily indicative of results for any other interim period or for the year as a whole. The selected consolidated financial data for each of the years ended December 31, 2011, 2010 and 2009 are derived from our audited consolidated financial statements. Our consolidated financial statements for each of the three fiscal years ended December 31, 2011, 2010 and 2009 were audited by Ernst & Young LLP, an independent registered public accounting firm. The summary below should be read in conjunction with our unaudited consolidated condensed financial statements included in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 and our audited consolidated financial statements, and the related notes thereto, and the other detailed information contained in our Current Report on Form 8-K dated August 1, 2012. For more information, see the section entitled [Where You Can Find More Information](#).

(Dollars in millions, except per share amounts)	Nine Months Ended September 30		Year Ended December 31		
	2012	2011	2011	2010	2009
<b>Summary of Operations</b>					
Interest, loan fees, and dividend income	\$ 4,471	\$ 4,638	\$ 6,181	\$ 6,343	\$ 6,710
Interest expense	615	867	1,116	1,489	2,244
Net interest income	3,856	3,771	5,065	4,854	4,466
Provision for credit losses	1,067	1,186	1,513	2,651	4,064
Net interest income after provision for credit losses	2,789	2,585	3,552	2,203	402
Noninterest income	4,358	2,698	3,421	3,729	3,710
Noninterest expense	4,813	4,567	6,234	5,911	6,562
Income/(loss) before provision/(benefit) for income taxes	2,334	716	739	21	(2,450)
Provision/(benefit) for income taxes	710	136	79	(185)	(898)
Net income/(loss) including income attributable to noncontrolling interest	1,624	580	660	206	(1,552)
Net income attributable to noncontrolling interest	22	7	13	17	12
Net income/(loss)	\$ 1,602	\$ 573	\$ 647	\$ 189	\$ (1,564)
Net income/(loss) available to common shareholders	\$ 1,581	\$ 424	\$ 495	\$ (87)	\$ (1,733)
Net interest income-FTE(1)	3,949	3,855	5,179	4,970	4,589
Total revenue-FTE(1)	8,307	6,553	8,600	8,699	8,299
<b>Net Income/(Loss) Per Average Common Share</b>					
Diluted	\$ 2.94	\$ 0.81	\$ 0.94	\$ (0.18)	\$ (3.98)
Basic	2.96	0.81	0.94	(0.18)	(3.98)
Dividends declared per common share	0.15	0.07	0.12	0.04	0.22
<b>Market Price</b>					
High	\$ 30.79	\$ 33.14	\$ 33.14	\$ 31.92	\$ 30.18
Low	18.07	16.51	15.79	20.16	6.00
Close	28.27	17.95	17.70	29.51	20.29

**Table of Contents**

(Dollars in millions)	Nine Months Ended September 30		2011	Year Ended December 31	
	2012	2011		2010	2009
<b>Selected Average Balances</b>					
Total assets	\$ 176,679	\$ 171,886	\$ 172,440	\$ 172,375	\$ 175,442
Earning assets	154,236	146,536	147,802	147,187	150,908
Loans	123,332	115,242	116,308	113,925	121,041
Consumer and commercial deposits	125,692	121,863	122,672	117,129	113,164
Total shareholders' equity	20,450	20,861	20,696	22,834	22,286
<b>As of Period End</b>					
Total assets	\$ 173,181	\$ 172,553	\$ 176,859	\$ 172,874	\$ 174,165
Earning assets	152,472	148,991	154,696	148,473	147,896
Loans	121,817	117,475	122,495	115,975	113,675
Allowance for loan and lease losses	2,239	2,600	2,457	2,974	3,120
Consumer and commercial deposits	124,898	123,933	125,611	120,025	116,303
Long-term debt	10,765	13,544	10,908	13,648	17,490
Total shareholders' equity	20,399	20,200	20,066	23,130	22,531
<b>Financial Ratios and Other Data</b>					
Return on average total assets	1.21%	0.45%	0.38%	0.11%	(0.89)%
Return on average common shareholders' equity	10.47	2.96	2.56	(0.49)	(10.07)
Net interest margin-FTE(1)	3.42	3.52	3.50	3.38	3.04
Efficiency ratio-FTE(1)	57.94	69.69	72.49	67.94	79.07
Allowance to period-end loans	1.84	2.22	2.01	2.58	2.76
Nonperforming assets to total loans plus OREO, other repossessed assets, and nonperforming LHFS	1.71	3.19	2.76	4.08	5.33
Common dividend payout ratio(2)	5.1	8.8	12.9	N/A	N/A
Full-service banking offices	1,633	1,658	1,659	1,668	1,683
ATMs	2,914	2,889	2,899	2,918	2,822
Full-time equivalent employees	28,000	29,483	29,182	29,056	28,001
Average common shares-diluted (thousands)	537,538	524,888	527,618	498,744	437,486
Average common shares-basic (thousands)	533,859	521,248	523,995	495,361	435,328
<b>Regulatory Capital Ratios</b>					
Tier 1 common equity	9.82%	9.31%	9.22%	8.08%	7.67%
Tier 1 capital ratio	10.57	11.10	10.90	13.67	12.96
Total risk-based capital ratio	12.95	13.91	13.67	16.54	16.43
Tier 1 leverage ratio	8.49	8.90	8.75	10.94	10.90

(1) We present net interest income, total revenue, net interest margin and the efficiency ratio on a fully taxable equivalent ( *FTE* ) basis. The *FTE* basis adjusts for the tax-favored status of income from certain loans and investments. We believe this measure to be the preferred industry measurement of net interest income and it enhances comparability of net interest income arising from taxable and tax-exempt sources.

(2) The common dividend payout ratio is not applicable in a period of net loss.

**Table of Contents****CAPITALIZATION**

The following table sets forth the carrying amount of our capitalization, as of September 30, 2012:

On an actual basis; and

As adjusted to give effect to the sale and issuance of 18,000,000 depository shares, each representing a 1/4000<sup>th</sup> interest in a Share in this offering at an offering price of \$25 per share, resulting in net proceeds after estimated expenses and underwriting commissions of approximately \$436.9 million.

This table should be read in conjunction with the information set forth under Selected Financial Data and our unaudited consolidated financial statements filed in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, which are incorporated by reference into this document.

(Dollars in millions, except per share amounts)	As of September 30, 2012	
	Actual	As Adjusted
<b>Long-term debt</b>		
Subordinated notes and debentures	\$ 2,024	\$ 2,024
Notes issued to trusts formed to issue trust preferred securities	627	627
Other long-term debt	8,117	8,117
<b>Total long-term debt</b>	<b>10,765</b>	<b>10,765</b>
<b>Stockholders equity</b>		
Series A Preferred Stock, \$100,000 Liquidation Preference per share; 1,725 shares outstanding actual and as adjusted	172	172
Series B Preferred Stock, \$100,000 Liquidation Preference per share; 1,025 shares outstanding actual and as adjusted	103	103
Series E Preferred Stock, \$100,000 Liquidation Preference per share; no shares outstanding actual, 4,500 shares outstanding as adjusted		450
Common Stock, \$1.00 par value per share	550	550
Additional paid in capital	9,195	9,182
Retained earnings	10,491	10,491
Treasury stock, at cost, and other	(616)	(616)
Accumulated other comprehensive income, net of tax	504	504
<b>Total shareholders equity</b>	<b>20,399</b>	<b>20,836</b>
<b>Total long-term debt and shareholders equity</b>	<b>\$ 31,164</b>	<b>\$ 31,601</b>
<b>Capital Adequacy Current U.S. Standards</b>		
Tier 1 common equity	9.82%	9.81%
Tier 1 capital ratio	10.57	10.90
Total risk-based capital ratio	12.95	13.28
Tier 1 leverage ratio	8.49	8.76



---

**Table of Contents**

**DESCRIPTION OF THE SERIES E PREFERRED STOCK**

*The depositary will be the sole holder of the Shares, as described under Description of Depositary Shares below, and all references in this prospectus supplement to the holders of the Shares shall mean the depositary. However, the holders of the depositary shares representing the Shares will be entitled, through the depositary, to exercise the rights and preferences of the holders of the Shares, as described under Description of Depositary Shares.*

*The following is a brief description of the terms of the Shares, which does not purport to be complete in all respects. This description is subject to and qualified in its entirety by reference to our restated articles of incorporation, as amended, including our articles of amendment with respect to the Shares, copies of which are available upon request from us.*

**General**

Under our restated articles of incorporation, as amended, we have authority to issue up to 50 million shares of preferred stock with no par value per share. The Series E Preferred Stock represents a single series of our authorized preferred stock. We are offering 18,000,000 depositary shares, representing 4,500 shares of the Series E Preferred Stock (or 20,000,000 depositary shares, representing 5,000 shares of the Series E Preferred Stock, if the underwriters exercise their over-allotment option in full) by this prospectus supplement and the accompanying prospectus. When issued, at the time or times selected by us in our discretion, the Shares will be validly issued, fully paid and nonassessable. The holders of Shares will be entitled to receive cash dividends when, as and if declared out of assets legally available for payment in respect of the Shares by our board of directors or a duly authorized committee of the board in their sole discretion. Dividends will be non-cumulative, as discussed below under Dividends. If we do not declare dividends, then these unpaid dividends will not cumulate, accrue or be payable.

Prior to the issuance of the Shares, we will have filed articles of amendment to our articles of incorporation with respect to the Shares with the Secretary of State of Georgia. When issued, the Shares will have a fixed liquidation preference of \$100,000 per share (equivalent to \$25 per depositary share). The Shares will not be convertible into our common stock or any other class or series of our securities and will not be subject to any sinking fund or any other obligation of us for their repurchase or retirement.

**Ranking**

With respect to the payment of dividends and the amounts to be paid upon liquidation, the Shares will rank:

senior to our common stock and all other equity securities designated as ranking junior to the Shares; and

will rank equally with SunTrust's outstanding Series A Preferred Stock and Series B Preferred Stock and at least equally with all other equity securities designated as ranking on parity with the Shares as to payment of dividends or the amounts to be paid upon liquidation, as applicable.

During any Dividend Period, so long as any Shares remain outstanding, unless (a) the full dividends for the then-current Dividend Period on all outstanding Shares have been paid, or declared and funds set aside therefor and (b) we are not in default on our obligation to redeem any Shares that have been called for redemption as described below under Redemption :

no dividend whatsoever shall be paid or declared on our common stock or other junior stock, other than:

**Table of Contents**

a dividend payable in junior stock;

cash in lieu of fraction shares in connection with such dividend; or

any dividend in connection with the implementation of a shareholders' rights plan, or the redemption or repurchase of any rights under any such plan;

no common stock or other junior stock shall be purchased, redeemed or otherwise acquired for consideration by us, other than:

as a result of a reclassification of junior stock for or into other junior stock;

the exchange or conversion of one share of junior stock for or into another share of junior stock;

through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock;

purchases, redemptions or other acquisitions of shares of junior stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants;

purchases of shares of junior stock pursuant to a contractually binding requirement to buy junior stock existing prior to the preceding dividend period, including under a contractually binding stock repurchase plan;

purchases of shares of junior stock by any investment banking subsidiary of SunTrust in connection with the distribution thereof;

purchases of shares of junior stock by any investment banking subsidiary of SunTrust in connection with market-making or other secondary-market activities in the ordinary course of business of the subsidiary; or

the purchase of fractional interests in shares of junior stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged; and

no shares of parity stock shall be repurchased, redeemed or otherwise acquired for consideration by us otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series E Preferred Stock and such parity stock except:

as a result of a reclassification of parity stock for or into other parity stock;

the exchange or conversion of one share of parity stock for or into another share of parity stock;

## Edgar Filing: SUNTRUST BANKS INC - Form 424B2

through the use of the proceeds of a substantially contemporaneous sale of other shares of parity stock;

purchases, redemptions or other acquisitions of shares of parity stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants;

purchases of shares of parity stock pursuant to a contractually binding requirement to buy parity stock existing prior to the preceding dividend period, including under a contractually binding stock repurchase plan;

purchases of shares of parity stock by any investment banking subsidiary of SunTrust in connection with the distribution thereof;

S-19

---

**Table of Contents**

purchases of shares of parity stock by any investment banking subsidiary of SunTrust in connection with market-making or other secondary-market activities in the ordinary course of business of the subsidiary; or

the purchase of fractional interests in shares of parity stock pursuant to the conversion or exchange provisions of such stock or the security being converted or exchanged.

On any Dividend Payment Date (as defined below) for which full dividends are not paid, or declared and funds set aside therefor, upon the Shares and other equity securities designated as ranking on parity with the Shares as to payment of dividends (including the Series A Preferred Stock and Series B Preferred Stock) ( dividend parity stock ), all dividends paid or declared for payment on that Dividend Payment Date with respect to the Shares and the dividend parity stock shall be shared:

first ratably by the holders of any such shares who have the right to receive dividends with respect to Dividend Periods prior to the then-current Dividend Period, in proportion to the respective amounts of the unpaid dividends relating to prior Dividend Periods; and

thereafter by the holders of these shares on a *pro rata* basis.

We have agreed, in the articles of amendment to our articles of incorporation establishing the terms of the Shares, not to issue preferred stock having dividend payment dates that are not also Dividend Payment Dates for the Shares.

Subject to the foregoing, such dividends (payable in cash, stock or otherwise) as may be determined by our board of directors (or a duly authorized committee of the board) may be declared and paid on our common stock and any other stock ranking equally with or junior to the Shares from time to time out of any funds legally available for such payment, and the Shares shall not be entitled to participate in any such dividend.

### **Dividends**

Dividends on the Shares will not be mandatory. Holders of Shares, in preference to the holders of our common stock and of any other shares of our stock ranking junior to the Shares as to payment of dividends, will be entitled to receive, only when, as and if declared by our board of directors or a duly authorized committee of the board, out of assets legally available for payment, cash dividends. These dividends will be payable at a rate of 5.875% *per annum* (the *Dividend Rate* ), applied to the \$100,000 liquidation preference per share (equivalent to \$25 per depositary share) and will be paid quarterly in arrears on the 15<sup>th</sup> day of March, June, September and December of each year commencing on March 15, 2013 (each, a *Dividend Payment Date* ), with respect to the Dividend Period, or portion thereof, ending on the day preceding the respective Dividend Payment Date. A *Dividend Period* means each period commencing on (and including) a Dividend Payment Date and continuing to (but not including) the next succeeding Dividend Payment Date, except that the first Dividend Period for the initial issuance of Shares will commence upon the date of original issuance of the Shares. Dividends will be paid to holders of record on the respective date fixed for that purpose by our board of directors or a committee thereof in advance of payment of each particular dividend. The corresponding record dates for the depositary shares will be the same as the record dates for the Shares.

Dividends on the Shares offered hereby will accrue from the original issue date, which is expected to be December 20, 2012.

If a day that would otherwise be a Dividend Payment Date is not a business day, then such date will nevertheless be a dividend payment date but dividends on the Series E Preferred Stock, when, as and if declared, will be paid on the next succeeding business day (without adjustment in the amount of the dividend per share of the Series E Preferred Stock).

---

## **Table of Contents**

The amount of dividends payable per Share of the Series E Preferred Stock will be computed on the basis of a 360-day year consisting of twelve 30-day months.

We are subject to various general regulatory policies and requirements relating to the payment of dividends, including requirements to maintain adequate capital above regulatory minimums. The Federal Reserve is authorized to determine, under certain circumstances relating to the financial condition of a bank holding company, such as us, that the payment of dividends would be an unsafe or unsound practice and to prohibit payment thereof. In addition, we are subject to Georgia state laws relating to the payment of dividends.

Dividends on the Shares offered hereby will be non-cumulative. For any Dividend Payment Date we have no obligation to pay dividends for the corresponding Dividend Period after that Dividend Payment Date or to pay interest with respect to these dividends, whether or not we declare dividends on the Shares for any subsequent Dividend Period.

### **Conversion Rights**

The Shares will not be convertible into shares of any other class or series of our stock.

### **Redemption**

On any dividend payment date occurring on or after March 15, 2018, the Shares will be redeemable at our option, in whole or in part, at a redemption price equal to \$100,000 per Share (equivalent to \$25 per depositary share), plus any declared and unpaid dividends, without regard to any undeclared dividends.

In addition, the Shares may also be redeemed in whole but not in part at any time within 90 days following a Regulatory Capital Event (as defined herein), at a redemption price equal to \$100,000 per Share (equivalent to \$25 per depositary share), plus any declared and unpaid dividends, without regard to any undeclared dividends.

A *Regulatory Capital Event* means the good faith determination by SunTrust that, as a result of (i) any amendment to, clarification of, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any Shares, (ii) any proposed change in those laws or regulations that is announced or becomes effective after the initial issuance of any Shares, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations or policies with respect thereto that is announced after the initial issuance of any Shares, there is more than an insubstantial risk that SunTrust will not be entitled to treat the full liquidation preference amount of \$100,000 per Share then outstanding as Tier 1 capital (or its equivalent) for purposes of the capital adequacy guidelines of the Federal Reserve (or, as and if applicable, the capital adequacy guidelines or regulations of any successor appropriate federal banking agency) as then in effect and applicable, for so long as any Share is outstanding.

*Appropriate federal banking agency* means the appropriate Federal banking agency with respect to SunTrust as that term is defined in Section 3(q) of the Federal Deposit Insurance Act or any successor provision.

Any redemption will be subject to the limitations described below under *Redemption or Repurchase Subject to Restrictions*. Holders of Shares will have no right to require the redemption or repurchase of the Shares. If notice of redemption of any Shares has been given and if the funds

## **Table of Contents**

necessary for the redemption have been set aside by us for the benefit of the holders of any Shares so called for redemption, then, from and after the redemption date, those Shares shall no longer be deemed outstanding and all rights of the holders of those Shares (including the right to receive any dividends) will terminate, except the right to receive the redemption price.

If fewer than all of the outstanding Shares are to be redeemed, the Shares to be redeemed will be selected either *pro rata* from the holders of record of the Shares in proportion to the number of Shares held by those holders or by lot or in such other manner as our board of directors or a committee thereof may determine to be fair and equitable.

We will mail notice of every redemption of Shares by first class mail, postage prepaid, addressed to the holders of record of the Shares to be redeemed at their respective last addresses appearing on our books. This mailing will be at least 30 days and not more than 60 days before the date fixed for redemption (provided, however, that if the Shares or the depository shares representing the Shares are held in book-entry form through The Depository Trust Company, or *DTC*, we may give this notice in any manner permitted by DTC). Any notice mailed or otherwise given as provided in this paragraph will be conclusively presumed to have been duly given, whether or not the holder receives this notice, and failure duly to give this notice by mail or otherwise, or any defect in this notice or in the mailing or provision of this notice, to any holder of Shares designated for redemption will not affect the redemption of any other Shares. Each notice shall state:

the redemption date;

the number of Shares to be redeemed and, if less than all the Shares held by the holder are to be redeemed, the number of Shares to be redeemed from the holder;

the redemption price; and

the place or places where the Shares are to be redeemed.

If notice of redemption of any Shares has been given and if the funds necessary for the redemption have been set aside by us for the benefit of the holders of any Shares so called for redemption, then, from and after the redemption date, those Shares shall no longer be deemed outstanding and all rights of the holders of those Shares (including the right to receive any dividends) will terminate, except the right to receive the redemption price.

### ***Redemption or Repurchase Subject to Restrictions***

Under the Federal Reserve's risk-based capital guidelines applicable to bank holding companies, any redemption of the Shares is subject to prior approval of the Federal Reserve. Subject to this limitation and the terms of any preferred stock ranking senior to the Shares or of any outstanding debt instruments, we or our affiliates may from time to time purchase any outstanding Shares by tender, in the open market or by private agreement.

### **Liquidation Rights**

In the event that we voluntarily or involuntarily liquidate, dissolve or wind up our affairs, holders of Shares will be entitled to receive an amount per Share (the *Total Liquidation Amount*) equal to the fixed liquidation preference of \$100,000 per Share (equivalent to \$25 per depository share), plus any declared and unpaid dividends, without regard to any undeclared dividends. Holders of the Shares will be entitled to receive the Total Liquidation Amount out of our assets that are available for distribution to shareholders, after payment or provision for payment of our debts and other liabilities but before any distribution of assets is made to holders of our common stock or any other shares ranking, as to that distribution, junior to the Shares.

## **Table of Contents**

The Series E Preferred Stock may be fully subordinate to interests held by the U.S. government in the event of a receivership, insolvency, liquidation, or similar proceeding, including a proceeding under the orderly liquidation authority provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

If our assets are not sufficient to pay the Total Liquidation Amount in full to all holders of Shares and all holders of any shares of our stock ranking as to any such distribution on a parity with the Shares, the amounts paid to the holders of Shares and to such other shares will be paid *pro rata* in accordance with the respective Total Liquidation Amount for those holders. If the Total Liquidation Amount per Share has been paid in full to all holders of Shares and the liquidation preference of any other shares ranking on parity with the Shares has been paid in full, the holders of our common stock or any other shares ranking, as to such distribution, junior to the Shares will be entitled to receive all of our remaining assets according to their respective rights and preferences.

For purposes of the liquidation rights, neither the sale, conveyance, exchange or transfer of all or substantially all of our property and assets, nor the consolidation or merger by us with or into any other corporation or by another corporation with or into us, will constitute a liquidation, dissolution or winding-up of our affairs.

### **Voting Rights**

Except as indicated below or otherwise required by law, the holders of Shares will not have any voting rights.

#### ***Right to Elect Two Directors Upon Non-Payment of Dividends***

If and whenever the dividends on the Shares and any other class or series of our stock that is on parity with Shares as to payment of dividends and that has voting rights equivalent to those described in this paragraph (including the Series A Preferred Stock and the Series B Preferred Stock) ( *voting parity stock* ) have not been declared and paid in an aggregate amount equal, as to any such class or series, to at least six quarterly dividends (whether or not consecutive), the number of directors then constituting our board of directors will be increased by two. Holders of Shares, together with the holders of all other affected classes and series of voting parity stock, voting as a single class, will be entitled to elect the two additional members of our board of directors (the *Preferred Stock Directors* ) at any annual meeting of shareholders or any special meeting of the holders of Shares and any voting parity stock for which dividends have not been paid, called as provided below.

At any time after this voting power has vested as described above, our Secretary may, and upon the written request of holders of record of at least 20% of the outstanding Shares and voting parity stock (addressed to the Secretary at our principal office) must, call a special meeting of the holders of Shares and voting parity stock for the election of the Preferred Stock Directors. Notice for a special meeting will be given in a similar manner to that provided in our by-laws for a special meeting of the shareholders, which we will provide upon request, or as required by law. If our Secretary is required to call a meeting but does not do so within 20 days after receipt of any such request, then any holder of Shares may (at our expense) call such meeting, upon notice as provided in this section, and for that purpose will have access to our stock books. The Preferred Stock Directors elected at any such special meeting will hold office until the next annual meeting of our shareholders unless they have been previously terminated as described below. In case any vacancy occurs among the Preferred Stock Directors, a successor will be elected by our board of directors to serve until the next annual meeting of the shareholders upon the nomination of the then remaining Preferred Stock Director or, if none remains in office, by the vote of the holders of record of a majority of the outstanding Shares and voting parity stock, voting as a single class. The Preferred Stock Directors shall each be entitled to one vote per director on any matter.

## **Table of Contents**

Whenever full dividends have been paid on the Shares and any non-cumulative voting parity stock for at least one year and all dividends on any cumulative voting parity stock have been paid in full, then the right of the holders of Shares to elect the Preferred Stock Directors will cease (but subject always to the same provisions for the vesting of these voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods), the terms of office of all Preferred Stock Directors will immediately terminate and the number of directors constituting our board of directors will be reduced accordingly.

As used in this prospectus supplement, *voting parity stock* means any and all series of dividend parity stock having voting rights to elect directors upon the non-payment of dividends equivalent to those described above.

Under regulations adopted by the Federal Reserve, if the holders of any series of preferred stock are or become entitled to vote for the election of directors, such series will be deemed a class of voting securities for purposes of the BHC Act and any company holding 25% or more of such series, or any company that otherwise exercises a *controlling influence* over us, will be subject to regulation as a bank holding company under the BHC Act. In addition, at the time the series is deemed a class of voting securities for purposes of the BHC Act, any other bank holding company will be required to obtain the prior approval of the Federal Reserve under the BHC Act to acquire or retain more than 5% of that series. Any other person (other than a bank holding company) will be required to obtain the non-objection of the Federal Reserve under the Change in Bank Control Act of 1978, as amended, to acquire or retain 10% or more of that series.

### ***Other Voting Rights***

So long as any Shares remain outstanding, the affirmative vote of the holders of at least two-thirds of the Shares outstanding at the time, given in person or by proxy, either in writing or at a meeting (voting separately as a class), will be required to:

authorize or create, or increase the authorized or issued amount of, any class or series of capital stock ranking senior to the Shares with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding-up, or reclassify any authorized shares of capital stock into Shares; or

amend, alter or repeal the provisions of our articles of incorporation, whether by merger, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Shares or the holders thereof; provided, however, that with respect to the occurrence of any event set forth in the second bullet point above, so long as any Shares remain outstanding with the terms thereof materially unchanged or new shares of the surviving corporation or entity are issued with the same terms as the Shares, in each case taking into account that upon the occurrence of this event we may not be the surviving entity, the occurrence of any such event shall not be deemed to materially and adversely affect any right, preference, privilege or voting power of the Shares or the holders thereof, and provided, further, that any increase in the amount of our authorized common stock or preferred stock or the creation or issuance of any other series of common stock or other equity securities ranking on a parity with or junior to the Shares with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding-up and any change to the number of directors or number of classes of directors shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

Under Georgia law, the vote of the holders of a majority of the outstanding Shares, voting as a separate voting group, is required for:

certain amendments to the articles of incorporation impacting the Shares;



**Table of Contents**

the approval of any dividend payable in Shares to holders of shares of another class or series of our stock; or

the approval of any proposed share exchange that includes the Shares.

In addition, holders of the Shares will be able to vote together with the holders of all shares of common stock and other preferred stock entitled to vote, voting as a single group, on the approval of a plan of merger if the plan of merger contains a provision that, if contained in a proposed amendment to the articles of incorporation, would require action on the proposed amendment. Further, in the case of any merger where we are the surviving corporation, the right of holders of the Shares to vote separately as a group on a plan of merger does not apply if:

the articles of incorporation of the surviving corporation will not differ from our articles of incorporation as then in effect;

each shareholder of the surviving corporation whose shares were outstanding immediately before the effective date of the merger will hold the same number of shares, with identical designations, preferences, limitation, and relative rights, immediately after the merger; and

the number and kind of shares outstanding immediately after the merger, plus the number and kind of shares issuable as a result of the merger and by the conversion of securities issued pursuant to the merger or the exercise of rights and warrants issued pursuant to the merger, will not exceed the total number and kind of shares of the surviving corporation authorized by its articles of incorporation immediately after the merger.

Each holder of Shares will have one vote per Share on any matter on which holders of Shares are entitled to vote, including any action by written consent.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which the vote would otherwise be required, all outstanding Shares shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by us for the benefit of the holders of Shares to effect the redemption.

**Registrar, Transfer Agent and Paying Agent**

Computershare Trust Company, N.A. will act as registrar, transfer agent and paying agent for the Shares.

Registration of transfers of Shares will be effected without charge by or on behalf of SunTrust, but upon payment in respect of any tax or other governmental charges which may be imposed in relation to it.

The registrar, transfer agent and paying agent will not be required to register or cause to be registered any transfer of Shares after they have been called for redemption.

**Other Preferred Stock**

Our articles of incorporation authorize our board of directors to provide for the issuance of preferred stock in one or more series, without shareholder action. Our board of directors is authorized to fix the designation, powers, preferences and rights, and the qualifications, limitations and restrictions of the shares of each series of preferred stock we issue. For each series of preferred stock, the board is permitted to specify the designation of each series and the number of shares in the series; the rate of dividends payable on the series; the timing of the dividend payments and the date from which dividends accumulate; whether the shares of the series can be redeemed and, if applicable, the terms

**Table of Contents**

and conditions for redemption; the liquidation preference and amount for the series; any conversion rights and, if applicable, the terms and conditions for conversion; and the voting rights, if any, for the series.

*Series A Preferred Stock.* We have issued depositary shares representing ownership interests in 5,000 shares of Perpetual Preferred Stock, Series A, with a \$100,000 liquidation preference per share, or Series A Preferred Stock. The Series A Preferred Stock is not convertible into our common stock or any other class or series of our securities and will not be subject to any sinking fund or other similar obligation for their repurchase or retirement. Dividends on the Series A Preferred Stock, if declared, will accrue and be payable quarterly at a rate per annum equal to the greater of three-month LIBOR plus 0.53%, or 4.00%. Dividends on the shares are non-cumulative. Shares of the Series A Preferred Stock have priority over our common stock with regard to the payment of dividends. The Series A Preferred Stock is redeemable at our option at a redemption price equal to \$100,000 per share, plus any declared and unpaid dividends. The Series A Preferred Stock does not have any voting rights other than with respect to certain limited matters, including the right (together with all other holders of preferred stock) to elect two directors if we fail to pay six quarterly dividends, the right to vote on matters that could adversely affect the holders of the Series A Preferred Stock and on certain other matters to the extent required by law.

*Series B Preferred Stock.* In connection with the issuance of preferred purchase securities by one of our wholly owned trust subsidiaries, we designated a series of preferred stock, consisting of 5,010 designated shares of Perpetual Preferred Stock, Series B, with a \$100,000 liquidation preference per share, or Series B Preferred Stock. 1,025 shares of the Series B Preferred Stock were issued on December 15, 2011 pursuant to stock purchase contracts to our wholly owned trust subsidiary. The Series B Preferred Stock is not convertible into our common stock or any other class or series of our securities and is not subject to any sinking fund or any other similar obligation for its repurchase or retirement. Dividends on the Series B Preferred Stock, if such dividends are declared, will accrue and be payable quarterly. These dividends will be calculated at a rate per annum that will be reset quarterly and will equal the greater of (i) three-month LIBOR for the applicable dividend period plus 0.645% and (ii) 4.00%. Dividends on the shares are non-cumulative. Shares of the Series B Preferred Stock will have priority over our common stock with regard to the payment of dividends. Each share of the Series B Preferred Stock is redeemable at our option at a redemption price equal to \$100,000, plus an amount equal to any declared and unpaid dividends. The Series B Preferred Stock does not have any voting rights other than with respect to certain limited matters, including the right (together with all other holders of preferred stock) to elect two directors if we fail to pay six quarterly dividends, the right to vote on matters that could adversely affect the holders of the Series B Preferred Stock and on certain other matters to the extent required by law.

*Series C Preferred Stock and Series D Preferred Stock.* As part of the Capital Purchase Program established by the United States Treasury, we entered into separate purchase agreements with the United States Treasury pursuant to which we issued and sold to the United States Treasury 35,000 shares of our Fixed Rate Cumulative Perpetual Preferred Stock, Series C, having a liquidation preference of \$100,000 per share, or Series C Preferred Stock, and 13,500 shares of our Fixed Rate Cumulative Perpetual Preferred Stock, Series D, having a liquidation preference of \$100,000 per share, or Series D Preferred Stock. 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 (the *Series A Warrants* ), respectively. On March 30, 2011, we repurchased all of the Series C Preferred Stock and Series D Preferred Stock. On September 28, 2011, we purchased and retired Series A Warrants to purchase approximately 4 million shares of our common stock.

**Table of Contents**

**DESCRIPTION OF THE DEPOSITARY SHARES**

*Please note that in this prospectus supplement, references to holders of depositary shares mean those who own depositary shares registered in their own names, on the books that we or the depositary maintain for this purpose, and not indirect holders who own beneficial interests in depositary shares registered in street name or issued in book-entry form through DTC.*

*The following is a brief description of the terms of the depositary shares representing the Shares, which does not purport to be complete in all respects. This description is subject to and qualified in its entirety by reference to our restated articles of incorporation, as amended, including our articles of amendment with respect to the Shares, copies of which are available upon request from us.*

**General**

We are issuing fractional interests in Shares in the form of depositary shares. Each depositary share will represent a 1/4,000<sup>th</sup> ownership interest in one Share, and will be evidenced by a depositary receipt. The Shares represented by depositary shares will be deposited under a deposit agreement among us, U.S. Bank National Association, as the depositary, and the holders from time to time of the depositary receipts evidencing the depositary shares. Subject to the terms of the deposit agreement, each holder of a depositary share will be entitled, through the depositary, in proportion to the applicable fraction of a Share represented by that depositary share, to all the rights and preferences of the Shares represented thereby (including dividend, voting, redemption and liquidation rights).

Immediately following the issuance of the Shares, we will deposit the Shares with the depositary, which will then issue the depositary shares to the underwriters. Copies of the forms of deposit agreement and the depositary receipt may be obtained from us upon request and in the manner described in the accompanying prospectus.

**Dividends and Other Distributions**

The depositary will distribute any cash dividends or other cash distributions received in respect of the deposited Shares to the record holders of depositary shares relating to the underlying Shares in proportion to the number of depositary shares held by the holders. The depositary will distribute any property received by it other than cash to the record holders of depositary shares entitled to those distributions, unless it determines that the distribution cannot be made proportionally among those holders or that it is not feasible to make a distribution. In that event, the depositary may, with our approval, sell the property and distribute the net proceeds from the sale to the holders of the depositary shares in proportion to the number of depositary shares they hold.

Record dates for the payment of dividends and other matters relating to the depositary shares will be the same as the corresponding record dates for the Shares.

The amounts distributed to holders of depositary shares will be reduced by any amounts required to be withheld by the depositary or by us on account of taxes or other governmental charges.

**Redemption of Depositary Shares**

If we redeem the Shares represented by the depositary shares, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption of the Shares held by the depositary. The redemption price per depositary share will be equal to 1/4,000<sup>th</sup> of the redemption price per share payable with respect to the Shares (or \$25 per depositary share plus dividends as applicable). Whenever we redeem Shares held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing the Shares so redeemed.

## **Table of Contents**

In case of any redemption of less than all of the outstanding depositary shares, the depositary shares to be redeemed will be selected by the depositary *pro rata* or in any other manner determined by the depositary to be equitable. In any such case, we will redeem depositary shares only in increments of 4,000 depositary shares and any integral multiple thereof.

After the date fixed for redemption, the depositary shares called for redemption will no longer be deemed to be outstanding, and all rights of the holders of those shares will cease, except the right to receive the amount payable and any other property to which the holders were entitled upon the redemption. To receive this amount or other property, the holders must surrender the depositary receipts evidencing their depositary shares to the depositary. Any funds that we deposit with the depositary for any depositary shares that the holders fail to redeem will be returned to us after a period of two years from the date we deposit the funds.

### **Withdrawal of Series E Preferred Stock**

Unless the related depositary shares have previously been called for redemption, any holder of depositary shares may receive the number of whole Shares and any money or other property represented by those depositary receipts after surrendering the depositary receipts at the corporate trust office of the depositary, paying any taxes, charges and fees provided for in the deposit agreement and complying with any other requirement of the deposit agreement. Holders of depositary shares making these withdrawals will be entitled to receive whole Shares, but holders of whole Shares will not be entitled to deposit those Shares under the deposit agreement or to receive depositary receipts for those Shares after withdrawal. If the depositary shares surrendered by the holder in connection with withdrawal exceed the number of depositary shares that represent the number of whole Shares to be withdrawn, the depositary will deliver to that holder at the same time a new depositary receipt evidencing the excess number of depositary shares.

### **Voting the Shares**

When the depositary receives notice of any meeting at which the holders of the Shares are entitled to vote, the depositary will mail the information contained in the notice to the record holders of the depositary shares relating to the Shares. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Shares, may instruct the depositary to vote the amount of the Shares represented by the holder's depositary shares. To the extent possible, the depositary will vote the amount of the Shares represented by depositary shares in accordance with the instructions it receives. We will agree to take all reasonable actions that the depositary determines are necessary to enable the depositary to vote as instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing the Shares, it will vote all depositary shares of that series held by it proportionately with instructions received.

### **Amendment and Termination of the Deposit Agreement**

We may amend the form of depositary receipt evidencing the depositary shares and any provision of the deposit agreement at any time and from time to time by agreement with the depositary. However, any amendment that imposes additional charges or materially and adversely alters any substantial existing right of the holders of depositary shares will not be effective unless the holders of at least a majority or, in the case of amendments relating to or affecting rights to receive dividends or distributions or voting or redemption rights, two-thirds of the holders of the affected depositary shares then outstanding approve the amendment. We will make no amendment that impairs the right of any holder of depositary shares, as described above under "Withdrawal of Preferred Stock", to receive Shares and any money or other property represented by those depositary shares, except in order to

## **Table of Contents**

comply with mandatory provisions of applicable law. Holders who retain or acquire their depositary receipts after an amendment becomes effective will be deemed to have agreed to the amendment and will be bound by the amended deposit agreement.

The deposit agreement will automatically terminate if:

all outstanding depositary shares have been redeemed; or

a final distribution in respect of the Shares has been made to the holders of depositary shares in connection with any liquidation, dissolution or winding-up of SunTrust.

We may terminate the deposit agreement at any time, and the depositary will give notice of that termination to the recordholders of all outstanding depositary receipts not less than 30 days before the termination date. In that event, the depositary will deliver or make available for delivery to holders of depositary shares, upon surrender of the depositary receipts evidencing the depositary shares, the number of whole or fractional Shares as are represented by those depositary shares.

### **Charges of Depositary; Taxes and Other Governmental Charges**

We will pay the fees, charges and expenses of the depositary provided in the deposit agreement to be payable by us. Holders of depositary receipts will pay any taxes and governmental charges and any charges provided in the deposit agreement to be payable by them, including a fee for the withdrawal of Shares upon surrender of depositary receipts. If the depositary incurs fees, charges or expenses for which it is not otherwise liable at the election of a holder of a depositary receipt or other person, that holder or other person will be liable for those fees, charges and expenses.

### **Resignation and Removal of Depositary**

The depositary may resign at any time by giving us notice, and we may remove or replace the depositary at any time.

### **Reports to Holders**

We will deliver all required reports and communications to holders of the Shares to the depositary. It will forward those reports and communications to the holders of depositary shares.

### **Limitation on Liability of the Depositary**

The depositary will not be liable if it is prevented or delayed by law or any circumstances beyond its control in performing its obligations under the deposit agreement. The obligations of the depositary under the deposit agreement will be limited to performance in good faith of its duties under the agreement, and it will not be obligated to prosecute or defend any legal proceeding in respect of any depositary shares, depositary receipts or Shares unless satisfactory and reasonable protection from expenses and liability is furnished. This is called an indemnity. The depositary may rely upon written advice of counsel or accountants, upon information provided by holders of depositary receipts or other persons believed to be competent and upon documents believed to be genuine.

### **Listing**

We intend to apply to list the depositary shares on the New York Stock Exchange. If the application is approved, we expect trading to begin within 30 days of the initial delivery of the depositary shares. We do not expect that there will be any separate public trading market for the Shares except as represented by the depositary shares.

---

**Table of Contents**

**BOOK-ENTRY, DELIVERY AND FORM OF DEPOSITARY SHARES**

The Shares will be issued in registered form to the depository. The depository shares will be issued in book-entry form through DTC. DTC will act as securities depository for the depository shares. The depository shares will be issued only as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. The depository shares 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. Owners of beneficial interests in the depository shares will receive all payments relating to their depository shares in U.S. dollars. One or more fully registered global security certificates, representing the total aggregate number of depository shares, will be issued and will be deposited with DTC and will bear a legend regarding the restrictions on exchanges and registration of transfer referred to below.

The laws of some jurisdictions may require that some purchasers of securities take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in the depository shares, so long as the depository shares are represented by global security certificates.

DTC has advised us that it is a limited-purpose trust company organized under the New York Banking Law, a *banking organization* within the meaning of the New York Banking Law, a member of the Federal Reserve System, a *clearing corporation* within the meaning of the New York Uniform Commercial Code and a *clearing agency* registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities deposited with it by its participants, and it facilitates the settlement among direct participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between direct participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (*DTCC*). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to DTC's system is also available to others such as both U.S. and non-U.S. securities brokers and dealers (including agents), banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The DTC rules applicable to its participants are on file with the SEC.

Purchases of depository shares under the DTC system must be made by or through direct participants, which will receive a credit for the depository shares on DTC's records. The ownership interest of each beneficial owner of depository shares will be recorded on the direct or indirect participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Under a book-entry format, holders may experience some delay in their receipt of payments, as such payments will be forwarded by the depository to Cede & Co., as nominee for DTC. DTC will forward the payments to its participants, who will then forward them to indirect participants or holders. Beneficial owners of depository shares other than DTC or its nominees will not be recognized by the depository as registered holders of the depository shares entitled to the rights of holders thereof. Beneficial owners that are not participants will be permitted to exercise their rights only indirectly through and according to the procedures of participants and, if applicable, indirect participants.

To facilitate subsequent transfers, all depository shares deposited by direct participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be

---

**Table of Contents**

requested by an authorized representative of DTC. The deposit of depositary shares with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the depositary shares; DTC's records reflect only the identity of the direct participants to whose accounts the depositary shares are credited, which may or may not be the beneficial owners. The direct and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of redemption notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. If less than all of the depositary shares are being redeemed, DTC will determine the amount of the interest of each direct participant to be redeemed in accordance with its then current procedures.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to depositary shares unless authorized by a direct participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy to the issuer as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts depositary shares are credited on the record date (identified in a listing attached to the omnibus proxy).

DTC may discontinue providing its services as securities depository with respect to the depositary shares at any time by giving reasonable notice to the issuer or its agent. Under these circumstances, in the event that a successor securities depository is not obtained, certificates for the depositary shares are required to be printed and delivered. We may decide to discontinue the use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the depositary shares will be printed and delivered to DTC.

As long as DTC or its nominee is the registered owner of the global security certificates, DTC or its nominee, as the case may be, will be considered the sole owner and holder of the global security certificates and all depositary shares represented by these certificates for all purposes under the instruments governing the rights and obligations of holders of depositary shares. Except in the limited circumstances referred to above, owners of beneficial interests in global security certificates:

will not be entitled to have such global security certificates or the depositary shares represented by these certificates registered in their names;

will not receive or be entitled to receive physical delivery of securities certificates in exchange for beneficial interests in global security certificates; and

will not be considered to be owners or holders of the global security certificates or the depositary shares represented by these certificates for any purpose under the instruments governing the rights and obligations of holders of depositary shares.

All redemption proceeds, distributions and dividend payments on the depositary shares represented by the global security certificates and all transfers and deliveries of depositary shares will be made to DTC or its nominee, as the case may be, as the registered holder of the depositary shares. DTC's practice is to credit direct participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer or its agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of that participant and not of DTC, the depository, the issuer or any of their agents, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and

**Table of Contents**

dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer or its agent, disbursement of such payments to direct participants will be the responsibility of DTC, and disbursement of such payments to the beneficial owners will be the responsibility of direct and indirect participants.

Ownership of beneficial interests in the global security certificates will be limited to participants or persons that may hold beneficial interests through institutions that have accounts with DTC or its nominee. Ownership of beneficial interests in global security certificates will be shown only on, and the transfer of those ownership interests will be effected only through, records maintained by DTC or its nominee, with respect to participants' interests, or any participant, with respect to interests of persons held by the participant on their behalf. Payments, transfers, deliveries, exchanges, redemptions and other matters relating to beneficial interests in global security certificates may be subject to various policies and procedures adopted by DTC from time to time. Neither we nor any agent for us will have any responsibility or liability for any aspect of DTC's or any direct or indirect participant's records relating to, or for payments made on account of, beneficial interests in global security certificates, or for maintaining, supervising or reviewing any of DTC's records or any direct or indirect participant's records relating to these beneficial ownership interests.

Although DTC has agreed to the foregoing procedures in order to facilitate transfer of interests in the global security certificates among participants, DTC is under no obligation to perform or continue to perform these procedures, and these procedures may be discontinued at any time. We will not have any responsibility for the performance by DTC or its direct or indirect participants under the rules and procedures governing DTC.

Because DTC can act only on behalf of direct participants, who in turn act only on behalf of direct or indirect participants, and certain banks, trust companies and other persons approved by it, the ability of a beneficial owner of depositary shares to pledge the depositary shares to persons or entities that do not participate in the DTC system may be limited due to the unavailability of physical certificates for the depositary shares.

DTC has advised us that it will take any action permitted to be taken by a registered holder of any securities under the depositary agreement or our restated articles of incorporation only at the direction of one or more participants to whose accounts with DTC the depositary shares are credited.

The information in this section concerning DTC and its book-entry system has been obtained from sources that we believe to be accurate, but we assume no responsibility for the accuracy thereof.



**Table of Contents**

**UNITED STATES FEDERAL TAX CONSEQUENCES TO  
HOLDERS OF DEPOSITARY SHARES**

The following is a summary of certain U.S. federal income tax consequences relating to the purchase, ownership and disposition of depositary shares, each representing a 1/4,000<sup>th</sup> ownership interest in a share of Series E Preferred Stock. This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the *Code*), Treasury regulations promulgated thereunder, and administrative and judicial interpretations thereof, all as currently in effect and all of which are subject to change, possibly retroactively, and to different interpretations. In addition, this section is based in part upon the assumption that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms. This summary does not address all of the U.S. federal income tax consequences that may be relevant to a particular investor, and does not address any aspect of state, local, non-U.S. or other U.S. federal tax consequences. This summary addresses only depositary shares held as capital assets within the meaning of the Code and does not address U.S. federal income tax consequences applicable to investors that are subject to special tax rules, such as:

securities dealers or brokers, or traders in securities electing mark-to-market treatment;

banks, thrifts, or other financial institutions;

insurance companies;

regulated investment companies or real estate investment trusts;

tax-exempt organizations;

persons holding depositary shares as part of a straddle, hedge, synthetic security or conversion transaction for U.S. federal income tax purposes, or as part of some other integrated investment;

partnerships or other pass-through entities;

persons that purchase or sell depositary shares as part of a wash-sale for tax purposes;

persons subject to the alternative minimum tax;

certain former citizens or residents of the United States;

a passive foreign investment company or a controlled foreign corporation for U.S. federal income tax purposes; or

U.S. Holders (as defined below) whose functional currency is not the U.S. dollar.

## Edgar Filing: SUNTRUST BANKS INC - Form 424B2

For purposes of this summary, the term *U.S. Holder* means a beneficial owner of depository shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation (or any other entity treated as a corporation) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income tax regardless of its source, or (iv) a trust if (A) a United States court has the authority to exercise primary supervision over the administration of the trust and one or more United States persons (as defined under the Code) are authorized to control all substantial decisions of the trust or (B) it has a valid election in place to be treated as a United States person. The term *Non-U.S. Holder* means a beneficial owner of depository shares that is not a U.S. Holder and that is not a partnership (or other entity treated as a partnership for U.S. federal income tax purposes).

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds depository shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. If you are a partner in a partnership holding depository shares, you should consult your own tax advisor.

S-33

## **Table of Contents**

*If you are considering the purchase of depositary shares, you should consult your own tax advisor concerning the particular U.S. federal income tax consequences to you of an investment in depositary shares, as well as the consequences to you arising under the laws of any other taxing jurisdiction, including any state, local or non-U.S. income tax consequences.*

### ***General***

Beneficial owners of depositary shares will be treated as owning the underlying Series E Preferred Stock for U.S. federal income tax purposes.

### ***U.S. Holders***

#### ***Distributions***

Distributions paid by us with respect to depositary shares will constitute dividends for U.S. federal income tax purposes to the extent paid out of our current or accumulated earnings and profits as determined under U.S. federal income tax principles. If the amount of a distribution with respect to depositary shares exceeds our current and accumulated earnings and profits, such distribution will be treated first as a tax-free return of capital to the extent of the U.S. Holder's adjusted tax basis in depositary shares, and thereafter as capital gain. We expect for the foreseeable future to have sufficient earnings and profits for all distributions on the depositary shares to qualify as dividends for U.S. federal income tax purposes.

Subject to certain exceptions for short-term and hedged positions, dividends paid to certain non-corporate U.S. Holders (including individuals) in taxable years beginning before January 1, 2013 are subject to a maximum federal income tax rate of 15%; however, this rate is scheduled to increase to 39.6%, effective January 1, 2013, absent legislative action. Subject to exceptions for short-term and hedged positions, dividends paid to corporate U.S. Holders of depositary shares will be eligible for the dividends-received deduction.

Any dividend that exceeds certain thresholds in relation to your tax basis in your depositary shares could be characterized as an extraordinary dividend under the Code. If you are a corporation, you have held the stock for two years or less before the dividend announcement date, and you receive an extraordinary dividend, generally you will be required to reduce your tax basis in your depositary shares with respect to which such dividend was made by the non-taxed portion of such dividend. If the amount of the reduction exceeds your tax basis in such depositary shares, the excess is treated as taxable gain.

#### ***Sale, Exchange or Redemption***

Subject to the discussion below regarding certain redemptions, a U.S. Holder will recognize capital gain or loss upon the sale, exchange, redemption or other taxable disposition (each, a disposition) of depositary shares in an amount equal to the difference between the amount realized on the disposition and the holder's adjusted tax basis in depositary shares at the time of the disposition. Capital gain, if any, recognized by a U.S. Holder will be long-term capital gain if the U.S. Holder's holding period for the depositary shares exceeded one year at the time of the disposition. In the case of non-corporate U.S. Holders, long-term capital gains generally are subject to federal income tax at reduced rates. The deductibility of capital losses is subject to limitations.

Under certain circumstances, an amount paid to a U.S. Holder of depositary shares in connection with a redemption of Series E Preferred Stock may be treated as a distribution (taxed in the manner

## **Table of Contents**

described under *Distributions* above) as opposed to an amount realized on the disposition of depositary shares, if immediately following the redemption the U.S. Holder owns directly or indirectly (taking into account applicable constructive ownership rules) shares of any class of our stock. U.S. Holders that own (or are deemed to own) shares of any class of our stock should consult their own tax advisors regarding the consequences to them of receiving a payment on depositary shares in connection with a redemption of Series E Preferred Stock.

### *Additional Tax on Net Investment Income*

For tax years beginning after December 31, 2012, an additional 3.8% tax will be imposed on the net investment income of certain U.S. citizens and resident aliens, and on the undistributed net investment income of certain estates and trusts. Among other items, net investment income generally includes gross income from dividends and net gain from the disposition of property, including the depositary shares. You should consult your tax advisor with respect to this additional tax.

### *Information Reporting and Backup Withholding*

In general, a U.S. Holder (other than a corporation or other exempt holder) will be subject to information reporting requirements with respect to dividends and other taxable distributions, and the proceeds from a sale, redemption or other disposition of depositary shares. In addition, a U.S. Holder will be subject to backup withholding on such amounts if the U.S. Holder (i) fails to provide an accurate taxpayer identification number to the payor; (ii) has been notified by the Internal Revenue Service that it has failed to report all interest or dividends required to be shown on its U.S. federal income tax returns; or (iii) in certain circumstances, fails to comply with applicable certification requirements.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability provided the required information is furnished to the Internal Revenue Service on a timely basis.

### ***Non-U.S. Holders***

#### *Distributions*

Except as described below, dividends paid to a Non-U.S. Holder generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. In order to claim the benefits of an applicable income tax treaty, a Non-U.S. Holder generally will be required to provide a properly completed Internal Revenue Service Form W-8BEN and make certain certifications, under penalty of perjury, to establish its status as a non-U.S. person and its entitlement to treaty benefits. Non-U.S. Holders eligible for a reduced rate of United States withholding tax under an applicable income tax treaty may obtain a refund of any amounts withheld in excess of that rate by filing a timely refund claim with the Internal Revenue Service.

Dividends paid to a Non-U.S. Holder that are effectively connected with the holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment maintained by the holder in the United States) generally are exempt from the 30% United States withholding tax, provided the holder complies with applicable certification requirements (for example, by providing the payor with a properly completed Form W-8ECI). Instead, such dividends will be subject to U.S. federal income tax in the same manner as if the Non-U.S. Holder were a U.S. Holder, as described above. Corporate Non-U.S. Holders may also be subject to an additional branch profits tax at a 30% rate (or such lower rate as may be specified by an applicable income tax treaty) on effectively connected dividends received with respect to depositary shares.

## **Table of Contents**

### *Sale, Exchange or Redemption*

A Non-U.S. Holder generally will not be subject to U.S. federal income tax on gain recognized on a disposition of depositary shares unless (i) the gain is effectively connected with the holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the holder in the United States); (ii) the Non-U.S. Holder is an individual who is present in the United States for 183 or more days in the taxable year of the disposition and certain other conditions are satisfied; or (iii) we are or have been a United States real property holding corporation for U.S. federal income tax purposes and certain other conditions are satisfied. We have not been, are not and do not anticipate becoming a United States real property holding corporation for U.S. federal income tax purposes.

Gain from the disposition of depositary shares by a Non-U.S. Holder that is treated as effectively connected with the holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the holder in the United States) generally will be subject to U.S. federal income tax in the same manner as if the holder were a U.S. Holder, as described above. Corporate Non-U.S. Holders may also be subject to the branch profits tax at a 30% rate (or such lower rate as may be specified by an applicable income tax treaty) on effectively connected gain. As discussed above under *U.S. Holders Sale, Exchange or Redemption*, an amount paid to a holder of depositary shares in connection with a redemption of Series E Preferred Stock may under certain circumstances be treated as a distribution. In that case, the payment would be subject to the rules for distributions described above.

### *U.S. Federal Estate Tax*

Preferred stock held by a Non-U.S. Holder at the time of death will be included in the holder's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

### *Information Reporting and Backup Withholding*

Dividends paid to a Non-U.S. Holder on depositary shares generally will be subject to information reporting requirements. Copies of the information returns reporting such dividends and any withholding thereon may also be made available to the tax authorities in the country in which the Non-U.S. Holder resides under the provisions of an applicable income tax treaty. In addition, such dividends generally will be subject to backup withholding unless the Non-U.S. Holder certifies under penalty of perjury that it is not a United States person (and the payor does not have actual knowledge or reason to know that such holder is a United States person), or the holder otherwise establishes an exemption from backup withholding. Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale of depositary shares that is effected within the United States or conducted through certain United States-related financial intermediaries, unless the Non-U.S. Holder certifies its non-U.S. status under penalty of perjury (and the payor does not have actual knowledge or reason to know that the holder is a United States person), or the holder otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability provided the required information is furnished to the Internal Revenue Service on a timely basis.

### *Legislation Affecting Depositary Shares Held Through Foreign Accounts*

A 30% withholding tax will apply to any dividends on depositary shares and on the gross proceeds from a disposition of depositary shares in each case if paid to a foreign financial institution or a non-

**Table of Contents**

financial foreign entity (including, in some cases, when such foreign financial institution or entity is acting as an intermediary), unless (i) in the case of a foreign financial institution, such institution enters into an agreement with the U.S. government to withhold on certain payments, and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners), (ii) in the case of a non-financial foreign entity, such entity certifies that it does not have any substantial U.S. owners or provides the withholding agent with a certification identifying the direct and indirect substantial U.S. owners of the entity, or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. Under certain circumstances, a holder might be eligible for refunds or credits of taxes withheld under this legislation. The Treasury Department and the Internal Revenue Service have published administrative guidance indicating that they plan to issue regulations providing that the withholding taxes described above will only apply to payments of dividends made on or after January 1, 2014 and to payments of gross proceeds from a sale or other disposition of stock after December 31, 2016. Investors are urged to consult with their own tax advisors regarding the possible application of these rules to their investment in depository shares.

S-37

**Table of Contents**

**EMPLOYEE RETIREMENT INCOME SECURITY ACT**

*A fiduciary of a pension, profit-sharing or other employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ( ERISA ) (each, a Plan ), should consider the fiduciary standards of ERISA in the context of the Plan 's particular circumstances before authorizing an investment in the depositary shares. Among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the Plan, and whether the investment would involve a prohibited transaction under ERISA or the Code.*

Section 406 of ERISA and Section 4975 of the Code prohibit a Plan, as well as individual retirement accounts, Keogh plans any other plans that are subject to Section 4975 of the Code (also Plans ), from engaging in certain transactions involving plan assets with persons who are parties in interest under ERISA or disqualified persons under the Code with respect to the Plan. A violation of these prohibited transaction rules may result in excise tax under the Code or penalties or other liabilities under ERISA or the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) ( Non-ERISA Arrangements ) are not subject to the requirements of Section 406 of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, non-U.S or other laws ( Similar Laws ).

The acquisition of the depositary shares by a Plan or any entity whose underlying assets include plan assets by reason of a Plan 's investment in the entity (a Plan Asset Entity ) with respect to which SunTrust or any of its affiliates is or becomes a party in interest or disqualified person may result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code, unless the depositary shares are acquired pursuant to an applicable exemption. The U.S. Department of Labor has issued five prohibited transaction class exemptions, or PTCEs , that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase of the depositary shares. These exemptions are PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers), PTCE 90-1 (for certain transactions involving insurance company pooled separate accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 95-60 (for transactions involving certain insurance company general accounts), and PTCE 96-23 (for transactions managed by in-house asset managers). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of the depositary shares, provided that neither the issuer of the depositary shares nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction, and provided further that the Plan pays no more and receives no less than adequate consideration in connection with the transaction (the service provider exemption ). There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Any purchaser of the depositary shares or any interest therein will be deemed to have represented by its purchase of the depositary shares or any interest therein that it either (1) is not a Plan, a Plan Asset Entity or a Non-ERISA Arrangement and is not purchasing the depositary shares on behalf of or with the assets of any Plan, a Plan Asset Entity or Non-ERISA Arrangement or (2) the purchase of the depositary shares will not constitute a non-exempt prohibited transaction or a similar violation under any applicable Similar Laws. Any person making the decision to invest in the depositary shares on behalf of a Plan or Plan Asset Entity will, by purchasing the depositary shares, be deemed to have also represented that (1) the purchaser will pay no more than adequate consideration in connection with the purchase of the depositary shares, (2) neither SunTrust nor any of its affiliates is a fiduciary (within

**Table of Contents**

the meaning of ERISA or any Similar Laws) with respect to the purchaser in connection with the purchaser's acquisition of or investment in the depositary shares and (3) no advice provided by SunTrust or any of its affiliates has formed a primary basis for any investment decision by or on behalf of such purchaser in connection with the purchase of the depositary shares.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing the depositary shares on behalf of or with the assets of any Plan, a Plan Asset Entity or Non-ERISA Arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above, the service provider exemption or the potential consequences of any purchase under Similar Laws, as applicable. Purchasers of the depositary shares have exclusive responsibility for ensuring that their purchase of the depositary shares does not violate the fiduciary or prohibited transaction rules of ERISA or the Code or any similar provisions of Similar Laws. The sale of any depositary shares to a Plan, Plan Asset Entity or Non-ERISA Arrangement is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement or that such investment is appropriate for such Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement.



**Table of Contents****UNDERWRITING**

We are offering the depositary shares described in this prospectus supplement through a number of underwriters. We have entered into an underwriting agreement with the underwriters listed below for whom Morgan Stanley & Co. LLC, Citigroup Global Markets Inc., Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, SunTrust Robinson Humphrey, Inc. and UBS Securities LLC are acting as representatives. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus supplement, the number of depositary shares listed next to its name below:

<b>Underwriters</b>	<b>Number of Depositary Shares</b>
Morgan Stanley & Co. LLC	2,880,000
Citigroup Global Markets Inc.	2,880,000
UBS Securities LLC	2,880,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	2,880,000
Goldman, Sachs & Co.	1,530,000
SunTrust Robinson Humphrey, Inc.	1,530,000
Sandler O'Neill & Partners, L.P.	810,000
Barclays Capital Inc.	270,000
Credit Suisse Securities (USA) LLC	270,000
Deutsche Bank Securities Inc.	270,000
BNY Mellon Capital Markets, LLC	135,000
HRC Investment Services, Inc.	135,000
Janney Montgomery Scott LLC	135,000
Oppenheimer & Co. Inc.	135,000
RBC Capital Markets, LLC	135,000
Robert W. Baird & Co. Incorporated	135,000
Stifel, Nicolaus & Company, Incorporated	135,000
Advisors Asset Management Inc.	45,000
BB&T Capital Markets, a division of Scott & Stringfellow, LLC	45,000
C. L. King & Associates, Inc.	45,000
City Securities Corporation	45,000
Comerica Securities, Inc.	45,000
D.A. Davidson & Co.	45,000
Davenport & Company LLC	45,000
J.J.B. Hilliard, W.L. Lyons, LLC	45,000
Keefe, Bruyette & Woods, Inc.	45,000
Maxim Groum LLC	45,000
Mesirow Financial, Inc.	45,000
Ross, Sinclaire & Associates Inc.	45,000
Southwest Securities Inc.	45,000
Sterne, Agee & Leach, Inc.	45,000
Stockcross Financial Services, Inc.	45,000
Synovus Securities, Inc.	45,000
Wedbush Morgan Securities Inc.	45,000
William Blair & Company, L.L.C.	45,000
Ziegler Capital Markets Group	45,000
<b>Total</b>	<b>18,000,000</b>

**Table of Contents**

The underwriters are committed to take and pay for all of the depositary shares being offered, if any are taken. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated. The offering of the depositary shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to an aggregate of 2,000,000 additional depositary shares at the public offering price listed on the cover of this prospectus supplement, less underwriting discounts and commissions. The underwriters may exercise this option solely to cover any over-allotments. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage of the additional depositary shares as the number listed next to the underwriter's name in the preceding table bears to the total number of depositary shares listed next to the names of all underwriters in the preceding table.

The underwriters propose to offer the depositary shares directly to the public at the initial public offering price set forth on the cover page of this prospectus supplement and to certain dealers at that price less a concession not in excess of \$0.25 per depositary share sold to institutional investors and \$0.50 per depositary share sold to retail investors. Any such dealers may resell depositary shares to certain other brokers or dealers at a discount of up to \$0.45 per depositary share from the initial public offering price per depositary share sold to retail investors. After the initial public offering of the depositary shares, the offering price and other selling terms may be changed by the underwriters. Sales of depositary shares made outside of the U.S. may be made by affiliates of the underwriters.

Prior to this offering, there has been no public market for the depositary shares being offered. We do not expect that there will be any separate public trading market for the shares of the Series E Preferred Stock except as represented by the depositary shares. We intend to apply to list the depositary shares on the New York Stock Exchange under the symbol STI PrE. If approved, we expect trading of the depositary shares on the New York Stock Exchange to begin within the 30-day period after the original issue date. We do not expect that there will be any separate public trading market for the shares of Series E Preferred Stock except as represented by the depositary shares.

The underwriting fee is equal to the public offering price per depositary share less the amount paid by the underwriters to us per depositary share. The following table shows the per depositary share and total underwriting discounts and commissions to be paid to the underwriters. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional depositary shares.

	No Exercise(1)	Full Exercise(2)
Per Depositary Share	\$ 0.69620	\$ 0.70533
Total	\$ 12,531,600	\$ 14,106,600

(1) Reflects 3,984,000 depositary shares sold to institutional investors, for which the underwriters received an underwriting discount of \$0.375 per depositary share, and 14,016,000 depositary shares sold to retail investors, for which the underwriters received an underwriting discount of \$0.7875 per depositary share.

(2) Reflects full exercise of the underwriters' option to purchase 2,000,000 additional depositary shares and assumes the sale of all over-allotment shares to retail investors for which the underwriters would receive an underwriting discount of \$0.7875 per depositary share.

In connection with the offering, the underwriters may purchase and sell depositary shares in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater

**Table of Contents**

number of depositary shares than they are required to purchase in the offering. The underwriters must close out any short position by purchasing depositary shares in the open market. A short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the depositary shares in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of depositary shares made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased depositary shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or lessening a decline in the market price of the depositary shares, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the depositary shares. As a result, the price of the depositary shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effected on the New York Stock Exchange, in the over-the-counter market or otherwise.

We have agreed with the underwriters not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of, any of our securities substantially similar to the Series E Preferred Stock or the related depositary shares, including any options or warrants to purchase shares of the Series E Preferred Stock or securities convertible into or exchangeable for shares of the Series E Preferred Stock, during the period from the date of this prospectus supplement continuing through the date 30 days after the date of this prospectus supplement, except with the prior written consent of the representatives.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$600,000.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities.

Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments, including serving as counterparties to certain derivative and hedging arrangements, and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities or instruments of the issuer. Such investment and securities activities may have involved, and in the future may involve, our securities and instruments. If any of the underwriters or their affiliates has a lending relationship with SunTrust, certain of those underwriters or their affiliates may hedge their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist

---

## **Table of Contents**

of either the purchase of credit default swaps or the creation of short positions in our securities. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

We expect that delivery of the depositary shares will be made against payment therefor on or about December 20, 2012, which will be the fifth business day after the date of this prospectus supplement. Under Rule 15c6-1 of the SEC under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to a trade expressly agree otherwise. Accordingly, purchasers who wish to trade depositary shares on the date of pricing or the first business day after the date hereof will be required, by virtue of the fact that the depositary shares will settle in five business days, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Such purchasers should consult their own advisors in this regard.

### **Selling Restrictions**

#### **Notice to Prospective Investors in the European Economic Area**

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a *Relevant Member State* ), including each Relevant Member State that has implemented the 2010 PD Amending Directive with regard to persons to whom an offer of securities is addressed and the denomination per unit of the offer of securities (each, an *Early Implementing Member State* ), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the *Relevant Implementation Date* ), no offer of depositary shares will be made to the public in that Relevant Member State (other than offers (the *Permitted Public Offers* ) where a prospectus will be published in relation to the depositary shares that has been approved by the competent authority in a Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive), except that with effect from and including that Relevant Implementation Date, offers of depositary shares may be made to the public in that Relevant Member State at any time:

A. to qualified investors as defined in the Prospectus Directive, including:

- (a) (in the case of Relevant Member States other than Early Implementing Member States), legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities, or any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43.0 million and (iii) an annual turnover of more than €50.0 million as shown in its last annual or consolidated accounts; or
- (b) (in the case of Early Implementing Member States), persons or entities that are described in points (1) to (4) of Section I of Annex II to Directive 2004/39/EC, and those who are treated on request as professional clients in accordance with Annex II to Directive 2004/39/EC, or recognized as eligible counterparties in accordance with Article 24 of Directive 2004/39/EC unless they have requested that they be treated as non-professional clients; or

B. to fewer than 100 (or, in the case of Early Implementing Member States, 150) natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted in the Prospectus Directive, subject to obtaining the prior consent of the representative for any such offer; or

---

**Table of Contents**

- C. in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of depositary shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or of a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State (other than a Relevant Member State where there is a Permitted Public Offer) who initially acquires any depositary shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that (A) it is a qualified investor, and (B) in the case of any depositary shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, the depositary shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors as defined in the Prospectus Directive, or in circumstances in which the prior consent of the Subscribers has been given to the offer or resale. In the case of any depositary shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the depositary shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any depositary shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representative has been obtained to each such proposed offer or resale.

For the purpose of the above provisions, the expression an offer to the public in relation to any depositary shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer of any depositary shares to be offered so as to enable an investor to decide to purchase any depositary shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC (including the 2010 PD Amending Directive, in the case of Early Implementing Member States) and includes any relevant implementing measure in each Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

**Notice to Investors in the United Kingdom**

Each of the underwriters severally represents, warrants and agrees as follows:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) to persons who have professional experience in matters relating to investments falling with Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or in circumstances in which section 21 of FSMA does not apply to the company; and
- (b) it has complied with, and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the depositary shares in, from or otherwise involving the United Kingdom.

**Japan**

The depositary shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any depositary shares, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering

## **Table of Contents**

or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

### **Hong Kong**

The depositary shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the depositary shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to depositary shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

### **Singapore**

This prospectus supplement and the accompanying prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the depositary shares may not be circulated or distributed, nor may the depositary shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the *SFA*), (ii) to a relevant person, or any person pursuant to Section 275 (1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the depositary shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust will not be transferable for six months after that corporation or that trust has acquired the depositary shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

### **Conflicts of Interest**

SunTrust Robinson Humphrey, Inc., our subsidiary, is participating in this offering of depositary shares 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 depositary shares 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.

In the future, SunTrust Robinson Humphrey, Inc. or our other affiliates may repurchase and resell the depositary shares in market-making transactions, with resales being made at prices related to prevailing market prices at the time of the resale or at negotiated prices.

**Table of Contents**

**VALIDITY OF SHARES**

The validity of the Shares and the depositary shares offered hereby will be passed upon for us by King & Spalding LLP, Atlanta, Georgia and for the underwriters by Sullivan & Cromwell LLP, New York, New York. Sullivan & Cromwell LLP will rely as to matters of Georgia law upon the opinions of King & Spalding LLP and Raymond D. Fortin, Esq., Corporate Executive Vice President, General Counsel and Corporate Secretary of SunTrust. As of December 3, 2012, Mr. Fortin beneficially owned 481,038 shares of our common stock inclusive of options to purchase 397,231 shares of our common stock, which he is deemed to beneficially own in accordance with Rule 13d-3, and inclusive of 38,559 shares of restricted stock which remain subject to forfeiture until vested. Sullivan & Cromwell LLP regularly performs legal services for SunTrust and its affiliates.

**EXPERTS**

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements included in our Current Report on Form 8-K dated August 1, 2012 for the year ended December 31, 2011, and the effectiveness of our internal control over financial reporting as of December 31, 2011 included in our Annual Report on Form 10-K, as set forth in their reports, which are incorporated by reference in this prospectus supplement and elsewhere in the registration statement. Our financial statements are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

S-46

Table of Contents

PROSPECTUS

**SunTrust Banks, Inc.**

Senior Debt Securities

Subordinated Debt Securities

Purchase Contracts

Units

Warrants

Depository Shares

Preferred Stock

Common Stock

The securities listed above may be offered and sold by us and/or may be offered and sold, from time to time, by one or more selling securityholders to be identified in the future. We will provide the specific terms of these securities in supplements to this prospectus. You should read this prospectus and the applicable prospectus supplement carefully before you invest in the securities described in the applicable prospectus supplement.

This prospectus may not be used to sell securities unless accompanied by the applicable prospectus supplement.

**These securities will be our equity securities or unsecured obligations, will not be savings accounts, deposits or other obligations of any bank or savings association, and will not be insured by the Federal Deposit Insurance Corporation, the bank insurance fund or any other governmental agency or instrumentality.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is August 23, 2012



**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<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>	2

Unless the context requires otherwise, references to we, us, our or similar terms are to SunTrust Banks, Inc. and its subsidiaries.

**ABOUT THIS PROSPECTUS**

This prospectus is a part of a registration statement that we filed with the Securities and Exchange Commission ( SEC ) using a shelf registration process. Under this shelf registration statement, we may sell, either separately or together, senior debt securities, subordinated debt securities, purchase contracts, units, warrants, preferred stock, depositary shares representing interests in preferred stock, and common stock in one or more offerings.

Each time we sell securities, we will provide a prospectus supplement, pricing supplement, index supplement, product supplement and/or other type of offering document or supplement (together referred to herein as a prospectus supplement ) that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read this prospectus and the applicable prospectus supplement together with the additional information described under the heading Where You Can Find More Information.

The registration statement that contains this prospectus, including the exhibits to the registration statement, contains additional information about us and the securities offered under this prospectus. That registration statement can be read at the SEC web site or at the SEC offices mentioned under the heading Where You Can Find More Information.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC 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 New York Stock Exchange. For further information on obtaining copies of our public filings at the New York Stock Exchange, 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, 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 (the Exchange Act ) (other



## **Table of Contents**

than, in each case, information that is deemed not to have been filed in accordance with SEC rules), until we sell all the securities offered by this prospectus:

All reports filed by SunTrust pursuant to Sections 13(a) or 15(d) of the Exchange Act since December 31, 2011;

the description of SunTrust's Perpetual Preferred Stock, Series A, no par value and \$100,000 liquidation preference per share, contained in our Registration Statement on Form 8-A, under Section 12(b) of the Exchange Act, filed September 12, 2006, including any amendment or report filed for the purpose of updating such description; and

the description of SunTrust's common stock, \$1.00 par value per share, contained in our Registration Statement on Form 8-A, under Section 12(b) of the Exchange Act, filed March 5, 2003, including any amendment or report filed for the purpose of updating such description.

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: 404-658-4879  
Attn: Corporate Secretary

**You should rely only on the information contained or incorporated by reference in this prospectus and the applicable prospectus supplement. We have not authorized anyone else to provide you with additional or different information. We may only use this prospectus to sell securities if it is accompanied by a prospectus supplement. We are only offering these securities in jurisdictions where the offer is permitted. You should not assume that the information in this prospectus or the applicable prospectus supplement or any document incorporated by reference is accurate as of any date other than the dates of the applicable documents.**

### **USE OF PROCEEDS**

We intend to use the net proceeds from the sales of the securities as set forth in the applicable prospectus supplement.

### **VALIDITY OF SECURITIES**

Unless otherwise indicated in the applicable prospectus supplement, some legal matters will be passed upon for us by our counsel, King & Spalding LLP. Any underwriters will be represented by their own legal counsel.

### **EXPERTS**

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements included in our Current Report on Form 8-K dated August 1, 2012 for the year ended December 31, 2011, and the effectiveness of our internal control over financial reporting as of December 31, 2011 included in our Annual Report on Form 10-K, as set forth in their reports, which are incorporated by reference in this prospectus and elsewhere in the registration statement. Our financial statements as of December 31, 2011 are incorporated by reference in reliance on Ernst & Young LLP's reports, given on the authority of such firm as experts in accounting and auditing.



Table of Contents

**SunTrust Banks, Inc.**  
**18,000,000 Depositary Shares**  
**Each Representing a 1/4,000<sup>th</sup>**  
**Interest in a Share of 5.875%**  
**Perpetual Preferred Stock, Series E**

*Joint Bookrunners*

**Morgan Stanley**

**BofA Merrill Lynch**

**Citigroup**

**Goldman, Sachs & Co.**

**SunTrust Robinson Humphrey**

**UBS Investment Bank**

*Co-Managers*

**Barclays Capital**

**Credit Suisse**

**Deutsche Bank Securities**

**Sandler O'Neill + Partners, L.P.**