SUNTRUST BANKS INC

FORM 10-Q
(Quarterly Report)

Filed 08/14/00 for the Period Ending 06/30/00

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 8/14/2000 For Period Ending 6/30/2000

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 June 30, 2000
Commission File Number 1-8918

SUNTRUST BANKS, INC.

(Exact name of registrant as specified in its charter)

Georgia	58-1575035
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer 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 July 31, 2000, 298,102,334 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 six months ended June 30, 2000 are not necessarily indicative of the results that may be expected for the full year 2000.

Consolidated Statements of Income

(Dollars in thousands except per share data)(Unaudited)	Three Months Ended June 30 2000	Three Months Ended June 30 1999	Six Months Ended June 30 2000	Six Months Ended June 30 1999
Interest Income				
Interest and fees on loans	$ 1,367,374	$ 1,153,809	$2,673,903	$2,296,782
Interest and fees on loans held for sale	23,703	47,350	48,829	105,930
Interest and dividends on securities available for sale				
Taxable interest	224,910	208,012	455,532	405,596
Tax-exempt interest	6,492	7,871	13,327	15,807
Dividends (1)	17,749	15,906	34,772	31,542
Interest on funds sold	24,505	16,528	43,843	32,003
Interest on deposits in other banks	232	184	567	1,892
Other interest	7,084	2,876	12,105	4,954
Total interest income	1,672,049	1,452,536	3,282,878	2,894,506
Interest Expense				
Interest on deposits	590,255	391,627	1,145,217	785,766
Interest on funds purchased	154,561	172,391	297,394	341,688
Interest on other short-term borrowings	25,673	16,797	44,619	37,085
Interest on long-term debt	132,530	86,919	244,025	175,347
Total interest expense	903,019	667,734	1,731,255	1,339,886
Net Interest Income	769,030	784,802	1,551,623	1,554,620
Provision for loan losses	27,693	48,822	49,985	90,817
Net interest income after provision for loan losses	741,337	735,980	1,501,638	1,463,803
Noninterest Income				
Trust income	125,350	126,285	255,639	252,605
Service charges on deposit accounts	112,589	107,067	223,855	213,181
Other charges and fees	48,773	49,368	96,221	95,910
Retail investment services	30,550	26,001	61,348	49,516
Credit card and other fees	24,378	28,222	46,469	51,349
Mortgage production related income	20,474	47,650	39,167	101,165
Mortgage servicing related income	7,692	5,178	15,414	8,134
Corporate and institutional investment services	35,321	16,310	54,992	34,990
Trading account profits and commissions	(1,442)	11,437	10,571	22,026
Other noninterest income	38,754	31,546	68,753	48,649
Securities gains (losses)	1,531	3,879	8,393	3,147
Total noninterest income	443,970	452,943	880,822	880,672
Noninterest Expense				
Salaries and other compensation	365,251	389,261	736,336	772,196
Employee benefits	41,411	41,535	98,335	95,918
Equipment expense	50,667	49,799	102,305	95,088
Net occupancy expense	49,890	49,937	99,950	97,606
Outside processing and software	44,388	38,749	85,999	73,523
Marketing and customer development	27,855	23,875	50,157	45,665
Merger-related expenses	18,183	17,547	31,816	31,391
Amortization of intangible assets	8,777	8,965	17,771	17,902
Other noninterest expense	113,362	116,247	201,430	230,326
Total noninterest expense	719,784	735,915	1,424,099	1,459,615
Income before provision for income taxes	465,523	453,008	958,361	884,860
Provision for income taxes	148,054	159,345	321,453	309,460
Net Income	$ 317,469	$ 293,663	$ 636,908	$ 575,400
Average common shares - diluted	302,140,506	322,448,490	304,439,570	322,406,414
Average common shares - basic	298,985,834	318,315,379	301,223,533	318,203,347
Net income per average common share - diluted	$ 1.05	$ 0.91	$ 2.09	$ 1.78
Net income per average common share - basic	1.06	0.92	2.11	1.81
Dividends declared per common share	0.370	0.345	0.740	0.690
(1) Includes dividends on common stock of The Coca-Cola Company	8,206	7,722	16,411	15,445

See notes to consolidated financial statements

Consolidated Balance Sheets

(Dollars in thousands) (Unaudited)	June 30 2000	December 31 1999	June 30 1999
Assets			
Cash and due from banks	$ 2,847,699	$ 3,909,687	$ 3,786,251
Trading account	668,709	259,547	240,648
Securities available for sale (1)	17,382,207	18,317,297	18,384,169
Funds sold	1,621,189	1,609,679	1,417,290
Loans held for sale	1,345,694	1,531,787	2,408,689
Loans	71,450,408	66,002,831	62,922,406
Allowance for loan losses	(874,484)	(871,323)	(941,444)
Net loans	70,575,924	65,131,508	61,980,962
Premises and equipment	1,631,331	1,636,484	1,618,936
Intangible assets	800,728	804,632	819,020
Customers' acceptance liability	173,964	192,045	350,865
Other assets	2,703,365	1,997,302	2,213,051
Total assets	$99,750,810	$95,389,968	$93,219,881
Liabilities and Shareholders' Equity			
Noninterest-bearing deposits	$13,719,684	$14,200,522	$13,441,890
Interest-bearing deposits	54,956,751	45,900,007	46,918,195
Total deposits	68,676,435	60,100,529	60,360,085
Funds purchased	10,159,988	15,911,917	13,558,897
Other short-term borrowings	1,419,499	2,259,010	1,761,156
Long-term debt	7,200,459	4,967,346	4,519,796
Guaranteed preferred beneficial interests in debentures	1,050,000	1,050,000	1,050,000
Acceptances outstanding	173,964	192,045	350,865
Other liabilities	3,491,511	3,282,259	3,426,415
Total liabilities	92,171,856	87,763,106	85,027,214
Preferred stock, no par value; 50,000,000 shares authorized; none issued	-	-	-
Common stock, $1.00 par value	323,163	323,163	323,012
Additional paid in capital	1,272,178	1,293,387	1,303,609
Retained earnings	5,873,963	5,461,351	4,930,193
Treasury stock and other	(1,357,018)	(1,013,861)	(93,762)
Realized shareholders' equity	6,112,286	6,064,040	6,463,052
Accumulated other comprehensive income	1,466,668	1,562,822	1,729,615
Total shareholders' equity	7,578,954	7,626,862	8,192,667
Total liabilities and shareholders' equity	$99,750,810	$95,389,968	$93,219,881
Common shares outstanding	301,931,828	308,353,207	321,632,977
Common shares authorized	750,000,000	500,000,000	500,000,000
Treasury shares of common stock	21,230,929	14,809,550	1,379,469
(1) Includes net unrealized gains on securities available for sale	$ 2,371,237	$ 2,527,705	$ 2,805,074

See notes to consolidated financial statements

Consolidated Statements of Cash Flows

(Dollars in thousands) (Unaudited)	Six Months Ended June 30 2000	1999
Cash flows from operating activities:		
Net income	$ 636,908	$ 575,400
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	149,776	138,982
Provisions for loan losses and foreclosed property	50,192	92,972
Amortization of compensation element of restricted stock	4,726	6,741
Securities gains	(8,393)	(3,147)
Net gain on sale of non-interest earning assets	(7,888)	(14,106)
Net decrease in loans held for sale	186,093	1,137,918
Net increase in accrued interest receivable, prepaid expenses and other assets	(1,213,778)	(194,446)
Net increase in accrued interest payable, accrued expenses and other liabilities	269,566	53,393
Net cash provided by operating activities	67,202	1,793,707
Cash flows from investing activities:		
Proceeds from maturities of securities available for sale	1,239,752	2,286,636
Proceeds from sales of securities available for sale	667,038	1,839,713
Purchases of securities available for sale	(1,128,413)	(5,522,642)
Net increase in loans	(5,491,330)	(1,429,064)
Capital expenditures	(70,479)	(166,306)
Proceeds from the sale of assets	12,766	23,181
Loan recoveries	28,795	35,045
Net cash used in investing activities	(4,741,871)	(2,933,437)
Cash flows from financing activities:		
Net increase in deposits	8,575,906	1,326,802
Net decrease in funds purchased and other short-term borrowings	(6,591,440)	(612,766)
Proceeds from the issuance of long-term debt	3,113,839	90,272
Repayment of long-term debt	(880,726)	(328,345)
Proceeds from the exercise of stock options	7,543	-
Proceeds from stock issuance	13,202	11,063
Proceeds used in the acquisition of stock	(389,837)	-
Dividends paid	(224,296)	(220,589)
Net cash provided by financing activities	3,624,191	266,437
Net decrease in cash and cash equivalents	(1,050,478)	(873,293)
Cash and cash equivalents at beginning of year	5,519,366	6,076,834
Cash and cash equivalents at end of period	$ 4,468,888	$ 5,203,541
Supplemental Disclosure		
Interest paid	$ 1,675,409	$ 1,363,341
Income taxes paid	269,144	239,106

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, 1999	$322,485	$ 1,293,011	$4,575,382	$ (100,441)	$2,088,207	$ 8,178,644
Net income	-	-	575,400	-	-	575,400
Other comprehensive income:						
Change in unrealized gains (losses) on securities, net of taxes	-	-	-	-	(358,592)	(358,592)
Total comprehensive income	-	-	-	-	-	216,808
Cash dividends declared, $0.690 per share	-	-	(220,589)	-	-	(220,589)
Exercise of stock options	470	6,714	-	-	-	7,184
Amortization of compensation element of restricted stock	-	-	-	6,741	-	6,741
Issuance of stock for employee benefit plans	57	3,884	-	(62)	-	3,879
Balance, June 30, 1999	$323,012	$ 1,303,609	$4,930,193	$ (93,762)	$1,729,615	$ 8,192,667
Balance, January 1, 2000	$323,163	$ 1,293,387	$5,461,351	$(1,013,861)	$1,562,822	$ 7,626,862
Net income	-	-	636,908	-	-	636,908
Other comprehensive income:						
Change in unrealized gains (losses) on securities, net of taxes	-	-	-	-	(96,154)	(96,154)
Total comprehensive income	-	-	-	-	-	540,754
Cash dividends declared, $0.740 per share	-	-	(224,296)	-	-	(224,296)
Exercise of stock options	-	(16,529)	-	24,072	-	7,543
Acquisition of treasury stock	-	-	-	(389,837)	-	(389,837)
Restricted stock activity	-	(594)	-	594	-	-
Amortization of compensation element of restricted stock	-	-	-	4,726	-	4,726
Issuance of stock for employee benefit plans	-	(4,086)	-	17,288	-	13,202
Balance, June 30, 2000	$323,163	$ 1,272,178	$5,873,963	$(1,357,018)	$1,466,668	$ 7,578,954

* Balance at June 30, 1999 includes $29,493 for treasury stock and $64,269 for compensation element of restricted stock. Balance at June 30, 2000 includes $1,306,813 for treasury stock and $50,205 for compensation element of restricted stock.

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" or "Company") are unaudited. All significant intercompany accounts and transactions have been eliminated. These financial statements should be read in conjunction with the Annual Report on Form 10-K for the year ended December 31, 1999. Certain reclassifications have been made to prior year amounts to conform with the current year presentation.

Note 2 - Acquisitions
For the first six months of 2000, $31.8 million of merger-related charges were recorded compared to $31.4 million in 1999. These charges included $0.6 million in accelerated depreciation and amortization based upon estimates of systems integration timetables, $0.8 million in severance and $30.4 million in system integration costs. SunTrust expects to record additional merger-related charges of approximately $10.7 million through the remainder of year 2000.

Note 3 - Derivative Financial Instruments
SunTrust uses derivatives 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 such 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 certain derivative instruments embedded in other contracts and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities on the balance sheet and measures those instruments at fair value. This statement could increase volatility in earnings and other comprehensive income. In June of 1999, SFAS No. 133 was amended by SFAS No. 137, which delays the effective date of implementation until fiscal years beginning after June 15, 2000. SunTrust will adopt SFAS No. 133 effective January 1, 2001. In June of 2000, SFAS No. 133 was amended by SFAS 138, which addresses issues related to implementation difficulties. SunTrust completed an in-depth analysis to determine the effects of the implementation and 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 of the issuing company. 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 Company's obligations 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 the Company. The trust preferred securities may be called prior to maturity at the option of SunTrust.

Note 5 - Comprehensive Income
The Company's comprehensive income, which includes certain transactions and other economic events that bypass the income statement, consists of net income and unrealized gains and losses on securities available for sale, net of income taxes.

Comprehensive income for the six months ended June 30, 2000 and 1999 is calculated as follows:
(In thousands)

	Before Income Tax	Income Tax	Net of Income Tax
Unrealized losses, net, recognized in other comprehensive income:			
Six months ended June 30, 2000	$ (156,468)	$ (60,314)	$ (96,154)
Six months ended June 30, 1999	(574,651)	(216,059)	(358,592)

	2000	1999
Amounts reported in net income:		
Gain (loss) on sale of securities	$ 8,393	$ 3,147
Net (accretion) amortization	(4,622)	2,999
Reclassification adjustment	3,771	6,146
Income tax expense	(1,454)	(2,311)
Reclassification adjustment, net of tax	$ 2,317	$ 3,835
Amounts reported in other comprehensive income:		
Unrealized loss arising during period, net of tax	$ (93,837)	$ (354,757)
Reclassification adjustment, net of tax	(2,317)	(3,835)
Net unrealized losses recognized in other comprehensive income	(96,154)	(358,592)
Net income	636,908	575,400
Total comprehensive income	$ 540,754	$ 216,808

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 six months ended June 30, 2000 and 1999 is included in the following table.

Computation of Per Share Earnings
(In thousands, except per share data)

	Three Months Ended June 30		Six Months Ended June 30	
	2000	1999	2000	1999
Basic				
Net income	$ 317,469	$ 293,663	$ 636,908	$ 575,400
Average common shares	298,986	318,315	301,224	318,203
Earnings per common share - basic	$ 1.06	$ 0.92	$ 2.11	$ 1.81
Diluted				
Net income	$ 317,469	$ 293,663	$ 636,908	$ 575,400
Average common shares outstanding	298,986	318,315	301,224	318,203
Effect of dilutive securities:				
Stock options	1,351	2,467	1,431	2,554
Performance restricted stock	1,804	1,666	1,785	1,649
Average diluted common shares	302,141	322,448	304,440	322,406
Earnings per common share - diluted	$ 1.05	$ 0.91	$ 2.09	$ 1.78

Note 7 - Segment Reporting
Effective January 1, 2000, the Company significantly modified management's internal reporting system with the consolidation of its individual bank charters. In prior periods, the Company's reportable segments were based on legal entities that were aligned along geographic regions. With the consolidation of the bank charters, SunTrust Bank is now one legal entity with Florida, Georgia, Tennessee, Alabama and Mid-Atlantic regions (which includes Virginia, Maryland and the District of Columbia). As a result of the changes to the legal entity structure, as well as the changes made to management's internal system used to evaluate operating segment performance, prior periods have not been reported because it is not practicable to restate prior period results to conform to the current reporting methods or to present current year results based on prior period reportable segments.

The Company's reportable segments as of June 30, 2000 are determined based on management's internal reporting approach. The reportable segments are comprised of the four regions of Florida, Georgia, Tennessee (which includes the branches in Alabama) and Mid-Atlantic, in addition to Corporate and Investment Banking and Parent/Other. Each geographic operating segment provides a wide array of banking services to consumer and commercial customers and earns interest income from loans made to customers. In addition, these geographic segments recognize certain fees related to trust, deposit, lending and other services provided to customers. The Corporate and Investment Banking segment consists of corporate banking for the large corporate and identified industry specialties, as well as SunTrust Equitable Securities and SunTrust Leasing. The Parent/Other segment consists primarily of the Company's credit card bank and nonbank subsidiaries as well as certain treasury and corporate expenses. The Treasury/Reconciling Items Segment includes the net impact of transfer pricing on loan and deposit balances, the cost of external debt, gains and losses on the investment portfolio, income taxes and other amounts necessary to reconcile the Company's internal management accounting practices described below to the consolidated financial statements.

Unlike financial accounting, there is no comprehensive authoritative body of guidance for management accounting equivalent to generally accepted accounting principles. Therefore, the performance of the segments is not comparable with SunTrust's consolidated results or with similar information presented by any other financial institution. In addition, operating segment results may be restated in the future as management's structure, information needs, and reporting systems evolve.

The Company uses a transfer pricing process to aid in assessing operating segment performance. This process involves matched maturity transfer pricing of interest rates for assets and liabilities to determine a contribution to the net interest margin on a segment basis. Currently, the Company does not allocate corporate equity to the reportable segments. As a result, the difference between the matched maturity transfer pricing and the consolidated net interest margin, as well as the net interest margin benefit provided from equity are treated as reconciling items. In addition, the Company uses a credit risk premium approach to aid in assessing operating segment performance. This approach recognizes the cost of the credit losses that SunTrust can expect over time on its loans through a charge against earnings. The premium is judgmental but based on rates derived from the Company's loss migration history for various loan categories as well as the internal credit ratings of individual loans in certain of those loan categories. The difference between the credit risk premium charged to the segments and the Company's consolidated provision for loan losses is included as a reconciling item within noninterest expense. The segment results also include certain intercompany transactions that were recorded at cost. All intercompany transactions have been eliminated to determine the consolidated balances. No transactions with a single customer contributed 10% or more to the Company's total revenue.

The following tables disclose selected financial information for SunTrust's reportable business segments for the three months and six months ended June 30, 2000.

(In thousands)	Florida	Georgia	Tennessee	Mid-Atlantic	Corporate & Investment Banking	Parent/Other
	Three Months Ended June 30, 2000					
Net interest income	$ 213,282	$ 126,336	$ 58,004	$ 180,260	$ 60,100	$ 1,781
Noninterest income	138,766	85,290	38,371	93,999	33,211	379,325
Noninterest expense	204,344	126,636	59,591	155,970	41,798	398,726
Income before taxes	147,704	84,990	36,784	118,289	51,513	(17,620)
Income tax expense	-	-	-	-	-	(22,057)
Net income	$ 147,704	$ 84,990	$ 36,784	$ 118,289	$ 51,513	$ 4,437
Average total assets	$ 21,465,873	$ 12,278,943	$ 6,131,066	$ 12,533,716	$ 16,684,548	$ 32,583,276
Revenues from external customers						
Total net interest income	$ 213,162	$ 126,273	$ 57,966	$ 180,260	$ 60,100	$ 2,002
Total noninterest income	109,593	70,129	30,116	80,401	32,884	133,119
Total income	$ 322,755	$ 196,402	$ 88,082	$ 260,661	$ 92,984	$ 135,121
Revenues from affiliates						
Total net interest income	$ 120	$ 63	$ 38	$ -	$ -	$ (221)
Total noninterest income	29,173	15,161	8,255	13,598	327	246,206
Total income	$ 29,293	$ 15,224	$ 8,293	$ 13,598	$ 327	$ 245,985

(In thousands)	Treasury/ Reconciling Items	Eliminations	Consolidated
	Three Months Ended June 30, 2000		
Net interest income	$ 129,267 (1)	$ -	$ 769,030
Noninterest income	(12,272)(2)	(312,720)	443,970
Noninterest expense	73,132 (3)	(312,720)	747,477
Income before taxes	43,863	-	465,523
Income tax expense	170,111 (4)	-	148,054
Net income	$ (126,248)	$ -	$ 317,469
Average total assets	$ 54,088,329	$(58,268,497)	$ 97,497,254
Revenues from external customers			
Total net interest income	$ 129,267	$ -	$ 769,030
Total noninterest income	(12,272)	-	443,970
Total income	$ 116,995	$ -	$ 1,213,000
Revenues from affiliates			
Total net interest income	$ -	$ -	$ -
Total noninterest income	-	(312,720)	-
Total income	$ -	$ (312,720)	$ -

(In thousands)	Florida	Georgia	Tennessee	Mid-Atlantic	Corporate & Investment Banking	Parent/Other
	Six Months Ended June 30, 2000					

Net interest income	$ 422,133	$ 256,106	$ 117,244	$ 358,507	$ 126,809	$ 1,322
Noninterest income	273,700	173,257	74,822	193,290	62,976	745,817
Noninterest expense	412,417	257,555	119,398	330,339	83,597	763,557
Income before taxes	283,416	171,808	72,668	221,458	106,188	(16,418)
Income tax expense	-	-	-	-	-	(25,799)
Net income	$ 283,416	$ 171,808	$ 72,668	$ 221,458	$ 106,188	$ 9,381
Average total assets	$ 21,083,452	$ 11,710,878	$6,041,042	$ 12,468,960	$ 16,390,782	$ 29,780,093
Revenues from external customers						
Total net interest income	$ 421,906	$ 256,004	$ 117,172	$ 358,507	$ 126,809	$ 1,723
Total noninterest income	220,746	143,517	58,999	158,639	62,118	239,545
Total income	$ 642,652	$ 399,521	$ 176,171	$ 517,146	$ 188,927	$ 241,268
Revenues from affiliates						
Total net interest income	$ 227	$ 102	$ 72	$ -	$ -	$ (401)
Total noninterest income	52,954	29,740	15,823	34,651	858	506,272
Total income	$ 53,181	$ 29,842	$ 15,895	$ 34,651	$ 858	$ 505,871

	Six Months Ended June 30, 2000		
(In thousands)	Treasury/ Reconciling Items	Eliminations	Consolidated
Net interest income	$ 269,502 (1)	$ -	$ 1,551,623
Noninterest income	(2,742) (2)	(640,298)	880,822
Noninterest expense	147,519 (3)	(640,298)	1,474,084
Income before taxes	119,241	-	958,361
Income tax expense	347,252 (4)	-	321,453
Net income	$ (228,011)	$ -	$ 636,908
Average total assets	$ 55,237,671	$(56,257,559)	$96,455,319
Revenues from external customers			
Total net interest income	$ 269,502	$ -	$ 1,551,623
Total noninterest income	(2,742)	-	880,822
Total income	$ 266,760	$ -	$ 2,432,445
Revenues from affiliates			
Total net interest income	$ -	$ -	$ -
Total noninterest income	-	(640,298)	-
Total income	$ -	$ (640,298)	$ -

(1) The Company's reconciliation of total segment results to consolidated results includes adjustments for funds transfer pricing credits and charges related to funds provided and funds used, credits for loan loss reserves, and credits for equity.

(2) Includes the effect of sales of securities, sales of fixed assets and other items.

(3) Includes miscellaneous corporate expenses not allocated to the operating segments.

(4) Reflects provision for income taxes that management does not include in its internal reporting system.

Item 2.

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

OVERVIEW

SunTrust Banks, Inc. is a financial holding company with its headquarters in Atlanta, Georgia. SunTrust's principal banking subsidiary, SunTrust Bank, offers a full line of financial services for consumers and businesses through its branches located primarily in Alabama, Florida, Georgia, Maryland, Tennessee, Virginia and the District of Columbia. In addition to traditional deposit, credit and trust and investment services offered by SunTrust Bank, other SunTrust subsidiaries provide mortgage banking, commercial and auto leasing, credit-related insurance, asset management, securities brokerage and investment banking services.

SunTrust has 1,151 full-service branches, including supermarket branches, and continues to leverage technology to provide customers the convenience of banking on the internet, through 1,981 automated teller machines and via twenty-four hour telebanking.

The following analysis of the financial performance of SunTrust for the second quarter of 2000 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 six months ended June 30, 2000 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 earnings of $329.3 million and $657.6 million for the second quarter and first six months of 2000, an increase of 6.7% and 9.5% compared with $308.5 million and $600.6 million in the same periods of 1999 (excluding after-tax merger-related charges of $11.8 million, $20.7 million, $14.8 million and $25.2 million for the second quarter and the first six months of 2000 and 1999, respectively). Diluted earnings per share, adjusted for merger charges, grew 14.0% to $1.09 and 16.0% to $2.16 from $0.96 and $1.86 in the same periods last year. Reported net income was $317.5 million, or $1.05 per diluted share for the second quarter and $636.9 million, or $2.09 per diluted share for the first six months of 2000. Net income growth for the first six months of 2000 compared to 1999 was impacted by lower loan loss provision resulting from the fourth quarter credit card sale, lower expense levels, and a lower effective tax rate.

Selected Quarterly Financial Data — Table 1

(Dollars in millions except per share data)

	Quarters				
	2000		1999		
	2	1	4	3	2
Summary of Operations					
Interest and dividend income	$ 1,672.0	$ 1,610.8	$ 1,559.4	$ 1,506.4	$ 1,452.5
Interest expense	903.0	828.2	763.4	711.4	667.8
Net interest income	769.0	782.6	796.0	795.0	784.7
Provision for loan losses	27.7	22.3	33.1	46.5	48.8
Net interest income after provision for loan losses	741.3	760.3	762.9	748.5	735.9
Noninterest income(1)	444.0	436.9	299.2	446.1	452.9
Noninterest expense(2)	719.8	704.3	753.9	691.8	735.9
Income before provision for income taxes and extraordinary gain	465.5	492.8	308.2	502.8	452.9
Provision for income taxes	148.0	173.4	81.0	181.4	159.2
Income before extraordinary gain	317.5	319.4	227.2	321.4	293.7
Extraordinary gain, net of taxes(3)	-	-	202.6	-	-
Net income	$ 317.5	$ 319.4	$ 429.8	$ 321.4	$ 293.7
Net interest income (taxable-equivalent)	$ 778.7	$ 792.1	$ 806.5	$ 805.4	$ 795.4
Per common share					
Diluted					
Income before extraordinary gain	$ 1.05	$ 1.04	$ 0.71	$ 1.00	$ 0.91
Extraordinary gain, net of taxes	-	-	0.64	-	-
Net income	1.05	1.04	1.35	1.00	0.91
Basic					
Income before extraordinary gain	1.06	1.05	0.72	1.01	0.92
Extraordinary gain, net of taxes	-	-	0.64	-	-
Net income	1.06	1.05	1.36	1.01	0.92
Dividends declared	0.370	0.370	0.345	0.345	0.345
Book value	25.10	23.51	24.73	24.50	25.47
Market price					
High	66.00	68.06	76.00	70.88	73.00
Low	45.06	46.81	64.19	61.56	63.06
Close	45.69	57.75	68.81	65.75	69.44
Selected Average Balances					
Total assets	$97,497.3	$ 95,413.4	$ 94,804.6	$ 92,447.7	$ 92,304.2
Earning assets	88,200.6	85,857.5	84,447.9	82,517.2	81,329.1
Loans	69,830.6	67,030.0	64,941.7	62,859.8	61,973.8
Total deposits(4)	66,866.4	65,550.3	58,284.0	58,423.6	57,743.7
Realized shareholders' equity	5,948.9	6,023.3	6,496.4	6,522.5	6,328.2
Total shareholders' equity	7,195.9	7,476.2	8,083.1	8,210.7	8,322.5
Common shares - diluted (thousands)	302,141	306,739	317,701	322,223	322,448
Common shares - basic (thousands)	298,986	303,461	313,706	318,239	318,315
Financial Ratios(5)					
ROA	1.34 %	1.38 %	1.85 %	1.42 %	1.32 %
ROE	21.46	21.33	26.25	19.55	18.61
Net interest margin	3.55	3.71	3.79	3.87	3.92

(1) Includes securities losses of $114.9 million for the fourth quarter of 1999 related to the securities portfolio repositioning.
(2) Includes merger-related expenses of $18.2 million and $13.6 million for the second and first quarters of 2000 and $7.1 million, $7.1 million, $17.6 million and $13.8 million for the fourth, third, second and first quarters of 1999, respectively.
(3) Represents the gain on sale of the Company's consumer credit card portfolio during the fourth quarter of 1999, net of $124.6 million in taxes.
(4) Includes brokered and foreign deposits of $12.9 and $12.2 billion for the second and first quarters of 2000 and $4.1 billion, $4.5 billion, $4.2 billion and $3.6 billion for the fourth, third, second and first quarters of 1999, respectively.
(5) 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					
	June 30, 2000			March 31, 2000		
	Average Balances	Income/ Expense	Yields/ Rates	Average Balances	Income/ Expense	Yields/ Rates
Assets						
Loans:(1)						
Taxable	$ 68,789.8	$ 1,354.7	7.92 %	$65,975.8	$1,293.9	7.89 %
Tax-exempt(2)	1,040.8	19.8	7.65	1,054.2	19.6	7.48
Total loans	69,830.6	1,374.5	7.92	67,030.0	1,313.5	7.88
Securities available for sale:						
Taxable	14,483.6	242.7	6.74	15,032.5	247.6	6.63
Tax-exempt(2)	470.0	8.9	7.65	508.5	9.4	7.42
Total securities available for sale	14,953.6	251.6	6.77	15,541.0	257.0	6.65
Funds sold	1,537.5	24.5	6.41	1,309.5	19.3	5.94
Loans held for sale	1,279.7	23.7	7.45	1,437.1	25.1	7.03
Other short-term investments(2)	599.2	7.4	4.95	539.9	5.4	4.02
Total earning assets	88,200.6	1,681.7	7.67	85,857.5	1,620.3	7.59
Allowance for loan losses	(873.8)			(874.7)		
Cash and due from banks	3,322.7			3,395.3		
Premises and equipment	1,627.5			1,627.8		
Other assets	3,204.3			3,058.3		
Unrealized gains on securities available for sale	2,016.0			2,349.2		
Total assets	$ 97,497.3			$95,413.4		
Liabilities and Shareholders' Equity						
Interest-bearing deposits:						
NOW/Money market accounts	$ 20,194.3	$ 155.7	3.10 %	$20,397.8	$ 146.1	2.88 %
Savings	6,449.1	55.1	3.43	6,659.4	53.8	3.25
Consumer time	10,023.1	129.4	5.19	9,599.9	116.6	4.89
Other time	4,024.7	58.1	5.80	3,756.0	49.4	5.29
Brokered deposits	2,760.9	43.9	6.40	2,585.0	38.4	5.97
Foreign deposits	10,162.9	148.0	5.86	9,605.0	150.7	6.31
Total interest-bearing deposits	53,615.0	590.2	4.43	52,603.1	555.0	4.24
Funds purchased	10,268.0	154.6	6.05	10,465.1	142.8	5.49
Other short-term borrowings	1,546.9	25.7	6.67	1,402.2	18.9	5.43
Long-term debt	8,070.9	132.5	6.60	6,952.9	111.5	6.45
Total interest-bearing liabilities	73,500.8	903.0	4.94	71,423.3	828.2	4.66
Noninterest-bearing deposits	13,251.5			12,947.2		
Other liabilities	3,549.0			3,566.7		
Realized shareholders' equity	5,948.9			6,023.3		
Accumulated other comprehensive income	1,247.1			1,452.9		
Total liabilities and shareholders' equity	$ 97,497.3			$95,413.4		
Interest rate spread			2.73 %			2.93 %
Net Interest Income		$ 778.7			$ 792.1	
Net Interest Margin(3)			3.55 %			3.71 %

(1) Interest income includes loan fees of $32.8, $31.7, and $34.7 in the quarters ended June 30, March 31, 2000, and June 30,1999 and $65.3 and $68.1 in the six months ended June 30, 2000 and 1999. 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 $9.6, $9.5, and $10.7 in the quarters ended June 30, March 31, 2000, and June 30,1999 and $19.2 and $21.5 in the six months ended June 30, 2000 and 1999.

Quarter Ended			Six Months Ended					
June 30, 1999			June 30, 2000			June 30, 1999		
Average Balances	Income/ Expense	Yields/ Rates	Average Balances	Income/ Expense	Yields/ Rates	Average Balances	Income/ Expense	Yields/ Rates
$60,837.0	$1,140.4	7.52 %	$67,382.8	$2,648.6	7.90 %	$60,418.2	$2,269.0	7.57 %
1,136.7	20.0	7.07	1,047.5	39.4	7.56	1,160.8	41.2	7.16
61,973.7	1,160.4	7.51	68,430.3	2,688.0	7.90	61,579.0	2,310.2	7.57
14,415.3	224.4	6.24	14,758.1	490.3	6.68	14,045.7	438.0	6.29
566.2	11.5	8.10	489.2	18.3	7.53	569.9	23.0	8.13
14,981.5	235.9	6.31	15,247.3	508.6	6.71	14,615.6	461.0	6.36
1,321.8	16.5	5.02	1,423.5	43.8	6.19	1,283.2	32.0	5.03
2,759.4	47.3	6.88	1,358.4	48.8	7.23	3,214.2	105.9	6.65
292.7	3.1	4.26	569.6	12.8	4.51	316.7	6.9	4.41
81,329.1	1,463.2	7.22	87,029.1	3,302.0	7.63	81,008.7	2,916.0	7.26
(949.1)			(874.3)			(949.5)		
3,599.7			3,359.0			3,594.3		
1,598.1			1,627.7			1,564.0		
3,502.5			3,131.3			3,535.0		
3,223.9			2,182.6			3,249.6		
$92,304.2			$96,455.4			$92,002.1		
$19,833.1	$ 126.5	2.56 %	$20,296.0	$ 301.8	2.99 %	$19,703.3	$ 253.7	2.60 %
7,003.4	49.9	2.86	6,554.3	108.9	3.34	6,981.7	100.5	2.90
9,815.2	116.2	4.75	9,811.5	246.0	5.04	9,915.0	237.5	4.83
4,011.9	48.8	4.88	3,890.3	107.5	5.56	4,121.3	100.8	4.93
3.3		4.87	2,673.0	82.3	6.20	1.7	-	-
4,170.8	50.3	4.84	9,884.0	298.7	6.08	3,910.9	93.3	4.81
44,837.7	391.7	3.50	53,109.1	1,145.2	4.34	44,633.9	785.8	3.55
14,849.3	172.4	4.66	10,366.6	297.4	5.77	14,817.5	341.7	4.65
1,448.1	16.8	4.65	1,474.5	44.6	6.09	1,611.7	37.1	4.64
5,741.4	86.9	6.07	7,511.9	244.0	6.53	5,764.2	175.3	6.13
66,876.5	667.8	4.00	72,462.1	1,731.2	4.80	66,827.3	1,339.9	4.04
12,906.0			13,099.3			12,688.0		
4,199.2			3,557.9			4,251.7		
6,328.2			5,986.1			6,224.7		
1,994.3			1,350.0			2,010.4		
$92,304.2			$96,455.4			$92,002.1		
		3.22 %			2.83 %			3.22 %
	$ 795.4			$1,570.8			$1,576.1	
		3.92 %			3.63 %			3.92 %

(3) Derivative instruments used to help balance SunTrust's interest-sensitivity position increased net interest income $0.8, $5.8 in the quarters ended June 30, 2000 and 1999, decreased net interest income $0.7 in the quarter ended March 31, 2000, and increased net interest income $0.1 and $10.7 in the six months ended June 30, 2000 and 1999. Without these swaps, the net interest margin would have been 3.55%, 3.71%, and 3.89% in the quarters ended June 30 and March 31, 2000, and June 30,1999,and 3.63% and 3.90% for the six months ended June 30, 2000 and 1999.

Interest Rate Risk. The normal course of business activity exposes SunTrust to interest rate risk. Fluctuations in interest rates may result in changes in the fair market value of the Company's financial instruments, cash flows and net interest income. SunTrust's asset/liability management process manages the Company's interest rate risk position. The objective of this process is the optimization of the Company's financial position, liquidity and net interest income, while limiting the volatility to net interest income from changes in interest rates.

SunTrust uses a simulation modeling process to measure interest rate risk and evaluate potential strategies. These simulations incorporate assumptions regarding balance sheet growth and mix, pricing, and the repricing and maturity characteristics of the existing and projected balance sheet. Other interest-rate-related risks such as prepayment, basis and option risk are also considered. Simulation results quantify interest rate risk under various interest rate scenarios. Senior management regularly reviews the overall interest rate risk position and develops and implements strategies to manage the risk.

Management estimates the Company's net interest income for the next twelve months would decline 1.0% under a gradual increase in interest rates of 100 basis points, versus the projection under stable rates. Net interest income would increase by less than 1.0% under a gradual decrease in interest rates of 100 basis points, versus the projection under stable rates.

The projections of interest rate risk do not necessarily include certain actions that management may undertake to manage this risk in response to anticipated changes in interest rates.

Net Interest Income/Margin. SunTrust's net interest margin was 3.63% for the first six months of 2000, a decrease of 29 basis points from the first six months of 1999, primarily attributable to the rising rate environment, the sale of the Company's $1.5 billion higher yielding consumer credit card portfolio in the fourth quarter of 1999 and additional purchases under the SunTrust stock repurchase program. Compared to the first six months of 1999, the rate on earning assets increased 37 basis points to 7.63% in the first six months of 2000 and the rate on interest bearing liabilities increased 76 basis points to 4.80% primarily due to the rising rates on purchased liabilities and increased reliance on purchased liabilities to fund growth.

Interest income that SunTrust was unable to recognize on nonperforming loans had a negative impact of 2 and 1 basis points on the net interest margin in the first six months of 2000 and 1999, respectively.

Noninterest Income. Noninterest income in the second quarter and first six months of 2000, adjusted to exclude the effect of securities gains and losses, decreased $6.6 million, or 1.5% and $5.1 million, or 0.8%, from the comparable periods last year. The decrease primarily relates to mortgage production income which decreased $62.0 million, or 61.3% for the first six months of 2000, due to a drop in refinancing activities resulting from the rising rate environment. Included in credit card and other fees is debit card interchange income of $14.6 million and $27.9 million for second quarter and the first six months of 2000 compared to $18.8 million and $33.7 million in the same periods of 1999. Trust income, SunTrust's largest source of noninterest income, increased $3.0 million, or 1.2% for the first six months of 2000 compared to the same period last year. Net new businesss in 2000 has not grown as much as the same period in 1999, and the market value of trust assets under management is down to $92.8 billion in June 2000, from $95.5 billion in June 1999. The Company expects that lower than historical growth rates will continue throughout the year 2000.

Other income in the second quarter of 2000 includes $2.5 million in net gains on the sale of mortgage and student loans. The third quarter of 1999 includes a $6.8 million gain on the sale of student loans. The second quarter of 1999 includes an $8.5 million gain on the sale of student loans. In addition, the Company incurred securities losses of $114.9 million during the fourth quarter of 1999 primarily related to a portfolio repositioning program undertaken by the Company.

Noninterest Income (In millions) — Table 3

	Quarters 2000 2	2000 1	1999 4	1999 3	1999 2
Trust income	$ 125.3	$ 130.3	$ 123.8	$ 126.4	$ 126.3
Service charges on deposit accounts	112.6	111.3	113.3	111.6	107.1
Miscellaneous charges and fees	48.8	47.4	48.1	49.0	49.3
Retail investment services	30.5	30.8	24.0	23.9	26.0
Credit card and other fees	24.4	22.1	25.7	29.2	28.2
Mortgage production related income	20.5	18.7	25.2	26.7	47.6
Mortgage servicing related income	7.7	7.7	7.5	11.5	5.1
Corporate and institutional investment services	35.3	19.7	19.6	13.2	16.3
Trading account profits and commissions	(1.4)	12.0	6.9	6.2	11.4
Other income	38.8	30.0	20.0	45.8	31.7
Securities gains (losses)	1.5	6.9	(114.9)	2.6	3.9
Total noninterest income	$ 444.0	$ 436.9	$ 299.2	$ 446.1	$ 452.9

Noninterest Expense. Noninterest expense decreased $16.1 million, or 2.2% and $35.5 million, or 2.4% in the second quarter and first six months of 2000 compared to the same periods last year. Personnel expenses, consisting of salaries, other compensation and employee benefits, decreased $24.1 million, or 5.6% and $33.3 million, or 3.9% from the earlier periods. The reduction in other compensation of $15.8 compared to the same quarter last year is due to adjustments of business line incentive plan expense which occurred during the second quarter. The efficiency ratio in the second quarter of 2000 improved to 58.87%, a decrease from 58.95% in the second quarter of 1999. In 1999, merger-related expenses included additional severance, accelerated depreciation and system conversion costs. In the second quarter of 2000, these merger-related expenses primarily related to accelerated depreciation and miscellaneous integration costs. Merger-related expenses were $18.2 million and $13.6 million for the second and first quarters of 2000 and $7.1 million, $7.1 million,$17.6 million and $13.8 million for the fourth, third, second and first quarters of 1999, respectively.

Noninterest Expense (In millions) — Table 4

	Quarters 2000 2	2000 1	1999 4	1999 3	1999 2
Salaries	$ 292.1	$ 287.3	$ 287.1	$ 288.5	$ 300.4
Other compensation	73.1	83.8	93.9	80.9	88.9
Employee benefits	41.4	56.9	40.2	39.7	41.5
Equipment expense	50.7	51.6	55.4	48.0	49.8
Net occupancy expense	49.9	50.1	50.0	49.8	49.9
Outside processing and software	44.4	41.6	39.8	37.0	38.7
Marketing and customer development	27.9	22.3	35.0	24.7	23.9
Postage and delivery	16.3	16.7	17.3	16.3	17.4
Communications	15.4	15.2	16.1	16.5	17.6
Credit and collection services	16.0	14.3	15.1	17.8	19.2
Merger-related expenses	18.2	13.6	7.1	7.1	17.6
Operating supplies	12.6	12.2	13.6	10.7	14.3
Consulting and legal	18.2	11.8	18.5	13.0	15.6
Amortization of intangible assets	8.8	9.0	6.3	8.6	9.0
Other expense	34.8	17.9	58.5	33.2	32.1
Total noninterest expense	$ 719.8	$ 704.3	$ 753.9	$ 691.8	$ 735.9
Efficiency ratio	58.9 %	57.3 %	68.2 %	55.3 %	58.9 %

Provision for Loan Losses. The SunTrust Allowance Committee meets at least quarterly to assess the adequacy of the allowance, analyze provision and charge-off trends and affirm allowance methodology. As a result of this review process, the committee deemed the allowance as of June 30, 2000 to be adequate to cover losses inherent in the loan portfolio. The adequacy of the allowance is evaluated based on historical loss rates, specifically analyzed loans and other internal and external factors that affect credit risk. These other factors, such as the rising interest rate environment of the last six quarters, increasing consumer debt levels, recent volatility in the financial markets, and known current events that affect the Company's primary market area, are key elements in the assessment of the adequacy of the allowance because of their impact on borrowers' repayment capacity.

Charge-offs in the second quarter of 2000 were lower than in the same period last year, mainly due to the sale of the consumer credit card portfolio. The Company anticipates that higher levels of problem loans in the corporate market, particularly in the industry segments referenced below, will lead to a slight increase in net charge-offs during the rest of 2000. Nonperforming loans increased from June 30, 1999, primarily due to structural changes in the healthcare industry. Other industry sectors, however, are beginning to feel pressure from rising interest rates and the softening economy, leading SunTrust to anticipate further increases in nonperforming loans during the remainder of the year. Besides healthcare, the Company is concerned about weakening in textiles and agri-business, particularly poultry products.

SunTrust lowered the provision for loan losses in the first six months of 2000 to $50.0 million from $90.8 million in the same period last year. This reduction in the provision is almost entirely due to the sale of the Company's consumer credit card portfolio in November 1999. The credit card portfolio previously accounted for up to $20 million in net charge-offs and provision expense each quarter. The ratio of net charge-offs to average loans dropped to .14% from .26% one year ago. Total provision exceeded net charge-offs by $3.2 million.

At June 30, 2000, SunTrust's allowance for loan losses totaled $874.5 million which was 1.22% of period loans and 309.6% of total nonperforming loans. Both ratios decreased from the second quarter of 1999. As of June 30, 1999, the allowance totaled $941.4 million, or 1.50% of period loans and 392.9% of total nonperforming loans. These decreases are primarily attributable to the sale of the consumer credit card portfolio, which had a relatively high level of allowance for loan losses and no nonperforming loans.

Summary of Loan Loss Experience — Table 5
(Dollars in millions)

	Quarters 2000 2	2000 1	1999 4	1999 3	1999 2
Allowance for Loan Losses					
Balances - beginning of quarter	$ 874.0	$ 871.3	$ 947.2	$ 941.4	$ 952.6
Allowance from acquisitions and other activity - net	-	-	-	0.1	(13.4)
Provision for loan losses	27.7	22.3	33.1	46.5	48.8
Charge-offs:					
Commercial	(23.5)	(16.3)	(84.4)	(21.4)	(24.0)
Real estate:					
Construction	(0.1)	-	(0.3)	(1.1)	(0.1)
Residential mortgages	(2.2)	(2.2)	(4.8)	(3.5)	(3.6)
Other	(0.9)	(0.3)	(1.1)	(0.9)	(2.6)
Credit card	(0.9)	(1.2)	(18.6)	(18.2)	(19.4)
Other consumer loans	(12.6)	(15.3)	(14.6)	(11.6)	(13.7)
Total charge-offs	(40.2)	(35.3)	(123.8)	(56.7)	(63.4)
Recoveries:					
Commercial	4.6	4.6	3.7	3.8	4.0
Real estate:					
Construction	-	0.1	-	0.1	0.4
Residential mortgages	0.7	0.6	0.2	1.6	0.8
Other	0.2	1.8	1.6	0.6	1.3
Credit card	0.6	1.5	2.7	2.7	3.3
Other consumer loans	6.9	7.1	6.6	7.1	7.0
Total recoveries	13.0	15.7	14.8	15.9	16.8
Net charge-offs	(27.2)	(19.6)	(109.0)	(40.8)	(46.6)
Balance - end of quarter	$ 874.5	$ 874.0	$ 871.3	$ 947.2	$ 941.4
Quarter-end loans outstanding	$ 71,450.4	$ 68,614.4	$ 66,002.8	$ 64,189.3	$ 62,922.4
Average loans	69,830.6	67,030.0	64,941.7	62,859.8	61,973.7
Allowance to quarter-end loans	1.22 %	1.27 %	1.32 %	1.48 %	1.50 %
Allowance to nonperforming loans	309.6	306.8	350.0	398.6	392.9
Net charge-offs to average loans (annualized)	0.16	0.12	0.67	0.26	0.30
Provision to average loans (annualized)	0.16	0.13	0.20	0.29	0.32
Recoveries to total charge-offs	32.3	44.5	12.0	28.0	26.5

Nonperforming Assets (Dollars in millions) Table 6

	2000		1999		
	June 30	March 31	December 31	September 30	June 30
Nonperforming Assets					
Nonaccrual loans:					
Commercial	$ 149.1	$ 129.6	$ 105.0	$ 82.3	$ 85.4
Real Estate:					
Construction	1.8	4.7	9.0	11.8	14.0
Residential mortgages	75.6	84.0	82.6	85.9	80.7
Other	27.4	37.8	34.9	45.8	48.0
Consumer loans	28.6	28.8	17.4	11.8	11.5
Total nonaccrual loans	282.5	284.9	248.9	237.6	239.6
Restructured loans	-	-	-	0.1	-
Total nonperforming loans	282.5	284.9	248.9	237.7	239.6
Other real estate owned	23.2	27.0	26.8	24.2	28.2
Total nonperforming assets	$ 305.7	$ 311.9	$ 275.7	$ 261.9	$ 267.8
Ratios:					
Nonperforming loans to total loans	0.40 %	0.42 %	0.38 %	0.37 %	0.38 %
Nonperforming assets to total loans plus other real estate owned	0.43	0.45	0.42	0.41	0.43
Accruing Loans Past Due 90 Days or More	$ 189.4	$ 160.1	$ 117.4	$ 113.1	$ 101.7

Nonperforming Assets. Nonperforming assets consist of nonaccrual loans, restructured loans and other real estate owned. Nonperforming assets have increased 10.9%, or $30.0 million since December 31, 1999 and increased 14.2%, or $37.9 million since June 30, 1999. Much of the increase since June 30, 1999 occurred in healthcare credits, an industry sector that continues to experience structural change and intense market pressures.

Interest income on nonaccrual loans, if recognized, is recorded using the cash basis method of accounting. During the first six months of 2000, an additional $7.4 million of interest income would have been recorded if all nonaccrual and restructured loans had been accruing interest according to their original contract terms. Interest income recognized on nonperforming loans using the cash basis in the first six months of 2000 was $7.7 million.

Loan Portfolio by Types of Loans Table 7
(In millions)

	2000		1999		
	June 30	March 31	December 31	September 30	June 30
Commercial	$ 30,209.5	$ 29,639.6	$ 26,933.5	$ 24,918.3	$ 24,772.2
Real estate:					
Construction	2,647.2	2,600.8	2,457.1	2,348.0	2,240.8
Residential mortgages	20,295.0	19,643.1	19,619.3	18,696.6	18,237.1
Other	7,851.5	7,937.4	7,794.9	7,656.1	7,523.5
Credit card	75.4	98.7	77.4	1,497.2	1,476.6
Other consumer loans	10,371.8	8,694.8	9,120.6	9,073.1	8,672.2
Total loans	$ 71,450.4	$ 68,614.4	$ 66,002.8	$ 64,189.3	$ 62,922.4

Loans. Total loans at June 30, 2000 were $71.5 billion, an increase of $8.5 billion or 13.6% from June 30, 1999. The Company recorded significant loan growth in commercial loans and other consumer loans, up 21.9% and 19.6% from June 30, 1999, respectively, while continuing to realize steady growth in its residential mortgage portfolio (up 11.3%), as customers shifted from fixed rate to adjustable rate mortgages. Of the $20.3 billion in residential mortgages at June 30, 2000, $2.1 billion were home equity loans, which also demonstrated significant growth (14.3%) in the last twelve months. The drop in credit card loans from June 30, 1999 reflects te sale of the Company's $1.5 billion consumer credit card portfolio during the fourth quarter of 1999.

Income Taxes. The provision for income taxes was $148.1 million and $321.5 in the second quarter and first six months of 2000 compared to $159.3 million and $309.5 in the same periods last year. This represents a 34% effective tax rate for the six months ended June 30, 2000, compared to 35% for the same period last year.

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, included in accumulated other comprehensive income and added to or deducted from realized shareholders' equity to determine total shareholders' equity. The investment portfolio continues to be proactively managed to optimize yield over an entire interest rate cycle while providing liquidity and managing market risk. The portfolio yield increased from an average of 6.31% in the second quarter of 1999 to 6.77% in the second quarter of 2000 primarily due to the repositioning of the securities portfolio during the fourth quarter of 1999 to take advantage of higher market rates.

At June 30, 2000 the portfolio size (measured at amortized cost) decreased by $800 million from December 31, 2000. At June 30, 2000, approximately 3% of the portfolio consisted of U.S. Treasury securities, 15% U.S. government agency securities, 47% mortgage-backed securities, 8% asset-backed securities, 20% corporate bonds, 3% municipal securities and 4% other securities. 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 June 30, 2000, the carrying value of the securities portfolio was $2.4 billion over amortized cost, consisting of a $2.8 billion unrealized gain on SunTrust's investment in common stock of The Coca-Cola Company and other unrealized net losses. The market value of this common stock investment increased $507.0 million during the second quarter of 2000, which did not affect the net income of SunTrust, but was included in comprehensive income.

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 a diversified base of 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 a bank note program, commercial paper issuance by the Parent Company, and Federal Home Loan Bank advances.

Total deposits consist of consumer deposits, commercial deposits and purchased deposits. The purchased deposits include foreign and brokered deposits. Total deposits as of June 30, 2000 grew $8.3 billion, or 13.8%, from June 30, 1999. Consumer and commercial deposits decreased $443.9 million, or 0.8% while purchased deposits grew $8.8 billion, or 165.2%. Consumer and commercial deposits represented 80.7% of average deposits for the second quarter of 2000 compared to 92.8% for the same period of 1999.

Net borrowed funds, which primarily include short term funds purchased and sold, purchased deposits, other short term borrowings and long term debt, were $32.8 billion for the second quarter of 2000 compared with $26.2 billion for the same period in 1999. The increase is primarily due to the Company's increased use of purchased deposits and long term debt. Net borrowed funds were 37.2% of average earning assets for the second quarter of 2000 as compared to 32.2% in the same period a year ago.

On April 28, 2000, the Company issued $300 million of 7.75% subordinated notes due May 1, 2010. The Company intends to use the net proceeds from the sale of the subordinated notes for general corporate purposes.

Derivatives. SunTrust enters into various derivative contracts to meet the financial needs of its customers, generate revenue through trading activities, and to manage interest rate sensitivity for the bank. These derivative instruments include futures and forward contracts, interest rate swaps, options, interest rate caps and floors, and swaptions.

When acting in a dealer capacity for customers, SunTrust will enter into offsetting positions to eliminate exposure to interest rate and market risk. Derivative instruments used to manage the bank's interest rate sensitivity and the generation of revenue through its trading activities as of June 30, 2000 are shown in Table 8.

Derivative Instruments
(Dollars in thousands)

Table 8

	Notional Balance	Weighted Average Maturity In Months	Average Received Rate	Average Pay Rate	Estimated Fair Value			
					Carrying amount(1)	Unrealized Gains	Unrealized Losses	Net
Hedges on Lending Commitments								
Forward Contracts	$ 1,824,250	2	- %	- %	$ -	$ 266	$ (8,637)	$ (8,371)
Hedges on Foreign Currency								
Forward Contracts	971,002	3	-	-	-	14,854	(9,075)	5,779
Interest Rate Swaps	1,797,106	45	6.60	6.31	(1,083)	18,860	(10,595)	7,182
Interest Rate Caps/Floors	756,989	27	5.26 (2)	-	(2,741)	1,240	-	(1,501)
Futures Contracts	288,000	20	-	-	-	1,037	(2)	1,035
Options Contracts	20,000	1	6.50 (2)	-	-	-	-	-
Total Derivatives								$ 4,124

(1) Carrying amount includes accrued interest receivable or payable and unamortized premiums.

(2) Average option strike price.

Derivative contracts used in the management of interest rate volatility and trading activities increased net interest income by $0.8 million and $0.1 million in the second quarter and first six months of 2000.

Capital Ratios
(Dollars in millions)

Table 9

	2000		1999		
	June 30	March 31	December 31	September 30	June 30
Tier 1 capital	$ 6,648.7	$ 6,484.3	$ 6,579.6	$ 7,065.0	$ 6,973.2
Total capital	10,342.7	9,754.8	9,939.1	10,314.7	10,543.1
Risk-weighted assets	95,571.5	88,973.4	87,866.1	84,458.9	83,192.0
Risk-based ratios:					
Tier 1 capital	6.95 %	7.28 %	7.48 %	8.36 %	8.38 %
Total capital	10.82	10.96	11.31	12.21	12.67
Tier 1 leverage ratio	7.00	7.00	7.17	7.91	7.86
Total shareholders' equity to assets	7.60	7.40	8.00	8.45	8.79

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 adequate to support asset growth. However, the Company's capital ratios have experienced a decline over the last five quarters primarily resulting from additional purchases under the SunTrust stock repurchase program and a decline in the market value of SunTrust's investment in common stock of The Coca-Cola Company. Table 9 presents capital ratios for the five most recent quarters.

Regulatory agencies measure capital adequacy within 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, as defined to include certain debt obligations) or Tier 2 (to include certain other debt obligations and a portion of the allowance for loan losses, and 45% of the unrealized gains on equity securities). SunTrust is 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%. To be considered a "well capitalized" institution, the Tier 1 capital ratio, the total capital ratio, and the Tier 1 leverage ratio must equal or exceed 6%, 10% and 5%, respectively. SunTrust is committed to remaining well capitalized.

On August 10, 1999, the Board of Directors authorized the purchase of up to 15 million shares of SunTrust common stock. In 2000, SunTrust purchased 1,159,200 shares of SunTrust common stock to complete the August 10, 1999 authorization. On February 8, 2000, the Board of Directors authorized the purchase of up to 12 million shares of SunTrust common stock. As of August 2, 2000, SunTrust has purchased 10,105,542 shares of common stock under this authorization. On August 8, 2000, the Board of Directors authorized the purchase of up to 10 million shares of SunTrust common stock of the Company, including 1,894,458 shares remaining under the authorization to purchase shares of February 8, 2000.

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
None

ITEM 5. OTHER INFORMATION
None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K
None

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 14th day of August, 2000.

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	6 MOS
FISCAL YEAR END	DEC 31 2000
PERIOD END	JUN 30 2000
CASH	2,847,699
INT BEARING DEPOSITS	8,109
FED FUNDS SOLD	1,613,080
TRADING ASSETS	668,709
INVESTMENTS HELD FOR SALE	17,382,207
INVESTMENTS CARRYING	0
INVESTMENTS MARKET	0
LOANS	72,796,102 [1]
ALLOWANCE	874,484
TOTAL ASSETS	99,750,810
DEPOSITS	68,676,435
SHORT TERM	11,579,487
LIABILITIES OTHER	3,665,475
LONG TERM	8,250,459
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	323,163
OTHER SE	7,255,791
TOTAL LIABILITIES AND EQUITY	99,750,810
INTEREST LOAN	2,722,732 [2]
INTEREST INVEST	503,631
INTEREST OTHER	56,515
INTEREST TOTAL	3,282,878
INTEREST DEPOSIT	1,145,217
INTEREST EXPENSE	1,731,255
INTEREST INCOME NET	1,551,623
LOAN LOSSES	49,985
SECURITIES GAINS	8,393
EXPENSE OTHER	1,424,099
INCOME PRETAX	958,361
INCOME PRE EXTRAORDINARY	636,908
EXTRAORDINARY	0
CHANGES	0
NET INCOME	636,908
EPS BASIC	2.11
EPS DILUTED	2.09
YIELD ACTUAL	3.55
LOANS NON	282,486
LOANS PAST	189,435
LOANS TROUBLED	5
LOANS PROBLEM	0
ALLOWANCE OPEN	871,323
CHARGE OFFS	75,619
RECOVERIES	28,795
ALLOWANCE CLOSE	874,484
ALLOWANCE DOMESTIC	0
ALLOWANCE FOREIGN	0
ALLOWANCE UNALLOCATED	59,508

[1] Includes loans held for sale of 1,345,694

[2] Includes interest on loans held for sale of 48,829

End of Filing