SUNTRUST BANKS INC

FORM 8-K
(Current report filing)

Filed 08/04/10 for the Period Ending 08/04/10

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

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 OR 15(d) of The
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) August 4, 2010

SunTrust Banks, Inc.
(Exact name of registrant as specified in its charter)

Georgia	001-08918	58-1575035
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

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

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

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

Representatives of SunTrust Banks, Inc. (the "Registrant", "SunTrust", or the "Company") are scheduled to meet with institutional investors at the offices of the Registrant on Wednesday, August 4, 2010. A copy of the slide package to be used at this meeting is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein. This meeting will be hosted by SunTrust Robinson Humphrey, the full-service corporate and investment banking arm of SunTrust Banks, Inc.

The information in the preceding paragraph, as well as Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liabilities of that section. It may only be incorporated by reference into another filing under the Exchange Act or Securities Act of 1933 if such subsequent filing specifically references Section 7.01 of this Current Report on Form 8-K. All information in the slide package speaks as of the date thereof and the Registrant does not assume any obligation to update said information in the future. In addition, the Registrant disclaims any inference regarding the materiality of such information which otherwise may arise as a result of its furnishing such information under Item 7.01 of this report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1	Slide package to be presented on August 4, 2010 (furnished with the Commission as a part of this Current Report on Form 8-K).

SIGNATURE

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.

SUNTRUST BANKS, INC.
(Registrant)

Date: August 4, 2010.

By: /s/ David A. Wisniewski
David A. Wisniewski,
Associate General Counsel and
Group Vice President

Exhibit 99.1

SunTrust
Live Solid. Bank Solid.℠

SunTrust Banks, Inc.

Fixed Income Investor Presentation

August 4, 2010

Important Cautionary Statement About Forward-Looking Statements

The following should be read in conjunction with the financial statements, notes and other information contained in the Company's 2009 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K.

This presentation includes non-GAAP financial measures to describe SunTrust's performance. The reconciliations of those measures to GAAP measures are provided within or in the appendix of this presentation. In this presentation, net interest income and net interest margin are presented on a fully taxable-equivalent ("FTE") basis, and ratios are presented on an annualized basis. The FTE basis adjusts for the tax-favored status of income from certain loans and investments. The Company believes this measure to be the preferred industry measurement of net interest income and provides relevant comparison between taxable and non-taxable amounts.

This presentation contains forward-looking statements. Statements regarding future levels of net interest margin, future levels of and rates of change in delinquencies (including within the consumer, commercial and industrial, and commercial real estate portfolios), future levels of charge-offs (including within the construction, higher risk residential real estate secured and construction, core mortgage, and commercial and industrial portfolios), future levels of the allowance for loan losses, future levels of service charge income, future performance of the commercial and industrial and commercial real estate portfolios, and the number or rates of change in the number of residential or commercial real estate modifications, are forward-looking statements. Also, any statement that does not describe historical or current facts, is a forward-looking statement. These statements often include the words "believes," "expects," "anticipates," "estimates," "intends," "plans," "targets," "initiatives," "potentially," "probably," "projects," "outlook" or similar expressions or future conditional verbs such as "may," "will," "should," "would," and "could." Forward-looking statements are based upon the current beliefs and expectations of management and on information currently available to management. Such statements speak as of the date hereof, and we do not assume any obligation to update the statements made herein or to update the reasons why actual results could differ from those contained in such statements in light of new information or future events.

Forward-looking statements are subject to significant risks and uncertainties. Investors are cautioned against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause actual results to differ materially from those described in the forward-looking statements can be found in Item 1A of Part I of our 10-K and in other periodic reports that we file with the SEC. Those factors include: difficult market conditions have adversely affected our industry; recent levels of market volatility are unprecedented; we are subject to capital adequacy guidelines and, if we fail to meet these guidelines, our financial condition would be adversely affected; recently enacted legislation, or legislation enacted in the future, or any proposed federal programs subject us to increased regulation and may adversely affect us; we have not yet received permission to repay TARP funds; emergency measures designed to stabilize the U.S. banking system are beginning to wind down; we are subject to credit risk; weakness in the economy and in the real estate market, including specific weakness within our geographic footprint, has adversely affected us and may continue to adversely affect us; weakness in the real estate market, including the secondary residential mortgage loan markets, has adversely affected us and may continue to adversely affect us; as a financial services company, adverse changes in general business or economic conditions could have a material adverse effect on our financial condition and results of operations; changes in market interest rates or capital markets could adversely affect our revenue and expense, the value of assets and obligations, and the availability and cost of capital or liquidity; the fiscal and monetary policies of the federal government and its agencies could have a material adverse effect on our earnings; we may be required to repurchase mortgage loans or indemnify mortgage loan purchasers as a result of breaches of representations and warranties, borrower fraud, or certain borrower defaults, which could harm our liquidity, results of operations, and financial condition; we may continue to suffer increased losses in our loan portfolio despite enhancement of our underwriting policies; depressed market values for our stock may require us to write down goodwill; clients could pursue alternatives to bank deposits, causing us to lose a relatively inexpensive source of funding; consumers may decide not to use banks to complete their financial transactions, which could affect net income; we have businesses other than banking which subject us to a variety of risks; hurricanes and other natural disasters may adversely affect loan portfolios and operations and increase the cost of doing business; negative public opinion could damage our reputation and adversely impact business and revenues; we rely on other companies to provide key components of our business infrastructure; the soundness of other financial institutions could adversely affect us; we rely on our systems, employees, and certain counterparties, and certain failures could materially adversely affect our operations; we depend on the accuracy and completeness of information about clients and counterparties; we are subject to certain litigation, and our expenses related to this litigation may adversely affect our results; regulation by federal and state agencies could adversely affect the business, revenue, and profit margins; competition in the financial services industry is intense and could result in losing business or reducing margins; future legislation could harm our competitive position; maintaining or increasing market share depends on market acceptance and regulatory approval of new products and services; we may not pay dividends on your common stock; our ability to receive dividends from our subsidiaries accounts for most of our revenue and could affect our liquidity and ability to pay dividends; significant legal actions could subject us to substantial uninsured liabilities; recently declining values of real estate, increases in unemployment, and the related effects on local economies may increase our credit losses, which would negatively affect our financial results; deteriorating credit quality, particularly in real estate loans, has adversely impacted us and may continue to adversely impact us; our allowance for loan losses may not be adequate to cover our eventual losses; we will realize future losses if the proceeds we receive upon liquidation of nonperforming assets are less than the carrying value of such assets; disruptions in our ability to access global capital markets may negatively affect our capital resources and liquidity; in 2009 and 2010, credit rating agencies downgraded the credit ratings of SunTrust Bank and SunTrust Banks, Inc., and these downgrades and any subsequent downgrades could adversely impact the price and liquidity of our securities and could have an impact on our businesses and results of operations; we have in the past and may in the future pursue acquisitions, which could affect costs and from which we may not be able to realize anticipated benefits; we depend on the expertise of key personnel, and if these individuals leave or change their roles without effective replacements, operations may suffer; we may not be able to hire or retain additional qualified personnel and recruiting and compensation costs may increase as a result of turnover, both of which may increase costs and reduce profitability and may adversely impact our ability to implement our business strategy; our accounting policies and processes are critical to how we report our financial condition and results of operations, and require management to make estimates about matters that are uncertain; changes in our accounting policies or in accounting standards could materially affect how we report our financial results and condition; our stock price can be volatile; our disclosure controls and procedures may not prevent or detect all errors or acts of fraud; our financial instruments carried at fair value expose us to certain market risks; our revenues derived from our investment securities may be volatile and subject to a variety of risks; and we may enter into transactions with off-balance sheet affiliates or our subsidiaries.

Table of Contents

SunTrust Overview

Investment Thesis

Stable Base Provides Solid Foundation for Future Growth

Growth Initiatives

- Generating profitable growth
- Continuing to optimize balance sheet and business mix
- Improving efficiency and productivity

Large Diversified Franchise

- High market share in attractive growth markets
- One of the nation's largest banks
- Diversified business mix

Solid Capital Structure

- Solid capital ratios increased
- Common capital ratios compare favorably
- Diversified funding with large, stable deposit base

Relative Credit Strength

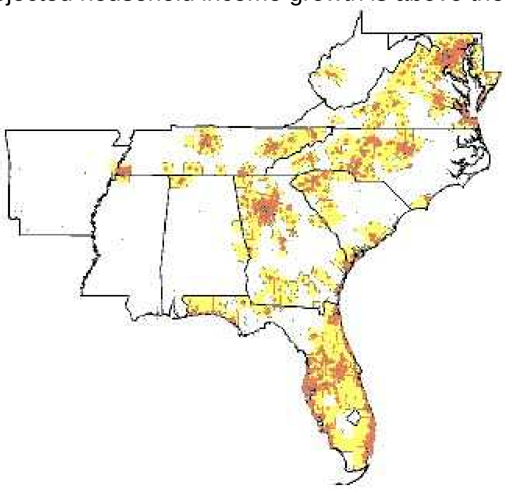
- Diversified loan portfolio
- Improved credit trends
- Conservative commercial real estate portfolio

Best Footprint in Banking

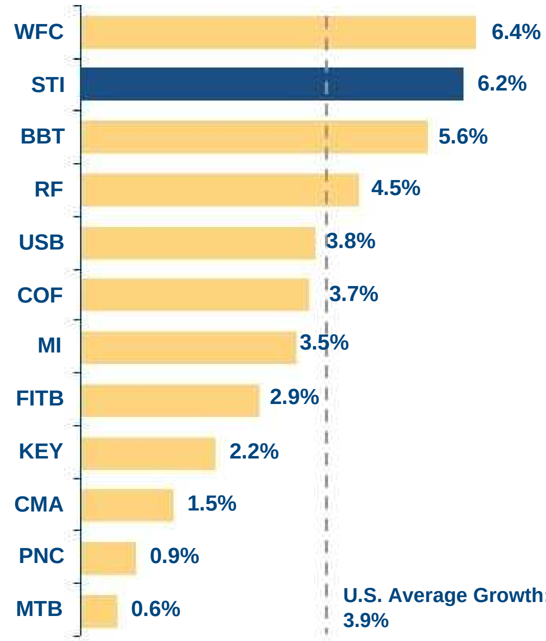
Attractive Geographic Profile In Higher Growth Markets

SunTrust Footprint

- Ranked top 3 in 20 of the top 25 SunTrust markets[1]
  - Top 25 represents 86% of total MSA deposits
  - Top 25 average deposit market share is 14%
- 1,675 branches serving communities with attractive overall growth prospects[2]
- Projected household income growth is above the U.S. average[3]



Projected Population Growth[4]



1. Source: SNL Financial, as of June 30, 2010 based on MSAs
2. As of 6/30/2010
3. Source: SNL Financial---projected household income change, 2010-2015, MSA + counties not in any MSA
4. Source: SNL Financial---five-year population growth, 2010-2015, MSA + counties not in any MSA

Financial Performance

Second Quarter Financial Highlights

- **Earnings loss of $56 million, or $0.11 per share, improved significantly compared to last year and last quarter; net income before preferred dividends was positive for the quarter**
- **Revenue increased sequentially from improved noninterest income and stable net interest income**
- **Favorable deposit volume and mix trends continued, and pace of loan decline slowed overall**
- **Provision for credit losses declined**
- **Expenses remain well managed**
- **On July 22, 2010, we stated that operating trends continue to be encouraging. We remain acutely focused on executing client satisfaction and retention initiatives to drive steadily improving results**
- **Economy appears to be slowly improving, while other environmental factors, such as emerging regulation and the situation in the Gulf, present new challenges**

Income Statement Highlights

Results Improved on Lower Provision and Higher Revenue

($ in millions, except per share data)	2Q 2010	% Change 1Q 2010	% Change 2Q 2009	YTD 2010	% Change YTD 2009
Net Interest Income (FTE)	$1,208	1%	8%	$2,410	9%
Provision for Credit Losses	662	(23)%	(31)%	1,524	(22)%
Noninterest Income	952	36%	(11)%	1,650	(25)%
Total Revenue (FTE)	2,160	14%	(2)%	4,060	(8)%
Total Noninterest Expense	1,503	10%	(2)%	2,863	(22)%
Pre-Tax Income/(Loss)	(37)	89%	89%	(392)	70%
Benefit for Income Taxes	(50)	74%	67%	(244)	19%
Net Income/(Loss)	12	NM	NM	(148)	85%
Preferred Dividends	68	0%	(5)%	137	(5)%
Net Income Available to Common Shareholders	(56)	76%	66%	(285)	73%
Net Income Per Average Common Diluted Share	$(0.11)	76%	73%	$(0.58)	79%

Balance Sheet Summary

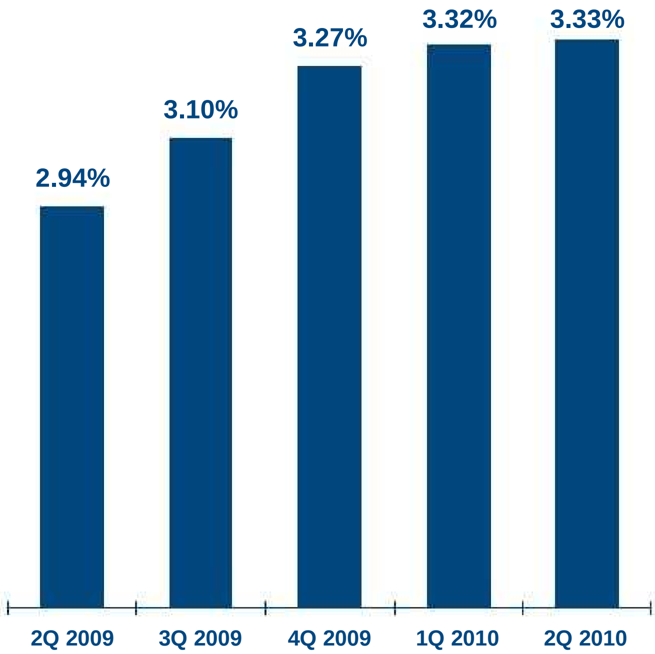
Improved Deposit Volume and Mix; Loan Demand Mixed

($ in millions, quarterly average balances)	2Q 2010	% Change 1Q 2010	% Change Annualized 1Q 2010	% Change 2Q 2009
Commercial	$32,503	(2)%	(7)%	(16)%
Real Estate Home Equity Lines	14,973	(1)%	(5)%	(5)%
Real Estate Construction	3,274	(20)%	(79)%	(49)%
Real Estate 1-4 Family	26,783	(1)%	(3)%	(9)%
Real Estate Commercial	15,091	0%	0%	(4)%
Consumer – Direct	5,544	6%	22%	8%
Consumer – Indirect	6,946	4%	15%	7%
Credit Card	1,064	0%	(1)%	9%
Total Loans[1]	$106,178	(1)%	(5)%	(10)%
Noninterest-Bearing Deposits	$25,491	4%	16%	4%
NOW Accounts	24,949	(3)%	(10)%	10%
Money Market Accounts	37,703	4%	16%	21%
Savings	4,093	6%	25%	12%
Consumer Time	14,779	3%	10%	(15)%
Other Time	9,445	(10)%	(38)%	(32)%
Total Consumer and Commercial Deposits	116,460	1%	5%	3%
Brokered and Foreign Deposits	2,670	(22)%	(89)%	(60)%
Total Deposits	$119,130	1%	2%	(1)%

1. Excludes $6.8 billion of nonaccrual and restructured loans

Net Interest Margin

Margin Remained Stable



- Margin remained stable as favorable deposit trends offset slightly lower earning asset yields

- On July 22, 2010, we stated "Margin expected to remain in a range of 3.25%-3.35% during the second half of 2010"

Provision for Credit Losses

Provision Expense Declined; ALLL Maintained

($ in millions)	2Q 2010	1Q 2010	4Q 2009	3Q 2009	2Q 2009
Provision for Credit Losses[1]	**$662**	**$862**	**$974**	**$1,134**	**$962**
Net Charge-offs	**$722**	**$821**	**$821**	**$1,006**	**$801**
Net Charge-off Ratio	**2.57%**	**2.91%**	**2.83%**	**3.33%**	**2.59%**
Net ALLL Incr/(Decr)[2]	**$(20)**	**$56**	**$96**	**$128**	**$161**
Allowance to Loan Ratio[2]	**2.81%**	**2.80%**	**2.76%**	**2.61%**	**2.37%**

1. Includes impacts of $40 million and $15 million reduction in unfunded commitment reserves in 2Q 2010 and 1Q 2010, respectively. 4Q 2009 includes $57 million in provision for unfunded commitments . This expense was recorded in Other Expense prior to 4Q 2009 (see appendix for prior period amounts)
2. Does not include unfunded commitment reserves

Noninterest Income

Noninterest Income Improved Sequentially in Every Category

($ in millions)	2Q 2010	1Q 2010	2Q 2009	% Change 1Q 2010	% Change 2Q 2009
Noninterest Income	**$952**	**$698**	**$1,072**	**36%**	**(11)%**
Net Adjustments[1]	**121**	**(42)**	**145**		
Adjusted Noninterest Income	**$831**	**$740**	**$927**	**12%**	**(10)%**

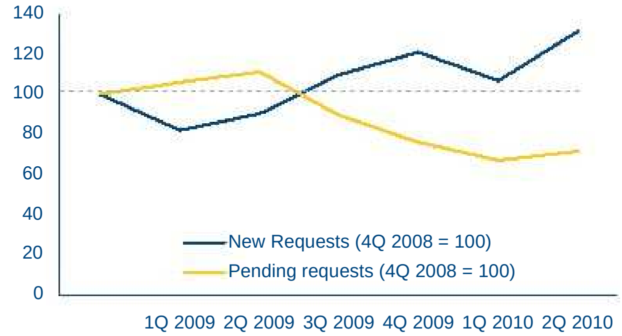
1. Adjustment detail included in appendix includes securities gains and losses

Mortgage Repurchase Trends

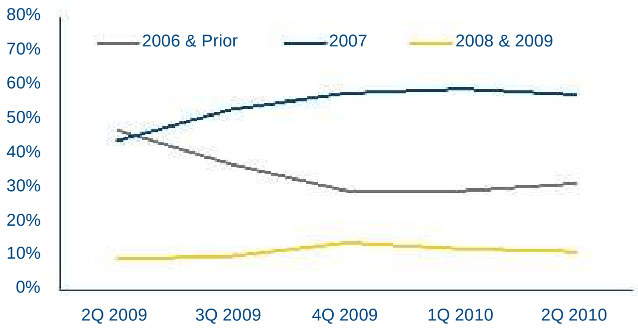
Charge-offs declined, but reserves increased…

($ in millions)	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010
Beginning Balance	$ 93	$ 92	$123	$200	$210
Additions	62	136	220	128	148
Charge-Offs	(63)	(105)	(143)	(118)	(102)
Ending Balance	92	123	200	210	256

…as new request volume increased[1]



Vintages of repurchase requests expected to shift to more recent production[2]…



…that has a lower risk profile

	Unpaid Bal[3] %	Alt-A %	Avg FICO	Full Doc %	Avg Orig LTV %
2006 & prior	24%	25%	711	66%	74%
2007	22%	5%	715	77%	77%
2008 & 2009	48%	0%	762	96%	68%
2010	6%	0%	771	100%	68%

1. Indexed view of quarterly new repurchase requests and quarter-end pending request population with 4Q 2008 values equal to 100
2. Percent of each quarter's repurchase request by vintage; totals 100% each quarter
3. Percent of outstanding unpaid balance by vintage; totals 100%

Noninterest Expense

Expenses Up 3% versus Prior Year

($ in millions)

Expense Results	2Q 2010	1Q 2010	2Q 2009	% Change 1Q 2010	% Change 2Q 2009
Noninterest Expense	$1,503	$1,361	$1,528	10%	(2)%
Net Adjustment[1]	63	(1)	124		
Adjusted Noninterest Expense	$1,440	$1,362	$1,404	6%	3%

Expense Analysis	2Q 2010	1Q 2010	2Q 2009	$ Change 1Q 2010	$ Change 2Q 2009
Total Adjusted Incr/(Decr)				$77	$35
Credit-Related Costs[2]	177	143	171	34	6
Marketing	44	34	30	10	14
Outside Processing	158	149	145	9	12
Subtotal of Expense Drivers				53	32
Net Expense				$25	$3

Totals may not foot due to rounding

1. Adjustment detail included in appendix
2. Includes operating losses, credit and collections, other real estate expense, additions to mortgage re-insurance reserves but does not include additional personnel expense related to credit administration or default management. Includes unfunded commitment reserve costs prior to 4Q 2009

Asset Quality

Second Quarter Credit Summary

- **Overall, asset quality continued to improve**
- **Delinquencies were stable to down, except in the guaranteed loan portfolio; non-performing loans and non-performing assets declined. On July 22, 2010, we stated that we expect the pace of improvement in delinquencies to slow until general economic conditions improve**
- **Charge-offs declined overall, while construction related charge-offs increased**
- **Consumer and mortgage asset quality metrics improved**
- **Construction balances, delinquencies and non-performing loans were down, while related charge-offs were up, as anticipated**
- **TDR balances increased to $3.3 billion, with 73% current for interest and principal payments at quarter-end; the amount of commercial TDRs increased**
- **On July 22, 2010, we stated that charge-offs in the third quarter are currently expected to be stable to modestly down compared to the second quarter, while construction charge-offs are anticipated to remain elevated**
- **We maintained reserve levels in light of continued economic and real estate uncertainties. However, on July 22, 2010, we stated that the allowance for loan losses likely peaked in the first quarter**

Asset Quality Metrics

Continued Favorable Asset Quality Trends

($ in millions)

	2Q 2010	1Q 2010	4Q 2009	2Q10 vs 1Q10	1Q10 vs 4Q09
Total Loans at End of Period	$112,925	$113,979	$113,675	($1,054)	$304
Allowance for Loans & Lease Losses[1]	3,156	3,176	3,120	(20)	56
Net Charge-offs	722	821	821	(99)	0
Provision Expense[2]	662	862	974	(200)	(112)
NPAs[3]	5,463	6,043	6,101	(580)	(58)
NPLs to Total Loans	4.16%	4.55%	4.75%	(0.39)	(0.20)
NPAs to Total Loans + OREO/OA[3]	4.81%	5.26%	5.33%	(0.45)	(0.07)
ALLL to Loans	2.81%	2.80%	2.76%	0.01	0.04
NCOs (annualized to Average Loans)	2.57%	2.91%	2.83%	(0.34)	0.08
30-89 Days Past Due	1.26%	1.19%	1.37%	0.07	(0.18)
30-89 Days Past Due (excluding federally guaranteed student loans and GNMA repurchases)	0.98%	1.04%	1.19%	(0.06)	(0.15)

1. Excludes reserve for unfunded commitments of $60 million in 2Q 2010, $100 million in 1Q 2010 and $115 million in 4Q 2009
2. Includes $(40) million provision for unfunded commitment reserves in 2Q 2010 and $(15) million in 1Q 2010
3. Q1 2010 includes $160 million in LHFS nonaccruals

Loan Portfolio

Credit Metrics Continued to Improve; Construction Charge-offs Increased As Expected

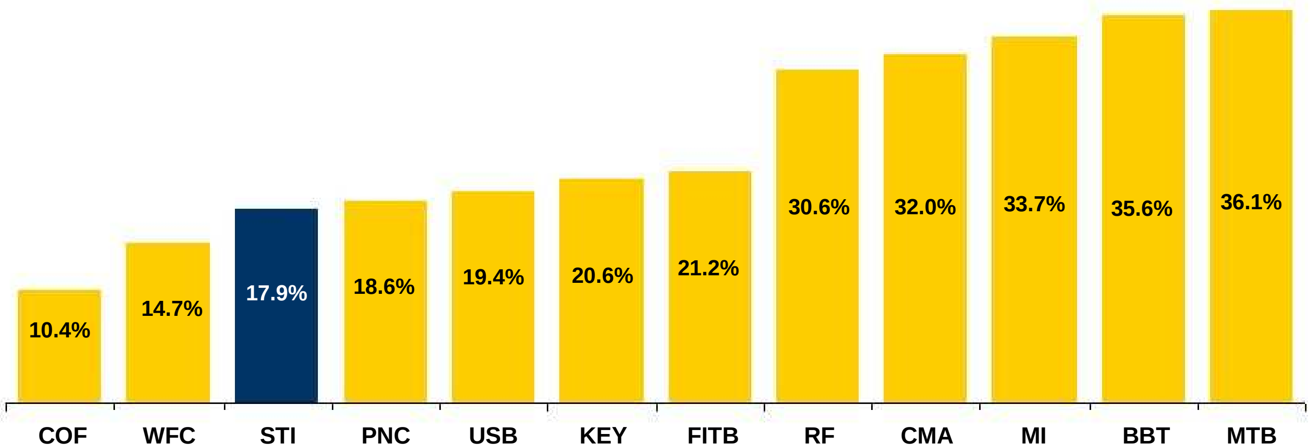
($ in millions)

	Balance 2Q10	% of Portfolio	Balance 1Q10	% of Portfolio	C/O Ratio 2Q10	C/O Ratio 1Q10	30-89 DLQ% 2Q10	30-89 DLQ 1Q10
Commercial	$32,523	29%	$33,393	29%	1.06%	1.13%	0.21%	0.26%
Commercial Real Estate	15,134	13%	15,262	13%	0.33%	0.08%	0.81%	0.73%
Consumer - Direct [1]	5,711	5%	5,369	5%	0.87%	0.92%	6.09%	4.06%
Consumer - Indirect	6,953	6%	6,678	6%	0.51%	0.98%	0.84%	0.88%
Credit Cards	1,031	1%	1,040	1%	7.92%	10.48%	2.44%	2.79%
Real Estate Home Equity Lines	15,443	14%	15,676	14%	3.55%	4.11%	1.25%	1.23%
Real Estate 1-4 Family	31,126	28%	30,805	27%	3.81%	5.57%	1.79%	1.88%
Real Estate Construction	5,004	4%	5,756	5%	13.05%	6.30%	1.08%	1.37%
Total	$112,925	100%	$113,979	100%	2.57%	2.91%	1.26%	1.19%
					30-89 DLQ% (excluding federally guaranteed student loans and GNMA repurchases)		0.98%	1.04%

1. Consumer - Direct includes approximately $3.7 billion of federally guaranteed student loans

Commercial Real Estate Comparison

Relatively Lower Loan Concentration in Commercial Real Estate[1]

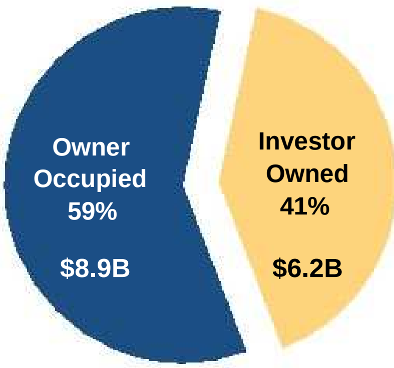


Source: SNL Financial

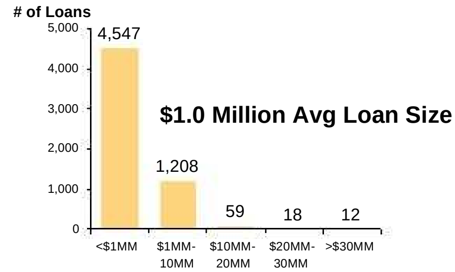
1. Includes other nonfarm/nonres RE, 1-4 family construction, other construction, land development and land loans as a percentage of loans as of 3/31/2010

Commercial Real Estate Portfolio

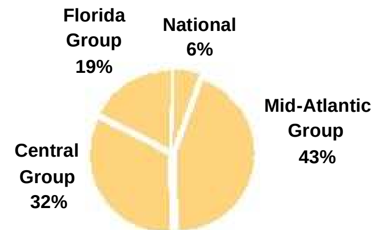
41% Investor Owned Portfolio is Well Diversified



Granularity



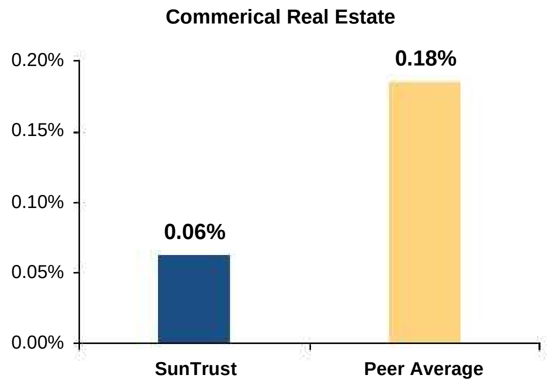
Geography

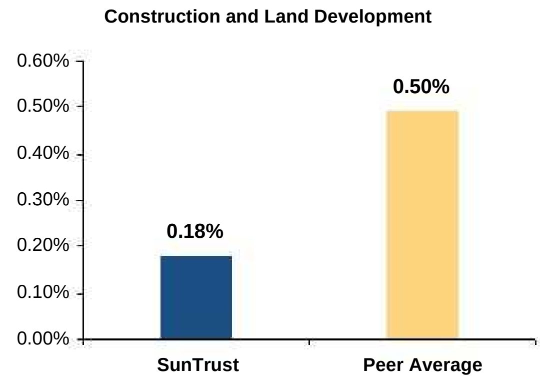


Property Type

Historical Net Charge-Off Ratio

SunTrust's 10-Year Average Annual CRE and Construction NCO % Is Well Below Peer Average[1]



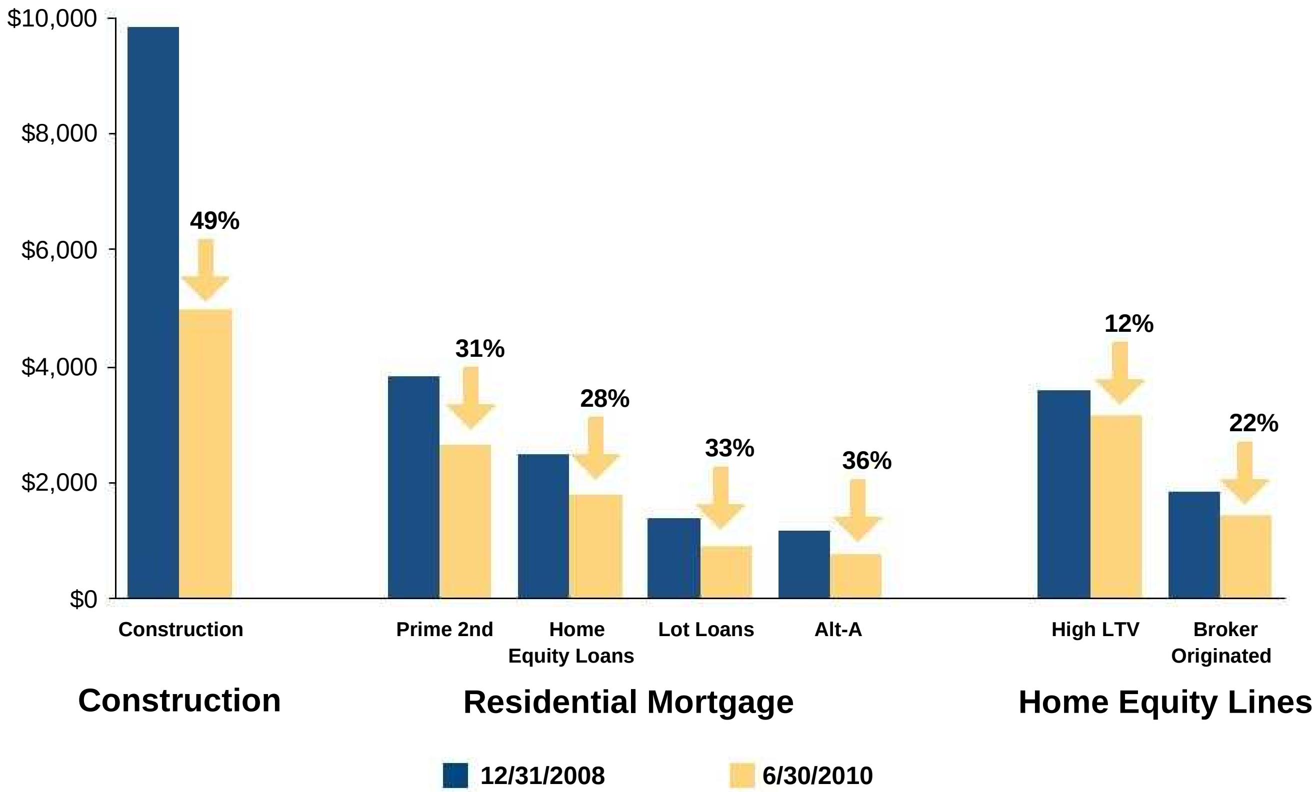


1. 10-year timeframe: 1999-2008
Source: SNL
Peer Group: BB&T, Capital One, Comerica, Fifth Third, KeyCorp, M&T, Marshall & Ilsley, PNC, Regions, US Bancorp, and Wells Fargo

Higher Risk Portfolio Segments Significantly Reduced

Higher Risk Segment Loan Balances Reduced 35%

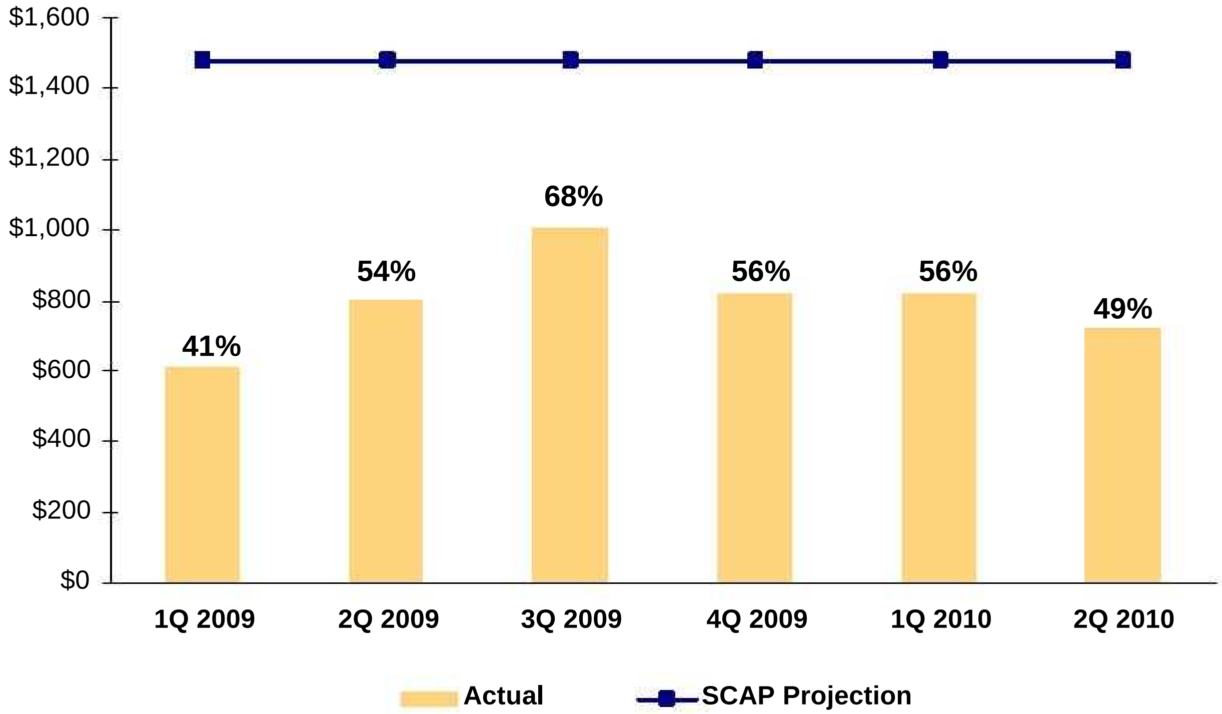
Loan Balances (in millions)



Actual Losses Well Below SCAP Projections

75% of the Way Through SCAP and Actual Loan Losses are at 54% of SCAP Estimates

$: Net Charge-Offs in Millions, %: Actual Net Charge-Offs to SCAP Estimates

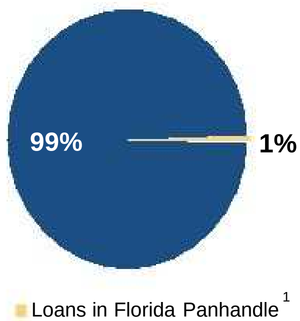


Florida Panhandle Review

Only 1% of Total Loans are in Florida Panhandle; Total Commercial Loans in Area = $345MM

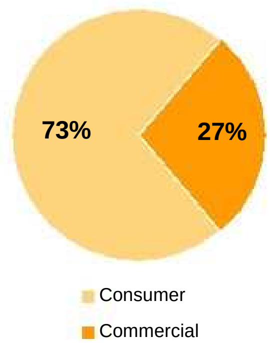
Total Loan Portfolio

$113.0B



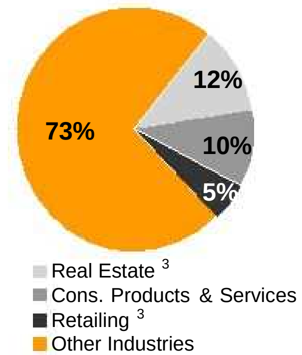
Loan Portfolio in Florida Panhandle[1]

$1.3B[2]



Commercial Loan Portfolio in Florida Panhandle

$345MM



As of June 30, 2010
1. Bay, Escambia, Franklin, Gulf, Okaloosa, Santa Rosa, Wakulla, and Walton Counties
2. Excludes bank cards and student loans
3. Industries Based on NAICS

Residential Mortgages

Core Portfolio Asset Quality Improved

Residential Mortgages $31,126

($ in millions)

Portfolio Profile			Credit Quality Metrics			
Loan Type	**06/30/10 Balance**	**03/31/10 Balance**	**06/30/2010 $ Nonaccruals[1]**	**03/31/2010 $ Nonaccruals[1]**	**06/30/10 60+ DLQ[2]**	**03/31/10 60+ DLQ[2]**
Core Portfolio	$24,412	$23,794	$1,570	$1,773	1.44%	1.54%
Home Equity Loans	1,798	1,894	62	64	1.00	0.95
Prime 2nd	2,648	2,772	68	80	2.23	2.12
Lot Loans	935	1,032	214	261	3.18	2.68
Alt-A 1st	588	630	176	209	3.61	4.81
Alt-A 2nd	175	190	24	30	6.28	5.99
GNMA Repurchases[3]	570	493	-	-	-	-
Total	$31,126	$30,805	$2,114	$2,417	1.58%	1.70%

1. Excludes $14 million of mark-to-market loans held for sale in 2Q 2010 and $19 million for 1Q 2010
2. Does not include nonaccruals
3. GNMA repurchases are FHA/VA guaranteed loans that were repurchased from GNMA securities

Home Equity Lines

Balances Declined; Asset Quality Stable

Home Equity Lines $15,443

($ in millions)

Portfolio Profile				Credit Quality Metrics			
Type	**06/30/10 Balance**	**% of Total**	**03/31/10 Balance**	**2Q 10 Charge-off [4] %**	**1Q 10 Charge-off [4] %**	**2Q 10 Nonaccrual %**	**1Q 10 Nonaccrual %**
3rd Party Originated	$1,446	9%	$1,504	10.50%	11.84%	3.80%	3.91%
CLTV > 80%[1] (Florida)	1,684	11	1,724	7.87	8.70	3.34	3.27
CLTV > 90%[2]	1,481	10	1,518	3.69	3.74	1.75	1.69
Core Portfolio[3]	10,832	70	10,930	1.85	2.43	1.44	1.36
Total	$15,443	100%	$15,676	3.55%	4.11%	1.88%	1.82%

1. Excludes 3rd party originated
2. Excludes 3rd party originated and Florida CLTV > 80%
3. Excludes 3rd party originated, Florida CLTV>80% and CLTV90+%
4. Annualized quarterly rate

Construction

Charge-offs Increased; Balances, NPLs and Delinquencies Declined

Construction $5,004

($ in millions)

Portfolio Profile				Credit Quality Metrics				
Type	**06/30/10 Balance**	**03/31/10 Balance**	**2Q 10 % FL**	**2Q 10 C/O[1] %**	**$ NPLs**	**FL NPLs %**	**2Q 10 30 + DLQ**	**1Q 10 30 + DLQ**
Construction Perm	$591	$690	24%	28.19%	$150	36%	3.52%	5.42%
Residential								
Construction	868	1,106	32	14.98	386	35	2.72	0.85
Residential A&D	948	1,135	19	17.84	445	19	1.98	2.08
Residential Land	426	444	36	15.44	163	32	1.09	0.77
Commercial								
Construction	1,375	1,514	19	1.08	112	38	0.29	0.29
Commercial A&D	324	374	24	14.97	53	25	1.15	4.00
Commercial Land	472	493	28	3.21	52	23	1.54	2.18
Total	$5,004	$5,756	23%	13.05%	$1,360	29%	1.66%	1.81%

1. Annualized second quarter net charge-off ratio

TDR Composition and Performance

87% of Accruing TDRs are Current on Principal and Interest Payments, and 73% of Total TDRs are Current

($ in millions)

	Accruing TDRs		**Non-Accruing TDRs**		**Total TDRs**	
Payment Status	**6/30/10 Balance[1]**	**% of Total**	**6/30/10 Balance**	**% of Total**	**6/30/10 Balance**	**% of Total**
Current	$1,980	87%	$395	40%	$2,375	73%
30 DPD	155	7	75	8	230	7
60 DPD	86	4	58	6	144	4
90 DPD	43	2	50	5	92	3
120+ DPD	5	<1	408	41	414	13
Total	$2,269	100%	$986	100%	$3,255	100%

Totals may not foot due to rounding

1. Approximately 2% of accruing TDR balances are commercial-related

Capital & Liquidity

Second Quarter Capital and Liquidity Highlights

- **Capital ratios increased; 7.85% estimated Tier 1 common ratio was up by an estimated 15 basis points over Q1. Capital ratios remain strong relative to peers**
- **Favorable deposit volume and mix trends continued**
- **Securities portfolio concentrated in high quality, liquid securities**
- **Prudent short-term liquidity position and access to significant contingent liquidity**
- **Conservative debt maturity profile, with no holding company maturities until 2012**

Capital Ratios

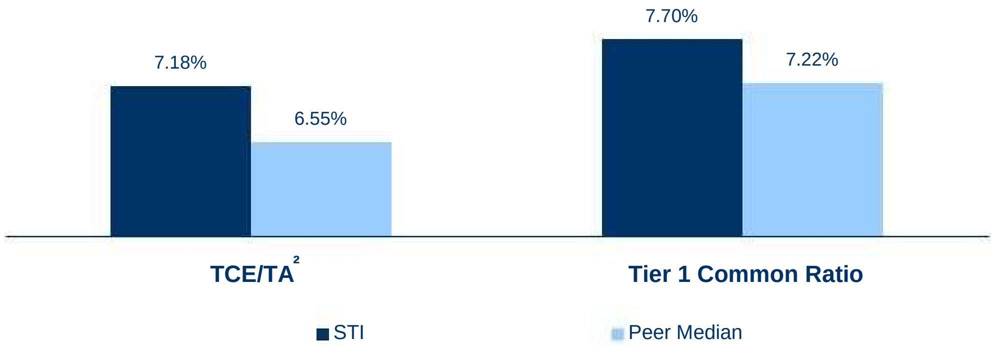
Capital Ratios Remained Solid

	2Q 2010 Estimate	1Q 2010 Actual	4Q 2009 Actual	3Q 2009 Actual
Tier 1 Common Ratio	7.85%	7.70%	7.67%	7.49%
Tangible Common Equity Ratio[1]	7.18%	6.88%	6.73%	7.01%
Tier 1 Capital Ratio	13.40%	13.13%	12.96%	12.58%
Tier 1 Capital Ratio (Excl TARP)[2]	9.80%	9.63%	9.56%	9.31%
Total Capital Ratio	16.85%	16.68%	16.43%	15.92%
Book Value per Share	$36.19	$35.40	$35.29	$36.06
Tangible Common Book Value per Share[1]	$23.58	$22.76	$22.59	$23.25

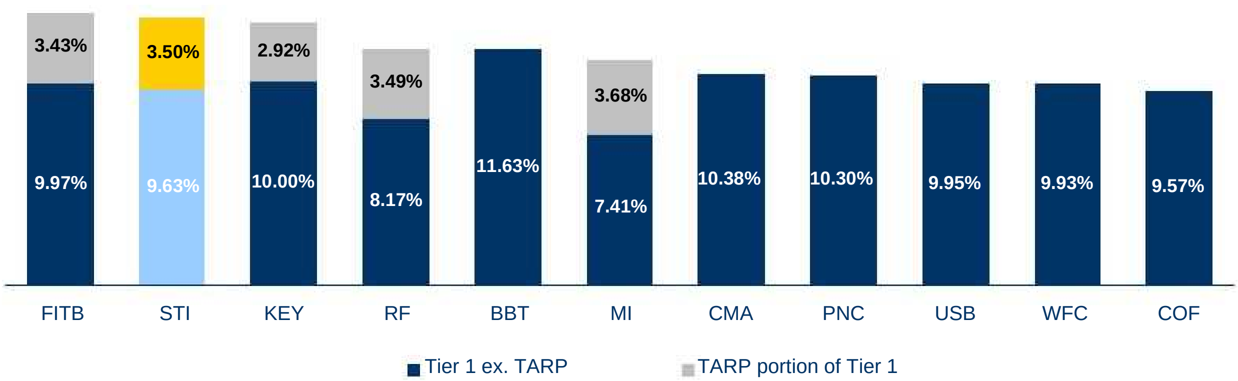
1. Please refer to the appendix for all non-GAAP reconcilement
2. TARP preferred included in Tier 1 ratio contributes an estimated 3.60% to the 6/30/10 Tier 1 capital ratio, 3.50% at 3/31/10, 3.40% at 12/31/09, and 3.27% at 9/30/09

Strong Capital Position

TCE/TA[1] and Tier 1 Common[1]



Tier 1[3]

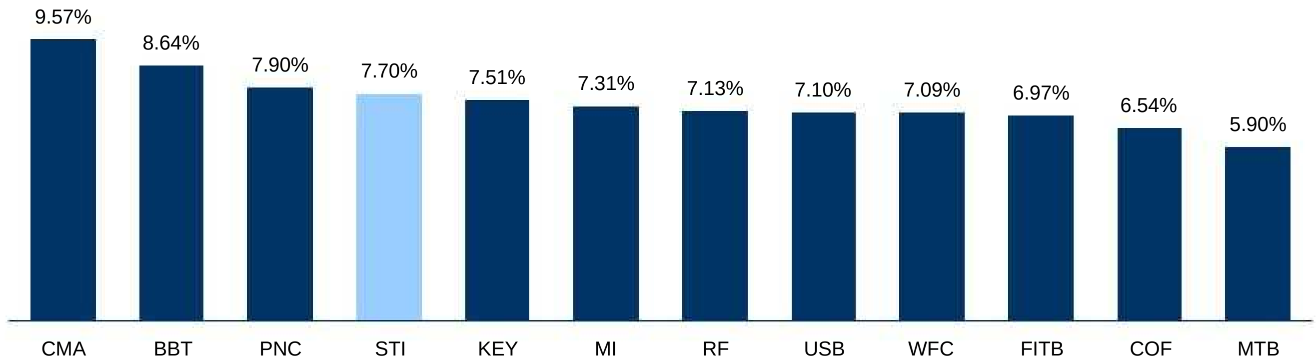


Source: SNL and company reports. Peers include BBT, CMA, COF, FITB, KEY, MI, MTB, PNC, RF, USB and WFC.

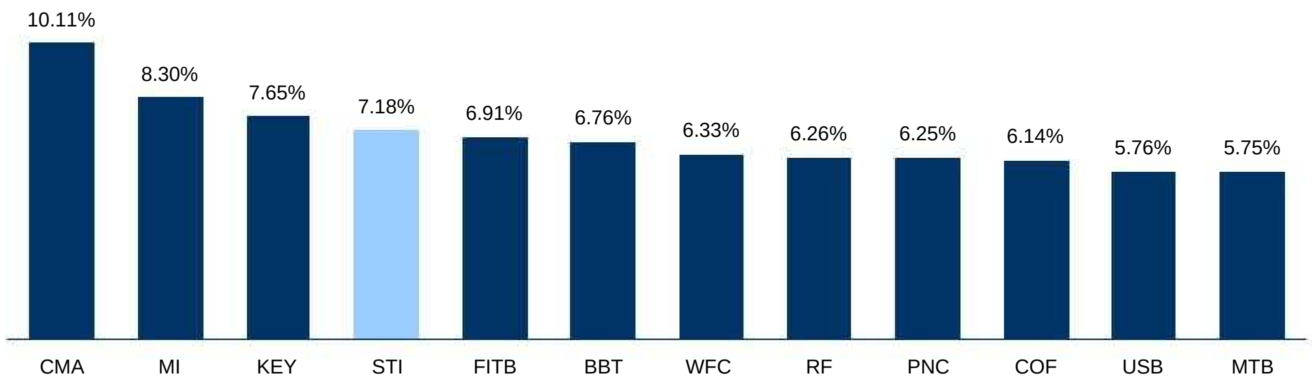
1. TCE/TA ratios as of 6/30/2010. Tier 1 common ratios as of 3/31/2010.
2. Please refer to the appendix for all non-GAAP reconcilement
3. Where applicable, TARP portion of Tier 1 from company report if disclosed. If not disclosed, calculated assuming TARP proceeds invested in 0% risk-weighted assets.

Capital Ratio Comparison

Tier 1 Common



TCE/TA

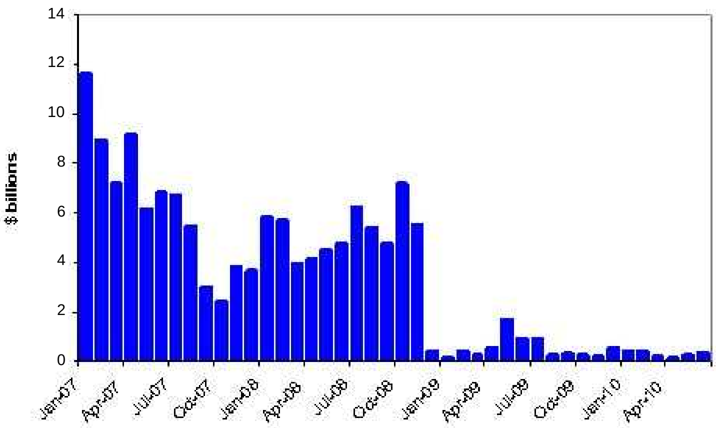


Source: SNL and company reports.
Peers include BBT, CMA, COF, FITB, KEY, MI, MTB, PNC, RF, USB and WFC.
TCE/TA ratios as of 6/30/2010. Tier 1 common ratios as of 3/31/2010.

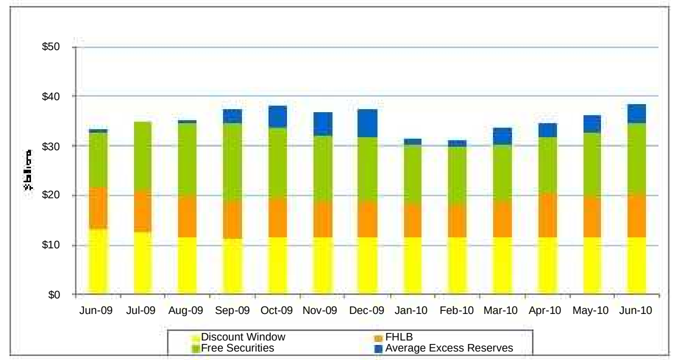
Short-Term Liquidity

SunTrust Maintains a Very Conservative Short-Term Liquidity Stance and Has Access to Plentiful Contingent Liquidity

SunTrust Bank average daily overnight borrowing position



Contingent Funding Sources



Debt Maturity Profile

SunTrust Conservatively Manages Refunding Risk by Laddering Its Debt Maturity Schedule

SunTrust term wholesale funding balance and maturity schedule

$ millions

		Maturities				
Funding product	**6.30.10 Balance**	**2010**	**2011**	**2012**	**2013**	**2014**
FHLB advances	**$823**	**$39**	**$754**	**$4**	**$4**	**$7**
Fixed	823	39	754	4	4	7
Floating	0	0	0	0	0	0
Wholesale CDs	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Fixed	0	0	0	0	0	0
Floating	0	0	0	0	0	0
Bank notes	**$9,171**	**$750**	**$4,173**	**$1,449**	**$0**	**$275**
Fixed	5,127	0	3,102	0	0	0
Floating	4,044	750	1,071	1,449	0	275
Parent company notes	**$2,642**	**$0**	**$0**	**$1,013**	**$0**	**$0**
Fixed	1,130	0	0	437	0	0
Floating	1,512	0	0	576	0	0
Total	**$12,636**	**$789**	**$4,927**	**$2,465**	**$4**	**$281**
Maturities as share of 6.30.10 balance		**6.2%**	**39.0%**	**19.5%**	**0.0%**	**2.2%**

Liability Management

SunTrust Has Supported Its Securities Via Active Liability Management

- Commenced a tender offer for up to $750 million total of five subordinated bank notes
  - Liquidity event for investors at premiums to secondary market prices
  - Early tender period expires August 6 (final expiration date on August 20)
  - Waterfall structure priced on a fixed spread basis

Title of Notes	CUSIP Number	Acceptance Priority Level	Principal Amount Outstanding ($ thousands)	Reference Treasury Security	Fixed Spread (bps)	Early Tender Premium (per $1,000 principal amount)
5.45% Subordinated Notes Due 2017	86787GAC6	1	$474,500	3.50% Due 5/15/2020	190	$30
5.00% Subordinated Notes Due 2015	86787GAG7	2	$535,000	1.75% Due 7/31/2015	190	$30
5.20% Subordinated Notes Due 2017	86787GAD4	2	$340,000	3.50% Due 5/15/2020	180	$30
5.40% Subordinated Notes Due 2020	86787GAE2	2	$300,000	3.50% Due 5/15/2020	235	$30
7.25% Subordinated Notes Due 2018	86787EAM9	3	$375,000	3.50% Due 5/15/2020	250	$30
Total			**$2,024,500**			

Including the current tender offer, SunTrust has supported investors by purchasing and retiring more than $2.5 billion of its publicly-traded debt and hybrid capital securities during the past two years

Investment Thesis

Stable Base Provides Solid Foundation for Future Growth

Growth Initiatives

- Generating profitable growth
- Continuing to optimize balance sheet and business mix
- Improving efficiency and productivity

Large Diversified Franchise

- High market share in attractive growth markets
- One of the nation’s largest banks
- Diversified business mix

Solid Capital Structure

- Solid capital ratios increased
- Common capital ratios compare favorably
- Diversified funding with large, stable deposit base

Relative Credit Strength

- Diversified loan portfolio
- Improved credit trends
- Conservative commercial real estate portfolio

Appendix

Noninterest Income Reconciliation

($ in millions)	2Q 2010	1Q 2010	2Q 2009	% Change 1Q 2010	% Change 2Q 2009
Total Noninterest Income	$952	$698	$1,072	36%	(11)%
Securities Gains/(Losses)	57	2	(25)		
Fair Market Write-downs – Trading	1	(23)	(1)		
STI Debt Valuation-Trading	63	(20)	(96)		
Fair Value Write-downs – Mortgage Production	2	(8)	(4)		
Auction Rate Securities – Trading	(2)	7	2		
LOCOM MSR (Impairment)/Recovery – Mtg Svcing	-	-	157		
Visa Gain	-	-	112		
Net Adjustments	121	(42)	145		
Adjusted Noninterest Income	$831	$740	$927	12%	(10)%

Noninterest Expense Reconciliation

($ in millions)	2Q 2010	1Q 2010	2Q 2009	% Change 1Q 2010	% Change 2Q 2009
Total Noninterest Expense	$1,503	$1,361	$1,528	10%	(2)%
Net Loss/(Gain) on Debt Extinguishment	63	(9)	39		
Visa Contract Termination	-	8	-		
Visa Litigation Accrual	-	-	7		
FDIC Special Assessment	-	-	78		
Net Adjustments	63	(1)	124		
Adjusted Noninterest Expense	$1,440	$1,362	$1,404	6%	3%

Additional Noninterest Income and Expense Disclosures

SunTrust
Live Solid. Bank Solid.

($ in millions)	2Q 2010	1Q 2010	2Q 2009	$ Change 1Q 2010	$ Change 2Q 2009
Noninterest Income					
Mortgage Repurchase Losses	$(148)	$(128)	$(62)	$(20)	$(86)
Noninterest Expense					
Unfunded Commitment Reserve (Other Exp)[1]	-	-	(2)	-	2
Mortgage Reinsurance	9	9	25	-	(16)
Operating Losses	16	14	33	2	(17)
Credit & Collections	66	74	66	(8)	-
Other Real Estate	86	46	49	40	37
Total Credit-Related	$177	$143	$171	$34	$6

Totals may not foot due to rounding

1. Unfunded commitment reserve expense recorded in provision expense prospectively beginning in 4Q 2009

Residential Mortgage

Nonaccrual Balances Decreased; 63% of Nonaccruals Have Been Through the Write-Down Process [1]

(As of 06/30/10, $ in millions)

	Nonaccruals that have been through the specific write-down process											
Loan Type	Balance before write-down	-	Amount of write-down	=	Non accruals with write-down	+	Non accruals not requiring write-down[2]	+	Non accruals without specific write-down	=	Total Non accruals[3]	% Loss Severity
Core Portfolio	$1,266		$(495)		$771		$186		$523		$1,480	34.1%
Prime 2nd	401		(401)		--		--		68		68	100.0%[4]
Lot Loans	304		(177)		127		42		45		214	51.2%
Alt-A 1st	160		(64)		96		11		69		176	37.5%
Alt-A 2nd	102		(92)		10		--		14		24	90.1%
Total	$2,232		$(1,229)		$1,003		$239		$719		$1,961	

1. Reserves have been established for residential mortgage loans that have not had specific write-downs as well as for incremental losses on loans carried at expected recoverable values
2. Nonaccruals not requiring write-downs include well-secured loans and loans with claims in process for individual and pool PMI policies
3. Excludes Home Equity nonaccruals of $62 million, $14 million of mark-to-market loans held for sale and $91 million of residential real estate loans managed on commercial system
4. Does not reflect benefit of limited remaining mortgage insurance coverage

Reconciliation of Non GAAP Measures

($ in millions, except per share data)

	Three Months Ended				
	June 30 2010	March 31 2010	December 31 2009	September 30 2009	June 30 2009
Total shareholders' equity	**$23,024**	$22,620	$22,531	$22,908	$22,953
Goodwill, net of deferred taxes	**(6,197)**	(6,202)	(6,204)	(6,205)	(6,213)
Other intangible assets including MSRs, net of deferred taxes	**(1,409)**	(1,761)	(1,671)	(1,560)	(1,468)
MSRs	**1,298**	1,641	1,539	1,423	1,322
Tangible equity	**16,716**	16,298	16,195	16,566	16,594
Preferred stock	**(4,929)**	(4,923)	(4,917)	(4,911)	(4,919)
Tangible common equity	**$11,787**	$11,375	$11,278	$11,655	$11,675
Total assets	**$170,668**	$171,796	$174,165	$172,718	$176,735
Goodwill	**(6,323)**	(6,323)	(6,319)	(6,314)	(6,314)
Other intangible assets including MSRs	**(1,443)**	(1,800)	(1,711)	(1,604)	(1,517)
MSRs	**1,298**	1,641	1,539	1,423	1,322
Tangible assets	**$164,200**	$165,314	$167,674	$166,223	$170,226
Tangible equity to tangible assets	**10.18%**	9.86%	9.66%	9.96%	9.75%
Tangible common equity to tangible assets	**7.18%**	6.88%	6.73%	7.01%	6.86%
Tangible book value per common share	**$23.58**	$22.76	$22.59	$23.35	$23.41