SUNTRUST BANKS INC

FORM 10-Q
(Quarterly Report)

Filed 05/14/99 for the Period Ending 03/31/99

Address	303 PEACHTREE ST N E ATLANTA, GA 30308
Telephone	4045887711
CIK	0000750556
Symbol	STI
SIC Code	6021 - National Commercial Banks
Industry	Regional Banks
Sector	Financial
Fiscal Year	12/31

SUNTRUST BANKS INC

FORM 10-Q
(Quarterly Report)

Filed 5/14/1999 For Period Ending 3/31/1999

Address	919 E MAIN ST
	RICHMOND, Virginia 23219
Telephone	804-782-7107
CIK	0000750556
Industry	Regional Banks
Sector	Financial
Fiscal Year	12/31

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the Quarterly Period Ended March 31, 1999
Commission File Number 1-8918

SUNTRUST BANKS, INC.

(Exact name of registrant as specified in its charter)

Georgia	58-1575035
(State or other jurisdiction incorporation or organization)	(I.R.S. Employer of Identification No.)

303 Peachtree Street, N.E., Atlanta, Georgia 30308
(Address of principal executive offices) (Zip Code)

(404) 588-7711
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes __X__ No _____

At April 30, 1999, 321,563,833 shares of the Registrant's Common Stock, $1.00 par value were outstanding.

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PART I - FINANCIAL INFORMATION

The following unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X, and accordingly do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. However, in the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 1999 are not necessarily indicative of the results that may be expected for the full year 1999.

CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands except per share data)(Unaudited)	Three Months Ended March 31 1999	1998
INTEREST INCOME		
Interest and fees on loans	$ 1,201,553	$ 1,151,147
Interest and dividends on securities available for sale		
Taxable interest	197,584	186,304
Tax-exempt interest	7,936	9,272
Dividends (1)	15,636	14,033
Interest on funds sold	15,475	22,968
Interest on deposits in other banks	1,708	1,833
Other interest	2,078	2,266
Total interest income	1,441,970	1,387,823
INTEREST EXPENSE		
Interest on deposits	394,139	410,122
Interest on funds purchased	169,297	146,086
Interest on other short-term borrowings	20,288	33,313
Interest on long-term debt	88,428	78,516
Total interest expense	672,152	668,037
NET INTEREST INCOME	769,818	719,786
Provision for loan losses	41,995	51,722
Net interest income after provision for loan losses	727,823	668,064
NONINTEREST INCOME		
Trust income	126,320	113,200
Service charges on deposit accounts	106,114	95,235
Other charges and fees	93,119	84,043
Credit card fees	23,127	20,830
Retail investment services	23,515	14,843
Corporate and institutional investment services	18,680	9,538
Trading account profits and commissions	10,589	12,241
Securities (losses) gains	(732)	3,524
Other noninterest income	44,195	45,205
Total noninterest income	444,927	398,659
NONINTEREST EXPENSE		
Salaries and other compensation	382,929	329,183
Employee benefits	54,389	50,768
Net occupancy expense	47,669	46,325
Equipment expense	45,289	44,169
Outside processing and software	34,774	33,160
Amortization of intangible assets	25,682	21,763
Marketing and customer development	21,790	24,076
Merger-related expenses	13,844	-
Other noninterest expense	114,532	110,942
Total noninterest expense	740,898	660,386
Income before provision for income taxes	431,852	406,337
Provision for income taxes	150,115	141,403
NET INCOME	$ 281,737	$ 264,934
Average common shares - diluted	322,363,870	320,386,492
Average common shares - basic	318,090,071	315,677,691
Net income per average common share - diluted	$ 0.87	$ 0.83
Net income per average common share - basic	0.89	0.84
Dividends declared per common share	0.345	0.250
(1) INCLUDES DIVIDENDS ON COMMON STOCK OF THE COCA-COLA COMPANY	7,723	7,240

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands) (Unaudited)	MARCH 31 1999	December 31 1998	March 31 1998
ASSETS			
Cash and due from banks	$ 3,529,131	$ 4,289,889	$ 3,547,141
Trading account	222,246	239,665	133,518
Securities available for sale (1)	17,870,140	17,559,043	17,103,263
Funds sold	1,021,335	1,786,945	2,070,671
Loans	64,274,066	65,089,201	58,875,457
Allowance for loan losses	(952,589)	(944,557)	(939,766)
Net loans	63,321,477	64,144,644	57,935,691
Premises and equipment	1,587,601	1,519,711	1,457,437
Intangible assets	816,621	797,045	700,875
Customers' acceptance liability	339,395	628,235	364,689
Other assets	2,414,546	2,204,755	2,597,203
Total assets	$ 91,122,492	$ 93,169,932	$ 85,910,488
LIABILITIES AND SHAREHOLDERS' EQUITY			
Noninterest-bearing deposits	$ 13,093,641	$ 14,065,720	$ 12,130,911
Interest-bearing deposits	44,834,459	44,967,563	41,649,641
Total deposits	57,928,100	59,033,283	53,780,552
Funds purchased	13,435,207	13,295,833	12,108,193
Other short-term borrowings	1,714,672	2,636,986	2,662,807
Long-term debt	4,721,025	4,757,869	4,706,490
Guaranteed preferred beneficial interests in debentures	1,050,000	1,050,000	450,000
Acceptances outstanding	339,395	628,235	364,689
Other liabilities	3,795,352	3,589,082	3,902,211
Total liabilities	82,983,751	84,991,288	77,974,942
Preferred stock, no par value; 50,000,000 shares authorized; none issued	-	-	-
Common stock, $1.00 par value	322,846	322,485	320,569
Additional paid in capital	1,299,681	1,293,011	1,211,796
Retained earnings	4,747,118	4,575,382	4,142,522
Treasury stock and other	(96,740)	(100,441)	(107,619)
Realized shareholders' equity	6,272,905	6,090,437	5,567,268
Accumulated other comprehensive income	1,865,836	2,088,207	2,368,278
Total shareholders' equity	8,138,741	8,178,644	7,935,546
Total liabilities and shareholders' equity	$ 91,122,492	$ 93,169,932	$ 85,910,488
COMMON SHARES OUTSTANDING	321,474,627	321,124,134	318,981,974
COMMON SHARES AUTHORIZED	500,000,000	500,000,000	500,000,000
TREASURY SHARES OF COMMON STOCK	1,370,938	1,360,928	1,586,617
(1) INCLUDES NET UNREALIZED GAINS ON SECURITIES AVAILABLE FOR SALE	$ 3,027,235	$ 3,379,725	$ 3,837,981

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands) (Unaudited)	Three Months Ended March 31 1999	1998
Cash flows from operating activities:		
Net income	$281,737	$264,934
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation, amortization and accretion	68,185	64,925
Provisions for loan losses and foreclosed property	42,127	51,108
Amortization of compensation element of restricted stock	3,701	2,354
Securities losses (gains)	732	(3,524)
Net loss on sales of non-interest earning assets	299	2,204
Net decrease (increase) in loans held for sale	779,558	(770,165)
Net increase in accrued interest receivable, prepaid expenses and other assets	(296,681)	(1,256,227)
Net increase in accrued interest payable, accrued expenses and other liabilities	336,391	522,152
Net cash provided by (used in) operating activities	1,216,049	(1,122,239)
Cash flows from investing activities:		
Proceeds from maturities of securities available for sale	1,725,620	960,632
Proceeds from sales of securities available for sale	1,431,520	1,850,761
Purchases of securities available for sale	(3,819,860)	(3,196,001)
Net decrease (increase) in loans	28,431	(1,380,022)
Capital expenditures	(107,587)	(46,016)
Proceeds from the sale of assets	9,208	173,416
Net funds received in acquisitions		13,420
Loan recoveries	18,188	20,261
Net cash used in investing activities	(714,480)	(1,603,549)
Cash flows from financing activities:		
Net decrease in deposits	(1,105,183)	(800,232)
Net (decrease) increase in funds purchased and other short-term borrowings	(782,940)	1,509,486
Proceeds from the issuance of long-term debt		1,424,003
Repayment of long-term debt	(36,844)	(277,871)
Proceeds from stock issuance	7,031	33,669
Payments to acquire treasury stock		(71,197)
Dividends paid	(110,001)	(84,455)
Net cash (used in) provided by financing activities	(2,027,937)	1,733,403
Net decrease in cash and cash equivalents	(1,526,368)	(992,385)
Cash and cash equivalents at beginning of period	6,076,834	6,610,197
Cash and cash equivalents at end of period	$4,550,466	$5,617,812
Supplemental Disclosure		
Interest paid	$695,032	$654,633
Income taxes paid	482,621	455,019

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Dollars in thousands) (Unaudited)	Common Stock	Additional Paid in Capital	Retained Earnings	Treasury Stock and Other*	Accumulated Other Comprehensive Income	Total
BALANCE, JANUARY 1, 1998	$ 318,571	$ 1,087,511	$ 3,967,359	$ (109,503)	$ 2,048,153	$ 7,312,091
Net income	-	-	264,934	-	-	264,934
Other comprehensive income:						
Change in unrealized gains (losses) on securities, net of taxes	-	-	-	-	320,125	320,125
Total comprehensive income	-	-	-	-	-	585,059
Cash dividends declared, $0.250 per share	-	-	(84,455)	-	-	(84,455)
Exercise of stock options	243	(4,187)	-	10,823	-	6,879
Acquisition and retirement of stock	(96)	-	(5,316)	(65,785)	-	(71,197)
Amortization of compensation element of restricted stock	-	-	-	2,354	-	2,354
Stock issued for acquisitions	1,500	109,268	-	47,257	-	158,025
Issuance of stock for employee benefit plans	351	19,204	-	7,235	-	26,790
BALANCE, MARCH 31, 1998	$ 320,569	$ 1,211,796	$ 4,142,522	$ (107,619)	$ 2,368,278	$ 7,935,546
BALANCE, JANUARY 1, 1999	$ 322,485	$ 1,293,011	$ 4,575,382	$ (100,441)	$ 2,088,207	$ 8,178,644
Net income	-	-	281,737	-	-	281,737
Other comprehensive income:						
Change in unrealized gains (losses) on securities, net of taxes	-	-	-	-	(222,371)	(222,371)
Total comprehensive income	-	-	-	-	-	59,366
Cash dividends declared, $0.345 per share	-	-	(110,001)	-	-	(110,001)
Exercise of stock options	334	4,904	-	-	-	5,238
Amortization of compensation element of restricted stock	-	-	-	3,701	-	3,701
Issuance of stock for employee benefit plans	27	1,766	-	-	-	1,793
BALANCE, MARCH 31, 1999	$ 322,846	$ 1,299,681	$ 4,747,118	$ (96,740)	$ 1,865,836	$ 8,138,741

* Balance at March 31, 1998 includes $42,785 for Treasury Stock and $64,834 for Deferred Compensation.

Balance at March 31, 1999 includes $29,143 for Treasury Stock and $67,597 for Deferred Compensation.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes to Consolidated Financial Statements (Unaudited)

Note 1 - Accounting Policies

The consolidated interim financial statements of SunTrust Banks, Inc. ("SunTrust") are unaudited. All significant intercompany accounts and transactions have been eliminated. All historical information for SunTrust has been restated to include Crestar historical information for all periods presented. These financial statements should be read in conjunction with the Annual Report on Form 10-K for the year ended December 31, 1998.

Note 2 - Acquisitions

On December 31, 1998, the SunTrust merged with Crestar Financial Corporation (Crestar). Each outstanding share of Crestar common stock was exchanged for 0.96 shares of SunTrust common stock, resulting in the issuance of approximately 108,696,877 shares of SunTrust common stock. The business combination was accounted for using the pooling-of-interests method of accounting. Accordingly, all historical financial information of SunTrust for all periods presented has been restated to include Crestar's financial information. Certain conforming adjustments and reclassifications have been made to Crestar's historical information to conform to SunTrust's accounting and financial reporting policies. These adjustments, which relate primarily to the accounting policies with respect to loan origination costs, did not have a material impact on the combined financial statements. During 1998, SunTrust recorded $161.9 million in pre-tax Crestar merger-related charges. The following table shows the merger-related charges and the remaining liability at March 31, 1999.

Merger-Related Charges (In thousands)	Pretax	Utilized In 1998	Balance December 31, 1998	Utilized In 1999	Balance March 31, 1999
Transaction costs	$40,300	$6,858	$33,442	$33,442	-
Severance and termination accruals	38,900	-	38,900	20,675	$18,225
Adjustment to deferred compensation liabilities	11,319	11,319	-	-	-
Litigation loss reserve	7,500	7,500	-	-	-
Write-off of unrealizable assets	17,400	17,400	-	-	-
Miscellaneous integration costs	4,000	1,296	2,704	601	2,103
Merger-related expenses	119,419	44,373	75,046	54,718	20,328
Provision for loan losses	20,000	20,000	-	-	-
Provision for taxes	22,500	22,500	-	-	-
Total merger-related charges	$161,919	$86,873	$75,046	$54,718	$20,328

At December 31, 1998, SunTrust expected to record approximately $88 million in additional merger-related charges primarily related to systems conversions and business line integration over the next 18 months. In the first quarter of 1999, $13.8 million ($10.4 million after-tax) of these additional merger-related charges were recorded. These charges included $6.5 million in accelerated depreciation and amortization based upon estimates of systems integration time tables, $4.1 million in severance and $3.2 million in miscellaneous integration costs. SunTrust expects to record additional merger-related charges of $74.2 million through June 2000.

Note 3 - Derivative Financial Instruments

Derivatives are used to hedge interest rate exposures by modifying the interest rate characteristics of related balance sheet instruments. The specific criteria required for derivatives used as hedges are described below. Derivatives that do not meet these criteria are carried at market value with changes in value recognized currently in earnings.

Derivatives used as hedges must be effective at reducing the risk associated with the exposure being hedged and must be designated as a hedge at the inception of the derivative contract. Derivatives used for hedging purposes may include swaps, forwards, futures and options. The interest component associated with derivatives used as hedges or to modify the interest rate characteristics of assets and liabilities is recognized over the life of the contract in net interest income. If a contract is cancelled prior to its termination date, the cumulative change in the market value of the derivatives is recorded as an adjustment to the carrying value of the underlying asset or liability and recognized in net interest income over the expected remaining life of the related asset or liability. In instances where the underlying instrument is sold, the fair value of the associated derivative is recognized immediately in the component of earnings relating to the underlying instrument.

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement establishes accounting and reporting standards for derivative instruments, including derivative instruments embedded in other contracts and for hedging activities. It requires that an entity recognizes all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. This statement could increase volatility in earnings and other comprehensive income. This statement is effective for all fiscal quarters of fiscal years beginning after June 15, 1999. SunTrust will adopt SFAS No. 133 effective January 1, 2000 and although SunTrust has begun an in-depth analysis to determine the effects of the implementation, currently it is not expected to have a material impact on SunTrust's financial position or results of operations.

Note 4 - Guaranteed Preferred Beneficial Interests in Debentures

SunTrust has established special purpose trusts, which collectively issued $1,050 million in trust preferred securities. The proceeds from these issuances, together with the proceeds of the related issuances of common securities of the trusts, were invested in junior subordinated deferrable interest debentures of SunTrust. The sole assets of these special purpose trusts are the debentures. These debentures rank junior to the senior and subordinated debt issued by SunTrust. SunTrust owns all of the common securities of the special purpose trusts. The preferred securities issued by the trusts rank senior to the trusts' common securities. The obligations of SunTrust under the debentures, the indentures, the relevant trust agreements and the guarantees, in the aggregate, constitute a full and unconditional guarantee by SunTrust of the obligations of the trusts under the trust preferred securities and rank subordinate and junior in right of payment to all liabilities of SunTrust. The trust preferred securities may be called prior to maturity at the option of SunTrust.

Note 5 - Comprehensive Income

Under Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income", some transactions and other economic events that bypass the income statement must be displayed as other comprehensive income. SunTrust's comprehensive income consists of net income and unrealized gains and losses on securities available-for-sale, net of income taxes.

Comprehensive income for the first quarter of 1999 and 1998 is calculated as follows:
(In thousands)

	Before Income Tax (Benefit)	Income Tax (Benefit)	Net of Income Tax (Benefit)
Unrealized gains and losses (net) recognized in other comprehensive income:			
Quarter ended March 31, 1999	$ (352,490)	$ (130,119)	$ (222,371)
Quarter ended March 31, 1998	$ 517,038	$ 196,913	$ 320,125

	1999	1998
Amounts reported in net income:		
(Loss) gain on sale of securities	$ (732)	$ 3,524
Amortization and accretion, net	1,865	1,205
Reclassification adjustment	1,133	4,729
Income tax expense	(418)	(1,801)
Reclassification adjustment, net of tax	715	2,928
Amounts reported in other comprehensive income:		
Unrealized (losses) gains arising during period, net of tax	(221,656)	323,053
Reclassification adjustment, net of tax	(715)	(2,928)
Net unrealized (losses) gains recognized in other comprehensive income	(222,371)	320,125
Net income	281,737	264,934
Total comprehensive income	$ 59,366	$ 585,059

Note 6 - Earnings Per Share Reconciliation

Net income is the same in the calculation of basic and diluted EPS. A reconciliation of the difference between average basic common shares outstanding and average diluted common shares outstanding for the quarters ended March 31, 1999 and March 31, 1998 is included in the following table.

Computation of Per Share Earnings
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	Three Months Ended March 31	
	1999	1998
BASIC		
Net income	$ 281,737	$ 264,934
Average common shares	318,090	315,678
Earnings per common share - basic	$ 0.89	$ 0.84
DILUTED		
Net income	$ 281,737	$ 264,934
Average common shares outstanding	318,090	315,678
Effect of dilutive securities:		
Stock options	2,643	3,092
Performance restricted stock	1,631	1,617
Average diluted common shares	322,364	320,387
Earnings per common share - diluted	$ 0.87	$ 0.83

Note 7 - Segment Reporting

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", requires disclosure of information related to SunTrust's reportable operating segments. The reportable segments were determined based on management's internal reporting approach, which is aligned along geographic regions. The reportable segments are comprised of each of the state bank holding companies of Florida, Georgia, Tennessee, and Crestar (which includes Virginia, Maryland and the District of Columbia). Each bank holding company provides a wide array of banking services to consumer and commercial customers and earns interest income from loans made to customers and investments in securities available for sale. Each bank holding company also recognizes fees related to trust, deposit, lending and other services provided to customers. The "all other" segment consists primarily of SunTrust's non-bank subsidiaries, including SunTrust's credit card bank. Most of the revenue earned by the non-bank subsidiaries is classified in noninterest income and consists primarily of mortgage banking fees and retail, corporate, and institutional investment income. No transactions with a single customer contributed 10% or more to SunTrust's total revenue. The accounting policies for each segment are the same as those used by SunTrust. The segment results include overhead allocations and intercompany transactions that were recorded at estimated market prices. All intercompany transactions have been eliminated to determine the consolidated balances. The results for the four reportable segments and all other segments of SunTrust are included in the following table.

	THREE MONTHS ENDED MARCH 31, 1999						
(In thousands)	FLORIDA	GEORGIA	TENNESSEE	CRESTAR	ALL OTHER	ELIMINATIONS	CONSOLIDATED
Total interest income	$ 477,909	$ 354,852	$ 143,362	$ 446,417	$ 114,493	$ (95,063)	$ 1,441,970
Total interest expense	210,146	167,837	68,714	203,185	117,333	(95,063)	672,152
Net interest income	267,763	187,015	74,648	243,232	(2,840)	-	769,818
Provision for loan losses	7,800	5,145	1,800	12,360	14,890	-	41,995
Net interest income after provision	259,963	181,870	72,848	230,872	(17,730)	-	727,823
Total noninterest income	138,280	101,562	37,654	135,030	269,759	(237,358)	444,927
Total noninterest expense	229,972	153,787	64,293	223,330	306,874	(237,358)	740,898
Income before taxes	168,271	129,645	46,209	142,572	(54,845)	-	431,852
Provision for income taxes	60,722	44,335	16,906	46,570	(18,418)	-	150,115
Net income	$ 107,549	$ 85,310	$ 29,303	$ 96,002	$ (36,427)	$ -	$ 281,737
Other Significant Items							
Total assets	$ 29,492,493	$25,744,968	$8,746,809	$ 26,256,394	$18,549,393	$ (17,667,565)	$91,122,492
Investment in subsidiaries	2,545,252	3,720,371	710,071	2,363,227	385,354	(9,724,275)	-
Depreciation, amortization, and accretion (net)	15,703	8,097	4,135	24,967	15,283	-	68,185
Total expenditures for long-lived assets	45,962	2,114	1,825	9,834	47,852	-	107,587
Revenues from external customers							
Total interest income	$ 453,208	$ 337,773	$ 140,218	$ 446,417	$ 64,354	$ -	$ 1,441,970
Total noninterest income	115,234	82,580	29,557	135,030	82,526	-	444,927
Total income	$ 568,442	$ 420,353	$ 169,775	$ 581,447	$ 146,880	$ -	$ 1,886,897
Revenues from affiliates							
Total interest income	$ 24,701	$ 17,079	$ 3,144	$ -	$ 50,139	$ (95,063)	
Total noninterest income	23,046	18,982	8,097	-	187,233	(237,358)	
Total income	$ 47,747	$ 36,061	$ 11,241	$ -	$ 237,372	$ (332,421)	

	Three Months Ended March 31, 1998						
(In thousands)	Florida	Georgia	Tennessee	Crestar	All Other	Eliminations	Consolidated
Total interest income	$ 477,997	325,070	$ 142,103	$ 428,428	$ 106,417	$ (92,192)	1,387,823
Total interest expense	225,080	156,539	69,950	198,062	110,598	(92,192)	668,037
Net interest income	252,917	168,531	72,153	230,366	(4,181)	-	719,786
Provision for loan losses	8,106	5,510	1,734	23,096	13,276	-	51,722
Net interest income after provision	244,811	163,021	70,419	207,270	(17,457)	-	668,064
Total noninterest income	123,921	88,135	33,876	121,284	237,774	(206,331)	398,659
Total noninterest expense	212,746	142,370	61,879	198,264	251,458	(206,331)	660,386
Income before taxes	155,986	108,786	42,416	130,290	(31,141)	-	406,337
Provision for income taxes	56,888	36,480	15,195	46,230	(13,390)	-	141,403
Net income	$ 99,098	72,306	$ 27,221	$ 84,060	$ (17,751)	$ -	264,934
OTHER SIGNIFICANT ITEMS							
Total assets	$ 27,825,399	22,886,313	8,059,157	25,920,255	$15,478,999	(14,259,635)	$ 85,910,488
Investment in subsidiaries	2,266,261	3,993,720	655,929	2,121,315	391,170	(9,428,395)	-
Depreciation, amortization, and accretion (net)	17,515	8,757	4,347	22,834	11,472	-	64,925
Total expenditures for long-lived assets	8,280	7,367	2,943	13,262	14,164	-	46,016
Revenues from external customers							
Total interest income	$ 447,058	$ 308,905	$ 138,671	$ 428,428	$ 64,761	-	$ 1,387,823
Total noninterest income	104,844	73,109	27,490	121,284	71,932	-	398,659
Total income	$ 551,902	$ 382,014	$ 166,161	$ 549,712	$ 136,693	$ -	$ 1,786,482
Revenues from affiliates							
Total interest income	$ 30,939	$ 16,165	$ 3,432	$ -	$ 41,656	$ (92,192)	
Total noninterest income	19,077	15,026	6,386	-	165,842	(206,331)	
Total income	$ 50,016	$ 31,191	$ 9,818	$ -	$ 207,498	$(298,523)	

Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

SunTrust Banks, Inc. is a multi-state bank holding company with its headquarters in Atlanta, Georgia. SunTrust's principal banking subsidiaries are SunTrust Banks of Florida, Inc., SunTrust Banks of Georgia, Inc., SunTrust Banks of Tennessee, Inc. and Crestar Financial Corporation, all of which are bank holding companies.

SunTrust provides a full line of consumer and commercial banking services in Alabama, Florida, Georgia, Maryland, Tennessee, Virginia and the District of Columbia. Our primary businesses include traditional deposit and credit services as well as trust and investment services. Through various subsidiaries, we provide credit cards, mortgage banking, credit-related insurance, leasing services, data processing and information services, securities brokerage, investment advisory services and investment banking services. Other nonbank subsidiaries primarily support SunTrust's banking operations, providing data processing and other services.

The following analysis of the financial performance of SunTrust for the first quarter of 1999 should be read in conjunction with the financial statements, notes and other information contained in this document. SunTrust has made, and may continue to make, various forward-looking statements with respect to financial and business matters. These forward-looking statements are subject to numerous assumptions, risks and uncertainties, all of which may change over time. The actual results that are achieved could differ significantly from the forward-looking statements contained in this document.

The results of operations for the three months ended March 31, 1999 are not indicative of the results that may be attained for any other period. In this discussion, net interest income and the net interest margin are presented on a taxable-equivalent basis and the ratios are presented on an annualized basis.

EARNINGS ANALYSIS

SunTrust reported record operating net income of $292.2 million or $.91 per share for the first quarter of 1999, an increase of 10.3% compared with $264.9 million in the first quarter of 1998 (excluding charges related to the Crestar merger of $10.4 million after-tax). Diluted earnings per share, adjusted for merger charges, grew 9.6% to $0.91 from $0.83 in the first quarter of 1998. The growth in net income resulted from increases in noninterest income and continued strong loan demand.

SELECTED QUARTERLY FINANCIAL DATA TABLE 1
(Dollars in millions except per share data)

	Quarters				
	1999	1998			
	1	4	3	2	1
SUMMARY OF OPERATIONS					
Interest and dividend income	$ 1,442.0	$ 1,443.0	$ 1,419.5	$ 1,425.7	$ 1,387.7
Interest expense	672.2	689.5	698.2	691.1	668.0
Net interest income	769.8	753.5	721.3	734.6	719.7
Provision for loan losses	42.0	67.1	40.5	55.3	51.7
Net interest income after provision for loan losses	727.8	686.4	680.8	679.3	668.0
Noninterest income	444.9	436.1	460.1	421.3	398.7
Noninterest expense	740.9	851.0	732.9	688.1	660.4
Income before provision for income taxes	431.8	271.5	408.0	412.5	406.3
Provision for income taxes	150.1	113.6	131.3	141.0	141.4
Net income	$ 281.7	$ 157.9	$ 276.7	$ 271.5	$ 264.9
Net interest income (taxable-equivalent)	$ 780.7	$ 764.6	$ 732.4	$ 745.6	$ 730.9
PER COMMON SHARE					
Net income - diluted	$ 0.87	$ 0.49	$ 0.87	$ 0.85	$ 0.83
Net income - basic	0.89	0.50	0.88	0.86	0.84
Dividends declared	0.345	0.250	0.250	0.250	0.250
Book value	25.32	25.47	23.92	25.81	24.88
Market price					
High	79.44	80.63	87.75	83.44	77.44
Low	60.44	55.06	54.00	73.38	65.25

Close	69.10	76.50	62.00	81.31	75.38
SELECTED AVERAGE BALANCES					
Total assets	$ 91,696.6	$ 89,283.1	$ 85,372.1	$ 85,087.5	$ 82,330.5
Earning assets	80,684.8	78,224.4	74,731.7	74,372.8	72,129.4
Loans	64,854.0	63,134.0	60,039.5	59,441.9	57,341.4
Total deposits	56,895.4	54,828.4	53,658.3	53,607.5	52,785.4
Realized shareholders' equity	6,120.2	5,898.6	5,618.9	5,568.9	5,474.8
Total shareholders' equity	8,146.9	7,947.6	7,990.8	7,937.1	7,532.6
Common shares - diluted (thousands)	322,364	320,224	317,920	319,689	320,387
Common shares - basic (thousands)	318,090	315,403	313,572	314,999	315,678
FINANCIAL RATIOS					
ROA*	1.29 %	0.73 %	1.35 %	1.34 %	1.36 %
ROE*	18.67	10.62	19.54	19.55	19.63
Net interest margin*	3.92	3.88	3.89	4.02	4.11

* ROA, ROE and net interest margin are calculated excluding net unrealized gains on securities available for sale because the net unrealized gains are not included in income.

CONSOLIDATED DAILY AVERAGE BALANCES, INCOME/EXPENSE AND AVERAGE YIELDS EARNED AND RATES PAID
(Dollars in millions; yields on taxable-equivalent basis)

	Quarter Ended					
	March 31, 1999			December 31, 1998		
	Average Balances	Income/ Expense	Yields/ Rates	Average Balances	Income/ Expense	Yields/ Rates
ASSETS						
Loans:(1)						
Taxable	$ 63,668.8	$ 1,187.2	7.56 %	$ 62,011.6	$1,193.8	7.64 %
Tax-exempt(2)	1,185.2	21.2	7.25	1,122.4	21.2	7.50
Total loans	64,854.0	1,208.4	7.56	63,134.0	1,215.0	7.63
Securities available for sale:						
Taxable	13,672.0	213.6	6.34	12,868.0	206.2	6.36
Tax-exempt(2)	573.6	11.5	8.15	610.2	12.2	7.95
Total securities available for sale	14,245.6	225.1	6.41	13,478.2	218.4	6.43
Funds sold	1,244.2	15.5	5.04	1,293.5	16.9	5.20
Other short-term investments(2)	341.0	3.8	4.53	318.7	3.8	4.79
Total earning assets	80,684.8	1,452.8	7.30	78,224.4	1,454.1	7.37
Allowance for loan losses	(950.0)			(955.0)		
Cash and due from banks	3,588.8			3,600.3		
Premises and equipment	1,529.5			1,524.9		
Other assets	3,568.0			3,576.6		
Unrealized gains on securities available for sale	3,275.5			3,311.9		
Total assets	$ 91,696.6			$ 89,283.1		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-bearing deposits:						
NOW/Money market accounts	$ 19,572.1	$ 127.2	2.64 %	$ 19,003.7	$ 131.5	2.74 %
Savings	6,959.7	50.6	2.95	6,714.3	52.2	3.09
Consumer time	10,016.0	121.3	4.91	10,135.0	129.8	5.08
Other time	7,880.0	95.0	4.89	6,710.4	87.0	5.14
Total interest-bearing deposits	44,427.8	394.1	3.60	42,563.4	400.5	3.73
Funds purchased	14,785.4	169.3	4.64	14,166.8	172.3	4.82
Other short-term borrowings	1,777.1	20.3	4.63	2,031.6	25.5	4.98
Long-term debt	5,787.1	88.4	6.20	5,844.9	91.2	6.19
Total interest-bearing liabilities	66,777.4	672.1	4.08	64,606.7	689.5	4.23
Noninterest-bearing deposits	12,467.6			12,265.0		
Other liabilities	4,304.7			4,463.8		
Realized shareholders' equity	6,120.2			5,898.6		
Accumulated other comprehensive income	2,026.7			2,049.0		
Total liabilities and shareholders' equity	$ 91,696.6			$ 89,283.1		
Interest rate spread			3.22 %			3.14 %
NET INTEREST INCOME		$ 780.7			$ 764.6	
NET INTEREST MARGIN(3)			3.92 %			3.88 %

(1) Interest income includes loan fees of $32.6, $30.4, $28.9, $30.2, and $28.6 in the quarters ended March 31, 1999, and December 31, September 30, June 30 and March 31, 1998. Nonaccrual loans are included in average balances and income on such loans, if recognized, is recorded on a cash basis.
(2) Interest income includes the effects of taxable-equivalent adjustments (reduced by the nondeductible portion of interest expense) using a federal income tax rate of 35%, and, where applicable, state income taxes, to increase tax-exempt interest income to a taxable-equivalent basis. The net taxable-equivalent adjustment amounts included in the above table aggregated $10.9, $11.1, $11.1, $11.0, and $11.2, in the quarters ended March 31, 1999, and December 31, September 30, June 30 and March 31, 1998.

TABLE 2

	Quarter Ended								
	September 30, 1998			June 30, 1998			March 31, 1998		
	Average Balances	Income/ Expense	Yields/ Rates	Average Balances	Income/ Expense	Yields/ Rates	Average Balances	Income/ Expense	Yields/ Rates
ASSETS									
Loans:(1)									
Taxable	$ 58,997.5	$1,173.8	7.89 %	$ 58,416.1	$1,175.3	8.07 %	$ 56,319.2	$1,137.1	8.19 %
Tax-exempt(2)	1,042.0	20.4	7.79	1,025.8	19.9	7.75	1,022.2	20.4	8.11
Total loans	60,039.5	1,194.2	7.89	59,441.9	1,195.2	8.06	57,341.4	1,157.5	8.19
Securities available for sale:									
Taxable	12,652.8	205.4	6.44	12,767.9	207.5	6.52	12,178.6	200.6	6.68
Tax-exempt(2)	627.9	13.0	8.22	643.8	13.4	8.31	654.0	13.6	8.45
Total securities available for sale	13,280.7	218.4	6.52	13,411.7	220.9	6.60	12,832.6	214.2	6.77
Funds sold	1,084.3	14.5	5.30	1,222.3	17.2	5.65	1,630.9	23.0	5.71
Other short-term investments(2)	327.2	3.5	4.25	296.9	3.4	4.58	324.5	4.2	5.20
Total earning assets	74,731.7	1,430.6	7.60	74,372.8	1,436.7	7.75	72,129.4	1,398.9	7.87
Allowance for loan losses	(931.1)			(943.6)			(932.0)		
Cash and due from banks	3,194.6			3,170.0			3,260.3		
Premises and equipment	1,487.3			1,473.6			1,460.0		
Other assets	3,045.8			3,175.5			3,074.9		
Unrealized gains on securities available for sale	3,843.8			3,839.2			3,337.9		
Total assets	$ 85,372.1			$ 85,087.5			$ 82,330.5		
LIABILITIES AND SHAREHOLDERS' EQUITY									
Interest-bearing deposits:									
NOW/Money market accounts	$ 18,408.9	$ 136.2	2.94 %	$ 18,243.9	$ 133.0	2.92 %	$ 17,338.0	$ 123.8	2.90 %
Savings	6,613.5	55.4	3.32	6,582.5	54.4	3.31	6,673.2	54.9	3.34
Consumer time	10,294.4	133.9	5.16	10,438.8	134.5	5.17	10,700.7	136.2	5.16
Other time	6,665.0	91.7	5.46	6,663.8	94.5	5.69	6,859.6	95.2	5.63
Total interest-bearing deposits	41,981.8	417.2	3.94	41,929.0	416.4	3.98	41,571.5	410.1	4.00
Funds purchased	11,875.2	160.6	5.36	11,589.2	155.1	5.37	10,996.6	146.1	5.39
Other short-term borrowings	2,307.3	31.7	5.44	2,732.2	37.3	5.48	2,502.2	33.3	5.40
Long-term debt	5,565.7	88.7	6.32	5,217.2	82.3	6.32	4,830.9	78.5	6.59
Total interest-bearing liabilities	61,730.0	698.2	4.49	61,467.6	691.1	4.51	59,901.2	668.0	4.52
Noninterest-bearing deposits	11,676.5			11,678.5			11,213.9		
Other liabilities	3,974.8			4,004.3			3,682.8		
Realized shareholders' equity	5,618.9			5,568.9			5,474.8		
Accumulated other comprehensive income	2,371.9			2,368.2			2,057.8		
Total liabilities and shareholders' equity	$ 85,372.1			$ 85,087.5			$ 82,330.5		
Interest rate spread			3.11 %			3.24 %			3.35 %
NET INTEREST INCOME		$ 732.4			$ 745.6			$ 730.9	
NET INTEREST MARGIN(3)			3.89 %			4.02 %			4.11 %

(3) Derivative instruments used to help balance SunTrust's interest-sensitivity position decreased net interest income by $1.8 in the quarter ended March 31, 1999, had no impact on net interest income in the quarter ended December 31, 1998, decreased net interest income by $1.9 and $0.5 in the quarters ended September 30, 1998 and June 30, 1998 and increased net interest income by $1.6 in the quarter ended March 31, 1998. Without these swaps, net interest margin would have been 3.92%, 3.88%, 3.88%, 4.02% and 4.12%, in the quarters ended March 31, 1999, December 31, September 30, June 30, and March 31, 1998, respectively.

Net Interest Income/Margin. SunTrust's net interest margin of 3.92% for the first quarter of 1999 was 19 basis points lower than the first quarter of last year. The rate on earning assets was 7.30% in the first quarter of 1999 and 7.87% in the first quarter of 1998. At the same time, the rate on interest bearing liabilities decreased 44 basis points due to the decrease in rates on other short-term borrowings and time deposits.

Interest income, which SunTrust was unable to recognize on nonperforming loans, had a negative impact of 2 basis point on the net interest margin in the first three months of both 1999 and 1998. Table 2 contains more detailed information concerning average balances and interest yields earned and rates paid.

SunTrust periodically evaluates the interest rate risk assumptions contained in the annual report. Management continues to believe that our sensitivity to interest rates is relatively neutral.

Noninterest Income. Noninterest income in the first three months of 1999, adjusted to exclude the effect of securities gains and losses, increased $50.4 million, or 12.8%, from the first quarter of 1998. Trust income, SunTrust's largest source of noninterest income, increased $13.1 million, or 11.6% over the same period. The increase in loan volume is due to the increase in new home sales and refinancing activity as long term interest rates have continued to decline in the past year. Mortgage fees, the largest component of miscellaneous charges and fees, increased $15.2 million, or 48.6% to $46.6 million in the first quarter of 1999 due to higher volume in our mortgage banking business. Other income in the third quarter of 1998 includes a $54.0 million pre-tax gain on the sale of credit card loans.

NONINTEREST INCOME TABLE 3
(In millions)

	Quarters				
	1999	1998			
	1	4	3	2	1
Trust income	$ 126.3	$ 117.7	$ 112.9	$ 116.3	$ 113.2
Service charges on deposit accounts	106.1	105.7	102.6	97.6	95.2
Miscellaneous charges and fees	93.1	100.5	90.8	89.5	84.0
Mortgage servicing rights income	41.4	32.5	34.6	34.9	20.8
Retail investment services	23.5	15.2	16.1	18.5	14.8
Credit card fees	23.1	23.5	20.1	22.9	20.8
Corporate and institutional investment services	18.7	20.2	13.8	12.3	9.5
Trading account profits and commissions	10.6	11.7	8.3	12.4	12.2
Securities gains (losses)	(0.7)	1.0	(0.8)	4.5	3.5
Other income	2.8	8.1	61.7	12.4	24.7
Total noninterest income	$ 444.9	$ 436.1	$ 460.1	$ 421.3	$ 398.7

Noninterest Expense. Noninterest expense increased $80.5 million, or 12.2% in the first quarter of 1999 compared to the same period last year. Personnel expenses, consisting of salaries, other compensation and employee benefits, increased $57.3 million, or 15.1% over the earlier period. Most of the remaining increase in noninterest expense was due to $13.8 million in Crestar merger-related expenses in the first quarter of 1999. The efficiency ratio in the first quarter of 1999 was 59.3% (excluding the Crestar merger-related charges), a slight increase from 58.5% in the first quarter of 1998. The fourth quarter of 1998 noninterest expense includes $119.4 million in Crestar merger-related expenses.

NONINTEREST EXPENSE TABLE 4
(In millions)

	Quarters				
	1999	1998			
	1	4	3	2	1
Salaries	$ 298.5	$ 289.9	$ 278.1	$ 269.2	$ 258.3
Other compensation	84.4	86.2	100.8	80.3	70.9
Employee benefits	54.4	39.2	45.7	46.1	50.8
Net occupancy expense	47.7	49.8	49.1	47.0	46.3
Equipment expense	45.3	45.2	45.5	43.9	44.2
Outside processing and software	34.8	37.7	32.9	34.6	33.2
Amortization of intangible assets	25.7	28.9	28.0	26.7	21.8
Marketing and customer development	21.8	34.7	22.7	25.6	24.1
Postage and delivery	17.1	16.1	15.9	16.0	16.4
Credit and collection services	16.6	18.9	17.8	17.5	16.2
Communications	16.1	15.8	15.8	15.6	14.9
Consulting and legal	15.4	19.6	19.6	15.1	13.2
Merger-related expenses	13.8	119.4	-	-	-
Operating supplies	13.3	14.3	13.2	13.3	13.2
FDIC premiums	2.0	2.3	2.3	2.1	1.7
Other real estate expense	(1.1)	(1.0)	(4.0)	(1.8)	(3.0)
Other expense	35.1	34.0	49.5	36.9	38.2
Total noninterest expense	$ 740.9	$ 851.0	$ 732.9	$ 688.1	$ 660.4
Efficiency ratio (1)	59.3 %	60.9 %	61.5 %	59.0 %	58.5 %

(1) Excludes merger-related expenses in the fourth quarter of 1998 and the first quarter of 1999.

Provision for Loan Losses. The SunTrust Allowance for Loan and Lease Losses Review Committee meets on a quarterly basis in order to assess the adequacy of the allowance, analyze provision and charge-off trends and to affirm allowance methodology. As a result of this review process, the Committee deemed the allowance at the end of the first quarter of 1999 to be adequate in order to cover losses inherent in the loan portfolio. The adequacy of the allowance is assessed based on historical loss rates, specifically analyzed loans and other risk factors. In the first quarter of 1999, SunTrust has confirmed further deterioration in the loan portfolio related to the healthcare industry. Other risk factors, including continuing high consumer bankruptcy rates and high consumer debt levels, as well as, global economic risk factors such as the Asian economic crisis, continue to influence the assessment of the adequacy of the allowance. The Committee also agreed to adjust the general reserve factors pertaining to the credit card and commercial real estate portfolios based on a review of the annual loan loss migration analysis. Reserve factors relating to the credit card portfolio were generally increased while a nominal decrease was agreed upon in relation to the commercial real estate portfolio.

SunTrust decreased the provision for loan losses in the first quarter of 1999 to $42.0 million from $51.7 million in the same period last year. Total provision exceeded net charge-offs by $8.0 million. This variance reflects lower than anticipated net charge-offs for the first quarter of 1999 totaling $34.0 million, representing 0.21% of average loans. While it is anticipated that second quarter charge-offs will reflect a moderately higher rate as originally forecast, the first quarter results did compare favorably to net charge-offs of $46.9 million or 0.33% of average loans in the first quarter of 1998.

SunTrust's allowance for loan losses totaled $952.6 million at March 31, 1999, which was 1.48% of quarter-end loans and 481.5% of total nonperforming loans. As of March 31, 1998 the allowance for loan losses was $939.8 million, or 1.60% of quarter-end loans and 478.5% of total nonperforming loans.

SUMMARY OF LOAN LOSS EXPERIENCE TABLE 5
(Dollars in millions)

	Quarters				
	1999	1998			
	1	4	3	2	1
Allowance for Loan Losses					
Balances - beginning of quarter	$ 944.6	$ 928.5	$ 908.9	$ 939.8	$ 933.5
Allowance from acquisitions and other activity - net	-	1.5	21.9	(34.9)	1.5
Provision for loan losses	42.0	67.1	40.5	55.3	51.7
Charge-offs:					
Commercial	(12.2)	(19.2)	(11.9)	(11.4)	(6.5)
Real estate:					
Construction	(0.7)	(1.7)	(1.0)	-	(0.5)
Residential mortgages	(3.1)	(2.9)	(3.6)	(4.3)	(3.0)
Other	(0.6)	(1.6)	(1.6)	(0.9)	(1.1)
Credit card	(22.7)	(26.1)	(27.1)	(38.6)	(37.7)
Other consumer loans	(12.9)	(16.3)	(14.3)	(14.6)	(18.4)
Total charge-offs	(52.2)	(67.8)	(59.5)	(69.8)	(67.2)
Recoveries:					
Commercial	4.0	2.6	3.8	3.8	4.6
Real estate:					
Construction	0.2	-	-	0.1	0.2
Residential mortgages	0.8	0.9	0.3	1.0	0.5
Other	2.6	2.2	1.4	2.0	2.8
Credit card	3.2	2.7	3.5	4.5	4.2
Other consumer loans	7.4	6.9	7.7	7.1	8.0
Total recoveries	18.2	15.3	16.7	18.5	20.3
Net charge-offs	(34.0)	(52.5)	(42.8)	(51.3)	(46.9)
Balance - end of quarter	$ 952.6	$ 944.6	$ 928.5	$ 908.9	$ 939.8
Quarter-end loans outstanding	$ 64,274.1	$ 65,089.2	$ 61,325.1	$ 59,778.7	$ 58,875.5
Average loans	$ 64,854.0	$ 63,134.0	$ 60,039.5	$ 59,441.9	$ 57,341.4
Allowance to quarter-end loans	1.48 %	1.45 %	1.51 %	1.52 %	1.60 %
Allowance to nonperforming loans	481.5	456.0	468.3	462.6	478.5
Net charge-offs to average loans (annualized)	0.21 %	0.33 %	0.28 %	0.35 %	0.33 %

NONPERFORMING ASSETS TABLE 6
(Dollars in millions)

	1999	1998			
	MARCH 31	December 31	September 30	June 30	March 31
Nonperforming Assets					
Nonaccrual loans:					
Commercial	$ 47.7	$ 50.1	$ 48.3	$ 50.1	$ 32.4
Real Estate:					
Construction	14.8	13.5	14.8	16.5	16.8
Residential mortgages	80.7	83.9	77.7	69.2	79.0
Other	41.6	46.6	43.5	48.6	49.8
Consumer loans	13.0	12.5	13.4	12.1	15.7
Total nonaccrual loans	197.8	206.6	197.7	196.5	193.7
Restructured loans	0.1	0.6	0.5	-	2.7
Total nonperforming loans	197.9	207.2	198.2	196.5	196.4
Other real estate owned	36.1	34.9	33.1	43.4	52.0
Total nonperforming assets	$ 234.0	$ 242.1	$ 231.3	$ 239.9	$ 248.4
Ratios:					
Nonperforming loans to total loans	0.31 %	0.32 %	0.32 %	0.33 %	0.33 %
Nonperforming assets to total loans plus other real estate owned	0.36	0.37	0.38	0.40	0.42
Accruing Loans Past Due 90 Days or More	$ 103.8	$ 108.2	$ 89.8	$ 101.5	$ 110.3

Nonperforming Assets. Nonperforming assets consist of nonaccrual loans, restructured loans and other real estate owned. Nonperforming assets have decreased 3.3%, or $8.1 million since December 31, 1998 and decreased 5.8%, or $14.4 million since March 31, 1998. Included in nonperforming loans at March 31, 1999 are loans aggregating $19.2 million which are current as to the payment of principal and interest but have been placed in nonperforming status because of uncertainty over the borrowers' ability to make future payments.

Interest income on nonaccrual loans, if recognized, is recorded on a cash basis. During the first three months of 1999, $5.3 million of interest income would have been recorded if all nonaccrual and restructured loans had been accruing interest at their original contractual rates. Interest income recognized on a cash basis in the first quarter of 1999 on nonperforming loans was $1.9 million.

LOAN PORTFOLIO BY TYPES OF LOANS TABLE 7
(In millions)

	1999	1998			
	MARCH 31	December 31	September 30	June 30	March 31
Commercial	$ 24,058.1	$ 24,589.6	$ 21,652.7	$ 20,571.1	$ 19,695.2
Real estate:					
Construction	2,180.2	2,085.0	1,995.5	1,931.0	1,834.7
Residential mortgages	20,563.7	20,429.5	21,056.5	20,336.0	20,316.3
Other	7,403.5	8,254.3	7,045.8	6,999.9	7,030.0
Credit card	1,522.3	1,563.5	1,526.2	2,094.1	2,163.0
Other consumer loans	8,546.3	8,167.3	8,048.4	7,846.6	7,836.3
Total loans	$ 64,274.1	$ 65,089.2	$ 61,325.1	$ 59,778.7	$ 58,875.5

Loans. Total loans at March 31, 1999 were $64.3 billion, an increase of $5.4 billion or 9.3% from March 31, 1998. The average loan to deposit ratio was 114.0% in the first three months of 1999 compared with 108.6% in the first quarter of 1998. Loans held for sale at March 31, 1999 were $2.8 billion, a decrease of $.7 billion from December 31, 1998.

Income Taxes. The provision for income taxes was $150.1 million in the first quarter of 1999 compared to $141.4 million in the same period last year. This represents a 35% effective tax rate in each period.

Securities available for sale. Securities in the investment portfolio are classified as available-for-sale and are carried at market value with unrealized gains and losses, net of any tax effect, added to or deducted from realized shareholders' equity to determine total shareholder's equity. The investment portfolio continues to be managed to optimize yield over an entire interest rate cycle while providing liquidity and managing market risk. The portfolio yield decreased from an average of 6.77% in the first quarter of 1998 to 6.41% in the first quarter of this year. The portfolio size (measured at amortized cost) increased by $1.6 billion during the first quarter to $14.8 billion as of March 31, 1999. At March 31, 1999, approximately 7% of the portfolio consisted of U.S. Treasury securities, 10% U.S. government agency securities, 65% mortgage-backed securities, 7% asset-backed securities, 7% trust preferred securities and 4% municipal securities (calculated as a percent of total par value). Most of SunTrust's holdings in mortgage-backed securities are backed by U.S. government or federal agency guarantees limiting the credit risk associated with the mortgage loans. At March 31, 1999 the carrying value of the securities portfolio was $3.0 billion over amortized cost, consisting mostly of a $3.0 billion unrealized gain on SunTrust's investment in common stock of The Coca-Cola Company.

Liquidity Management. Liquidity is managed to ensure there is sufficient cash flow to satisfy demand for credit, deposit withdrawals and attractive investment opportunities. A large, stable core deposit base, strong capital position and excellent credit ratings are the solid foundation for SunTrust's liquidity position. Liquidity is enhanced by an investment portfolio structured to provide liquidity as needed. It is also strengthened by ready access to regional and national wholesale funding sources including fed funds purchased, securities sold under agreements to repurchase, negotiable certificates of deposit and offshore deposits, as well as an active bank note program, commercial paper issuance by the Parent Company, and Federal Home Loan Bank (FHLB) advances for subsidiary banks who are FHLB members.

Average total deposits for the first three months of 1999 increased $4.1 billion, or 7.8% over the same period a year ago. Interest-bearing deposits represented 78.1% of average deposits for the first three months of 1999, compared to 78.8% for the same period in 1998. In the first quarter of 1999, average net purchased funds (average funds purchased less average funds sold) increased $4.2 billion over the same period in 1998. Net purchased funds were 16.8% of average earning assets for the first three months of 1999 as compared to 13.0% in the same period a year ago.

Derivatives. SunTrust enters into various derivative contracts in a dealer capacity for customers and in managing its own interest rate risk. Where contracts have been created for customers, SunTrust enters into offsetting positions to eliminate SunTrust's exposure to interest rate risk. The principal derivative contracts used by SunTrust are swaps, options and futures. Interest rate swaps are contracts in which a series of interest rate flows, based on a specific notional amount and a fixed and floating interest rate, are exchanged over a prescribed period. Futures contracts are an agreement between a buyer and a seller to purchase an asset or currency at a later date at a fixed price. The contract trades on a futures exchange and is subject to a daily settlement procedure. Options, which may include caps and floors, are contracts to buy or sell an asset, currency, or a futures contract for a fixed price at a specific time. SunTrust also monitors its sensitivity to changes in interest rates and uses derivatives instruments to limit the volatility of net interest income. Table 8 details derivative instruments as of March 31, 1999 used for managing interest rate sensitivity.

DERIVATIVE INSTRUMENTS TABLE 8
(Dollars in millions)

	Notional Value	Fair Value	Average Maturity In Months	Average Rate Paid/Option Strike	Average Rate Received
Gain position:					
Receive fixed	$ 2,923.0	$ 83.2	43	5.00 %	6.30 %
Pay fixed	370.0	6.5	110	5.12	5.33
Basis swaps	275.0	0.8	52	4.75	5.20
Total gain position	3,568.0	90.5			
Loss position:					
Receive fixed	-	-	-	-	-
Pay fixed	860.0	(16.2)	73	6.26	4.96
Basis swaps	300.0	(0.3)	26	4.83	5.28
Total loss position	1,160.0	(16.5)			
Total interest rate swaps	$ 4,728.0	$ 74.0			
Options Purchased	$ 4,457.0	$ (3.7)	23	6.72 %	
Options Sold	1,000.0	0.1	3	4.75	
Futures	700.0	0.0	6		

Derivatives are designated as hedges on investments, deposits and other interest-bearing liabilities. During the three months ended March 31, 1999, hedges decreased net interest income by $1.8 million, compared with a $1.6 million increase in the corresponding 1998 period.

CAPITAL RATIOS TABLE 9
(Dollars in millions)

	1999	1998			
	MARCH 31	December 31	September 30	June 30	March 31
Tier 1 capital	$ 6,773.7	$ 6,586.5	$ 6,284.9	$ 6,055.0	$ 6,081.7
Total capital	10,341.1	10,307.9	9,784.5	10,147.6	9,454.9
Risk-weighted assets	80,838.6	80,586.4	75,320.5	74,729.5	73,324.4
Risk-based ratios:					
Tier 1 capital	8.37 %	8.17 %	8.34 %	8.10 %	8.29 %
Total capital	12.79	12.79	12.99	13.58	12.89
Tier 1 leverage ratio	7.69	7.68	7.72	7.49	7.73

Total shareholders' equity to assets	8.93	8.78	8.77	9.34	9.24

Capital Resources. Consistent with the objective of operating a sound financial organization, SunTrust maintains capital ratios well above regulatory requirements. The rate of internal capital generation has been more than adequate to support asset growth. Table 9 presents capital ratios for the five most recent quarters.

Regulatory agencies measure capital adequacy with a framework that makes capital requirements sensitive to the risk profiles of individual banking companies. The guidelines define capital as either Tier 1 (primarily shareholders' equity) or Tier 2 (debt instruments and a portion of the allowance for loan losses). SunTrust and its subsidiary banks are subject to a minimum Tier 1 capital ratio (Tier 1 capital to risk-weighted assets) of 4%, total capital ratio (Tier 1 plus Tier 2 to risk-weighted assets) of 8% and Tier 1 leverage ratio (Tier 1 to average quarterly assets) of 3%.

The Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) requires the establishment of a capital-based supervisory system of prompt corrective action for all depository institutions. The Regulator's implementation of FDICIA defines "well capitalized" institutions as those whose capital ratios equal or exceed the following minimum ratios: Tier 1 capital ratio of 6%, total risk-based capital ratio of 10%, and a Tier 1 leverage ratio of 5%. Forty-five percent of the unrealized gains on equity securities of The Coca-Cola Company are included in the calculation of Total capital. At March 31, 1999, SunTrust's Tier 1 capital, total capital and Tier 1 leverage ratios were 8.37%, 12.79% and 7.69%, respectively. SunTrust is committed to maintaining well-capitalized banks.

Year 2000. The Year 2000 issue is the result of computer programs and components using a two-digit format, as opposed to four digits, to indicate the year. These computer systems may be unable to interpret dates beyond the year 1999, which could cause a system failure or other computer errors, leading to disruptions in operations. In addition, many software programs and automated systems may fail to recognize the year 2000 as a leap year. The problem is not limited to computer systems, or any particular industry or field. Year 2000 issues could potentially affect any device that has an embedded microchip containing this flaw.

Prior to their merger, SunTrust and Crestar had each established programs to deal with the Year 2000 issue and were well along in executing those programs. Because most SunTrust and Crestar computer systems will not be integrated until after year-end 1999, SunTrust decided to complete both Year 2000 programs as separate projects. Both programs are based on very detailed guidance issued by the Federal Financial Institutions Examination Council (FFIEC), and while the programs have differences in terminology and structure, the basic processes are very similar. The following discussion applies to both programs. While separate Project Offices oversee each program, SunTrust has appointed one group of senior managers to oversee both programs.

SunTrust's Year 2000 Program has four phases: inventory of areas potentially impacted, assessment to identify problems, remediation to fix those problems, and testing of remediated systems. The inventory and assessment phases were completed in 1997 and early 1998 and covered both internal and vendor applications, as well as hardware, networks, packaged software and non-information technology systems that contain microprocessors. Examples of the latter are elevators, bank alarms and vault locks. The remediation and testing phases are nearing completion.

Remediation includes both correcting internal systems and managing corrections to vendor-supplied systems and applications. Testing verifies that the system performs properly after modification ("Compliance Testing") and also interacts properly with other systems in an operating environment ("Enterprise Testing"). These latter tests use dedicated equipment that has been "fast-forwarded" to simulate the date change from 1999 to 2000. All test results are reviewed and accepted by personnel who regularly use these systems. Substantially all SunTrust mission-critical applications have completed this process. Crestar Enterprise Testing was completed in April 1999. The four remaining mission-critical systems are on schedule to be completed in the second quarter of 1999. The completion of the Year 2000 process for other non critical systems are on target for completion throughout 1999. Following Compliance Testing, remediated systems are put into current production, so remediated systems are currently operating.

SunTrust's operations are also dependent on outside vendors and service providers, and SunTrust could be materially impacted should they experience Year 2000 problems. SunTrust maintains a dialogue with mission-critical vendors and suppliers, virtually all of which reported they were Year 2000 compliant by December 31, 1998. Those who were not are being monitored closely; contingency plans, including alternate vendors, have been identified wherever possible.

SunTrust is also supplementing its normal contingency plans to encompass specific Year 2000 concerns. These contingency plans are designed to provide for ongoing operations or early business resumption should there be problems such as a mainframe system or network "crash"; a localized disruption that might occur due to a hurricane or tornado; or the loss of services from a mission-critical vendor. In this respect, they will be very applicable to Year 2000 concerns. In a worst-case scenario for the Year 2000, however, it is possible that the basic utilities SunTrust depends on (such as electricity, telephone and water) would not be available for an extended period of time. Should this unlikely event occur, SunTrust might not be able to provide services until the utilities are returned.

Management believes that it has taken the reasonable and necessary steps to minimize the operational, regulatory and legal risks associated with Year 2000. Despite these efforts, SunTrust could still experience Year 2000 problems, some of which could have a material impact on SunTrust's results of operations and financial condition. While this is not anticipated, the following discusses several major risks and SunTrust's efforts to mitigate them.

It is possible that the public's desire to hold cash going into Year 2000 could precipitate unusual withdrawals of deposits. SunTrust is planning in conjunction with the Federal Reserve to have additional supplies of cash available and has developed plans for alternative funding sources should a panic create a temporary liquidity shortage for SunTrust. A significant financial impact on

SunTrust could result from customer Year 2000 difficulties resulting in customers' inabilities to repay their loans. SunTrust has implemented special Year 2000 risk assessments for all large borrowers and considers Year 2000 risks when renewing or making loans. Some observers have predicted irrational panic selling of investment portfolios late in 1999. Should this occur, asset values would drop dramatically, and SunTrust's fees based on asset values, primarily asset management, would drop proportionally.

To make resources available for Year 2000 efforts, some discretionary data processing projects have been deferred. These projects will be implemented as resources again become available. There have been no material negative financial impacts from these deferrals.

SunTrust estimates that the total pre-tax cost of one-time expenses associated with Year 2000 will approximate $82 million. These expenses are being recognized as they are incurred. Through the first quarter of 1999, SunTrust recognized $64.8 million, or 79%, of the total projected expense. Of this amount, $11.2 million was incurred in the first quarter of 1999. Management does not believe that future Year 2000 expenses will have a material effect on the results of operations or financial condition of SunTrust.

As mentioned above, the FFIEC has established extensive guidelines on Year 2000 matters that apply to all financial institutions. These guidelines are available to the public on the Internet at www.FFIEC.gov. In addition, SunTrust is engaged in a regular dialogue with the regulatory agencies and has received additional guidance from them.

The previous discussion of Year 2000 issues includes numerous forward-looking statements reflecting management's current assessment and estimates with respect to SunTrust's Year 2000 compliance effort and the impact of Year 2000 issues on SunTrust's business and operations.

These statements are based on information currently available to management. Various factors could cause actual results to differ materially from those contemplated by any assessments, estimates and forward-looking statements, including many factors that are beyond the control of SunTrust. These factors include, but are not limited to: (a) the success of SunTrust in identifying systems and programs that are not Year 2000 compliant; (b) the continuing availability of experienced consultants and information technology personnel;
(c) the nature and amount of programming required to upgrade or replace each of the affected programs; (d) the ability of third parties to complete their own Year 2000 remediations on a timely basis; and (e) the ability of SunTrust to implement contingency plans.

The foregoing statements regarding Year 2000 matters are "Year 2000 readiness disclosures" under the Year 2000 Information and Readiness Disclosure Act.

FINANCIAL HIGHLIGHTS - BANKING SUBSIDIARIES TABLE 10
(Dollars in millions)

	SunTrust Banks of Florida, Inc.		SunTrust Banks of Georgia, Inc.		SunTrust Banks of Tennessee, Inc.		Crestar Financial Corporation	
	1999	1998	1999	1998	1999	1998	1999	1998
SUMMARY OF OPERATIONS (1)								
Net interest income (FTE)	$ 270.9	$ 256.7	$ 189.3	$ 171.1	$ 76.0	$ 73.9	$ 247.2	$ 233.5
Provision for loan losses	7.8	8.1	5.1	5.5	1.8	1.7	12.4	23.1
Trust income	47.5	43.0	37.8	34.6	11.8	11.1	23.3	20.1
Other noninterest income	90.8	80.9	63.8	53.5	25.9	22.8	111.8	101.2
Personnel expense	97.1	91.1	61.3	60.1	28.5	28.3	122.2	110.5
Other noninterest expense	132.9	121.7	92.5	82.2	35.8	33.6	101.1	87.7
Net income	107.5	99.1	85.3	72.3	29.3	27.3	96.0	84.1
SELECTED AVERAGE BALANCES (1)								
Total assets	29,551	27,346	25,470	22,045	8,642	7,941	26,699	23,862
Earning assets	27,698	25,719	20,701	17,342	8,297	7,612	24,553	22,040
Loans	20,965	19,629	16,983	14,421	6,530	5,996	19,670	16,815
Total deposits	20,259	18,831	13,224	11,516	6,209	6,041	17,305	16,469
Realized shareholders' equity	2,461	2,171	1,736	1,571	683	629	2,355	2,057
AT MARCH 31								
Total assets	29,492	27,825	25,745	22,886	8,747	8,059	26,256	25,920
Earning assets	27,617	25,986	21,096	17,661	8,485	7,711	24,093	23,754
Loans	20,780	19,819	16,979	14,748	6,503	6,117	19,414	17,611
Allowance for loan losses	310	386	206	202	93	109	284	281
Total deposits	20,320	19,363	13,799	11,365	6,456	6,036	17,509	17,036
Realized shareholders' equity	2,512	2,217	1,784	1,595	698	640	2,357	2,124
Total shareholders' equity	2,517	2,238	3,623	3,915	700	646	2,363	2,121
CREDIT QUALITY								
Net loan charge-offs (1)	7.3	2.0	3.2	4.6	0.9	2.0	9.1	25.1
Nonperforming loans (2)	92.5	79.2	39.6	39.2	14.7	11.9	49.8	65.7
Other real estate owned (2)	11.2	12.2	1.8	2.8	4.7	16.4	18.4	20.5
RATIOS								
ROA (3)	1.48 %	1.47 %	1.55 %	1.56 %	1.38 %	1.39 %	1.46 %	1.43 %
ROE (3)	17.72	18.51	19.93	18.66	17.39	17.54	16.53	16.57
Net interest margin (3)	3.97	4.05	3.71	4.00	3.72	3.93	4.08	4.30
Efficiency ratio (3)	56.20	55.89	52.88	54.92	56.55	57.44	58.42	55.89
Total shareholder's equity/assets (2)	8.53	8.04	14.07	17.11	8.00	8.02	9.00	8.18
Net loan charge-offs to average loans (3)	0.14	0.04	0.08	0.13	0.05	0.14	0.19	0.60
Nonperforming loans to total loans (2)	0.45	0.41	0.24	0.27	0.23	0.20	0.26	0.37
Nonperforming assets to total loans plus other real estate owned (2)	0.51	0.47	0.25	0.29	0.31	0.47	0.35	0.49
Allowance to loans (2)	1.52	1.99	1.23	1.39	1.47	1.83	1.46	1.60
Allowance to nonperforming loans (2)	334.9	486.7	519.7	514.7	634.6	917.7	569.9	427.9

(1) FOR THE THREE MONTH PERIOD ENDED MARCH 31.
(2) AT MARCH 31.
(3) ANNUALIZED FOR THE FIRST THREE MONTHS.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS
None

ITEM 2. CHANGES IN SECURITIES
None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES
None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The annual meeting of shareholders of the Registrant was held on April 20, 1999. At the meeting, the following individuals were elected directors of the Registrant: A.W. Dahlberg, L. Phillip Humann, M. Douglas Ivester, Joseph L. Lanier, Frank E. McCarthy, Frank S. Royal, M.D., Richard G. Tilghman and G. Gilmer Minor, III. Votes for ranged from 275,187,550 to 275,282,783 and votes withheld ranged from 2,696,387 to 2,791,620. J. Hyatt Brown, Alston D. Correll, David H. Hughes, Summerfield K. Johnston, Jr., Scott L. Probasco, Larry L. Prince, R. Randall Rollins and James B. Williams will continue as directors of the Registrant.

The shareholders also approved the ratification of Arthur Andersen LLP as independent auditors to audit the financial statements of SunTrust for 1999.

ITEM 5. OTHER INFORMATION
None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

A. Exhibits Exhibit 99.1 Press Release

B. Reports on Form 8-K

The Registrant filed a Current Report on Form 8-K dated January 12, 1999 reporting that the Registrant completed the acquisition of Crestar Financial Corporation.

The Registrant filed a Current Report on Form 8-K dated January 15, 1999. The purpose of this report was to file as an exhibit the press release reporting 1998 operating earnings.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized this 12th day of May, 1999.

SunTrust Banks, Inc.
(Registrant)

/s/ W.P. O'Halloran

William P. O'Halloran
Senior Vice President and Controller
(Chief Accounting Officer)

ARTICLE 9

MULTIPLIER: 1,000

PERIOD TYPE	3 MOS
FISCAL YEAR END	DEC 31 1999
PERIOD START	JAN 01 1999
PERIOD END	MAR 31 1999
CASH	3,529,131
INT BEARING DEPOSITS	11,181
FED FUNDS SOLD	1,010,154
TRADING ASSETS	222,246
INVESTMENTS HELD FOR SALE	17,870,140
INVESTMENTS CARRYING	0
INVESTMENTS MARKET	0
LOANS	64,274,066
ALLOWANCE	952,589
TOTAL ASSETS	91,122,492
DEPOSITS	57,928,100
SHORT TERM	15,149,879
LIABILITIES OTHER	4,134,747
LONG TERM	5,771,025
PREFERRED MANDATORY	322,846
PREFERRED	0
COMMON	0
OTHER SE	7,815,895
TOTAL LIABILITIES AND EQUITY	91,122,492
INTEREST LOAN	1,201,553
INTEREST INVEST	221,156
INTEREST OTHER	19,261
INTEREST TOTAL	1,441,970
INTEREST DEPOSIT	394,139
INTEREST EXPENSE	672,152
INTEREST INCOME NET	769,818
LOAN LOSSES	41,995
SECURITIES GAINS	(732)
EXPENSE OTHER	740,898
INCOME PRETAX	431,852
INCOME PRE EXTRAORDINARY	281,737
EXTRAORDINARY	0
CHANGES	0
NET INCOME	281,737
EPS PRIMARY	0.87
EPS DILUTED	0.89
YIELD ACTUAL	3.92
LOANS NON	197,845
LOANS PAST	103,757
LOANS TROUBLED	10
LOANS PROBLEM	0
ALLOWANCE OPEN	944,557
CHARGE OFFS	52,153
RECOVERIES	18,190
ALLOWANCE CLOSE	952,589
ALLOWANCE DOMESTIC	952,589
ALLOWANCE FOREIGN	0
ALLOWANCE UNALLOCATED	952,589