

SUNTRUST BANKS INC

FORM 8-K (Current report filing)

Filed 09/15/09 for the Period Ending 09/15/09

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) September 15, 2009

SunTrust Banks, Inc.

(Exact name of registrant as specified in its charter)

Georgia
(State or other jurisdiction
of incorporation)

001-08918
(Commission File Number)

58-1575035
(IRS Employer
Identification No.)

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

30308
(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))
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Item 7.01 Regulation FD Disclosure.

SunTrust Banks, Inc. (the “Registrant” or “SunTrust”) will present at the Barclays Capital Global Financial Services Conference in New York City on Tuesday, September 15, 2009, at 9:45 a.m. (Eastern Time). James M. Wells III, Chairman and Chief Executive Officer of SunTrust Banks, Inc. will make SunTrust’s presentation. A copy of the presentation materials to be used by the Registrant during these meetings is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein. Such materials will also be available on the Registrant’s web site at www.suntrust.com.

Information contained on the Registrant’s website is not incorporated by reference into this Current Report on Form 8-K. 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 presentation materials speak 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 Presentation materials dated September 15, 2009 (furnished with the Commission as a part of this 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: September 15, 2009.

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



SunTrust Banks, Inc.

Barclays Capital Global Financial Services Conference

September 15, 2009

James M. Wells III

Chairman and Chief Executive Officer



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 2008 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 reconciliation 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, charge-offs, provision expense, non-interest expense and income are forward-looking statements. Also, any statement that does not describe historical or current facts, including statements about beliefs and expectations, 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." Such statements are based upon the current beliefs and expectations of management and on information currently available to management. Our forward looking statements speak as of the date hereof, and we do not assume any obligation to update these statements or 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 at Item 1A of our annual report on Form 10-K filed with the Securities and Exchange Commission and available at the Securities and Exchange Commission's internet site (<http://www.sec.gov>). Those factors include: difficult market conditions have adversely affected our industry; current levels of market volatility are unprecedented; the soundness of other financial institutions could adversely affect us; there can be no assurance that recently enacted legislation, or any proposed federal programs, will stabilize the U.S. financial system, and such legislation and programs may adversely affect us; the impact on us of recently enacted legislation, in particular the Emergency Economic Stabilization Act of 2008 ("EESA") and its implementing regulations, and actions by the FDIC, cannot be predicted at this time; 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; weakness in the real estate market may adversely affect our reinsurance subsidiary; 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; 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 our business and revenues; we rely on other companies to provide key components of our business infrastructure; we rely on our systems, employees, and certain counterparties, and certain failures could materially adversely affect our operations; we depend on the accuracy and completeness of information about clients and counterparties; regulation by federal and state agencies could adversely affect our business, revenue, and profit margins; competition in the financial services industry is intense and could result in 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 our 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 residential real estate, increases in unemployment, and the related effects on local economics 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; disruptions in our ability to access global capital markets may negatively affect our capital resources and liquidity; any reduction in our credit rating could increase the cost of our funding from the capital markets; we have in the past and may in the future pursue acquisitions, which could affect costs and from which we may not be able to realize anticipated benefits; we depend on the expertise of key personnel, 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 these require us 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; we may enter into transactions with off-balance sheet affiliates or our subsidiaries; and we are subject to market risk associated with our asset management and commercial paper conduit businesses.

I. LARGE DIVERSIFIED FRANCHISE

II. SOLID CAPITAL STRUCTURE

III. RELATIVE CREDIT STRENGTH

IV. GROWTH INITIATIVES

V. APPENDIX

Investment Thesis

Stable Base of Operations Provides Foundation for Future Growth

Growth Initiatives

- Generating momentum with revenue initiatives
- Improving efficiency and productivity
- Continuing to optimize balance sheet and business mix

Large Diversified Franchise

- Attractive geographic profile in valuable markets
- High market share in core markets
- One of the nation's largest banks
- Diversified business mix

Solid Capital Structure

- Completed capital actions created superior capitalization
- Diversified funding with large, stable deposit base

Relative Credit Strength

- SCAP results underscore conservative underwriting practices
- Diversified loan portfolio
- Significant loan loss reserves

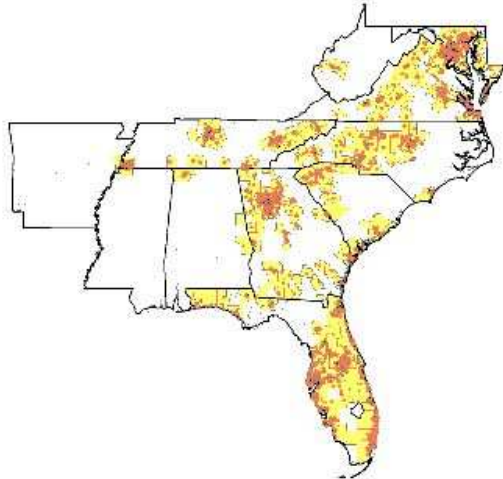
Best Footprint in Banking

Attractive Geographic Profile In Valuable Markets

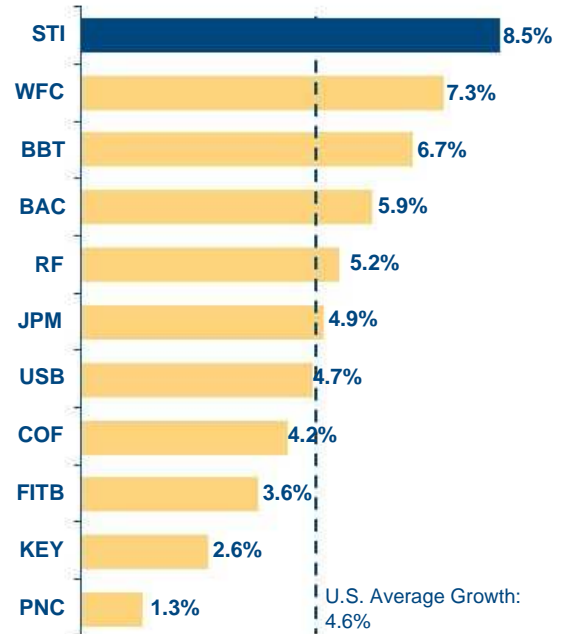


SunTrust Footprint ¹

- Ranked top 3 in 18 of the top 25 SunTrust markets; represents 67.9% of total MSA deposits and average deposit market share of 16.7%
- 1,692 branches serving communities with an attractive overall growth projection
- Projected household income growth is above the U.S. average



Projected Population Growth ²



1. Deposit and share data from SNL as of June 30, 2009. Branch data from STI Q2 2009 earnings report.

2. Five-year population growth is from 2009-2014

Significant Scale***SunTrust is a Top 10 U.S. Bank***

Branches			Deposits			Assets		
U.S. Rank	Company	#	U.S. Rank	Company	\$B	U.S. Rank	Company	\$B
1	Wells Fargo	6,668	1	Bank of America	\$971	1	Bank of America	\$2,254
2	Bank of America	6,109	2	JPMorgan Chase	866	2	JPMorgan Chase	2,027
3	JPMorgan Chase	5,203	3	Wells Fargo	814	3	Citigroup	1,849
4	U.S. Bancorp	2,850	4	Citigroup	805	4	Wells Fargo	1,284
5	PNC Financial	2,606	5	PNC Financial	190	5	PNC Financial	280
6	Regions	1,899	6	U.S. Bancorp	164	6	U.S. Bancorp	266
7	SunTrust	1,692	7	SunTrust	119	7	SunTrust	177
8	BB&T	1,505	8	Capital One	117	8	Capital One	172
9	Fifth Third	1,306	9	BB&T	102	9	BB&T	152
10	KeyCorp	993	10	Regions	95	10	Regions	143

Note: Data as of June 30, 2009 per SNL Financial, SEC filings and Company presentations; excludes custody/processor and non-traditional banks

I. LARGE DIVERSIFIED FRANCHISE

Diversified Business Mix



	Retail & Commercial	Corporate and Investment Banking	Household Lending	Wealth & Investment Management
Scope of Operations	<ul style="list-style-type: none"> - SunTrust footprint - 1,692 branches^{2,3} - 2,695 ATMs² - ~850 Relationship Managers² 	<ul style="list-style-type: none"> - National - Full line of investment banking products and services 	<ul style="list-style-type: none"> - National - Residential mortgages, consumer lending - Ranked #6 in total mortgage origination volume¹ - Mortgage servicing portfolio of \$173.1B² 	<ul style="list-style-type: none"> - National - Full array of private wealth management and institutional solutions including personal and institutional investment management - AUA = \$188B²
Market Focus	<ul style="list-style-type: none"> - Retail clients in SunTrust footprint - Business clients in SunTrust footprint with revenues <\$100MM - Government and not-for-profit enterprises - Commercial RE: commercial and residential developers & investors 	<ul style="list-style-type: none"> - Middle Market: \$100MM-\$750MM - Corporate Banking: >\$750MM - Investment banking sales to commercial and W&IM clients 	<ul style="list-style-type: none"> - Prime-based platform, ~99% of 2Q 2009 originations for sale were agency - 49% of production in 2Q 2009 was retail originated 	<ul style="list-style-type: none"> - Individuals and families in need of private wealth management including banking, trust, brokerage and asset management solutions - Organizations in need of institutional administrative and investment solutions

1. For the six months ending June 30, 2009, *Inside Mortgage Finance*, 7/31/09

2. As of 6/30/09

3. Full-service branches

II. SOLID CAPITAL STRUCTURE

2Q 2009 Capital Actions



SCAP Related Capital Actions Complete and Goal Exceeded

(\$ and shares in millions)

Action	Tier 1 Common Impact	Common Shares
SCAP Tier 1 Common Target	\$2,160	
“At the Market” Offering	258	17.7
Marketed Offering	1,358	108.0
Greenshoe	204	16.2
Visa Share Sale	70	NA
Cash Tender ¹	212	NA
Deferred Tax Asset	190	NA
Total	\$2,292	141.9
% Complete / Share Increase ²	106.1%	39.8%

1. Capital impact including fees, charges and taxes

2. Percent share count increase versus 3/31/09 shares outstanding of 356.7 million

Capital Ratios***Solid Capital Ratios Further Enhanced by SCAP Related Capital Actions***

	2Q 2009	1Q 2009	4Q 2008
Tier 1 Common Ratio	7.34%	5.83%	5.83%
Tier 1 Capital Ratio	12.23%	11.02%	10.87%
Tier 1 Ratio (Excl TARP)¹	9.11%	8.02%	7.96%
Total Capital Ratio	15.31%	14.15%	14.04%
Book Value per Share	\$36.16	\$46.03	\$48.74
Tangible Common Book Value per Share²	\$23.41	\$28.15	\$28.69

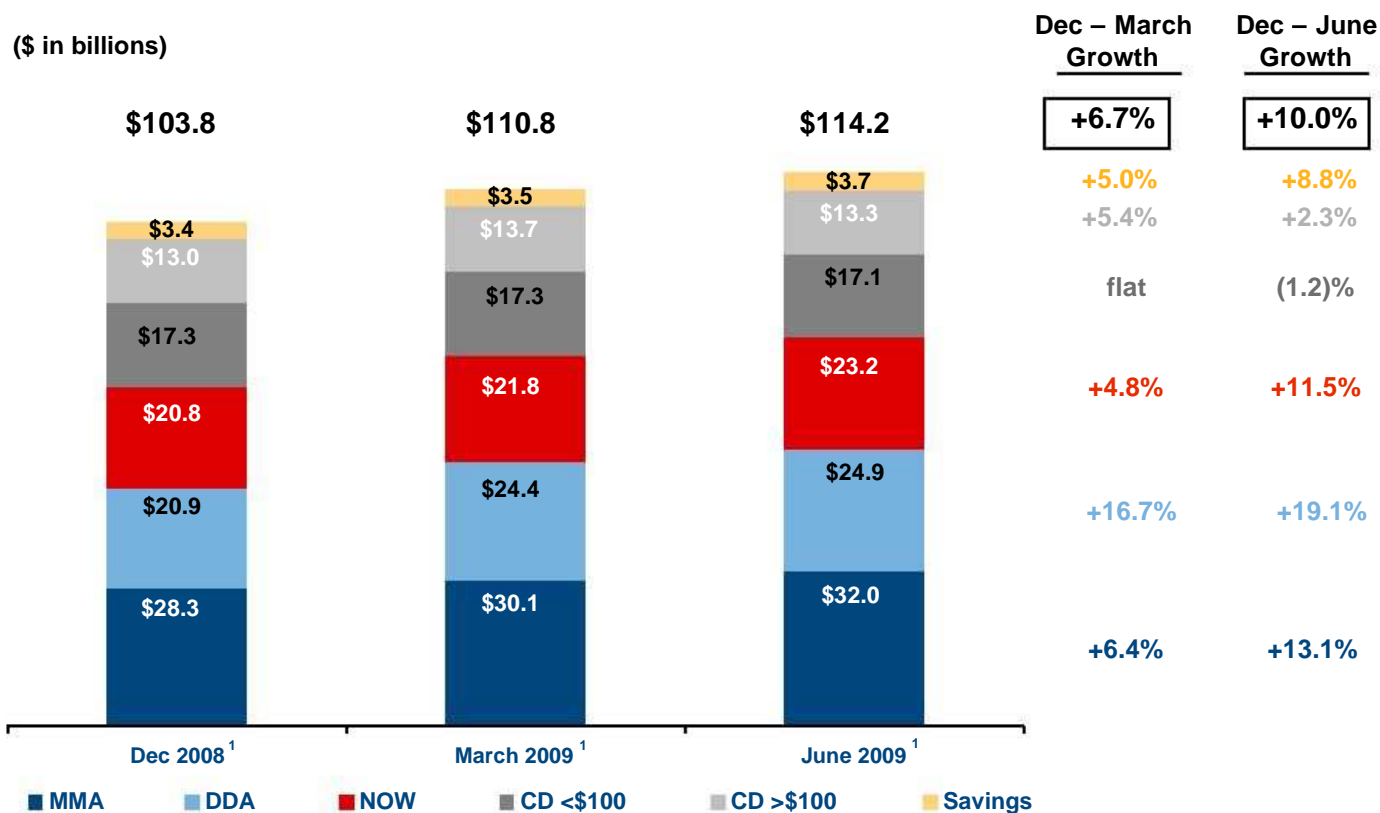
1. TARP preferred included in Tier 1 ratio contributes an estimated 3.12% to the 6/30/09 Tier 1 capital ratio, 3.00% at 3/31/09 and 2.91% as of 12/31/08

2. Please refer to the appendix to this presentation for a reconciliation to the most directly comparable GAAP financial measure

Consumer and Commercial Deposit Trends



Core Consumer and Commercial Deposits Increased to a Record \$114 Billion with Favorable Mix Trends

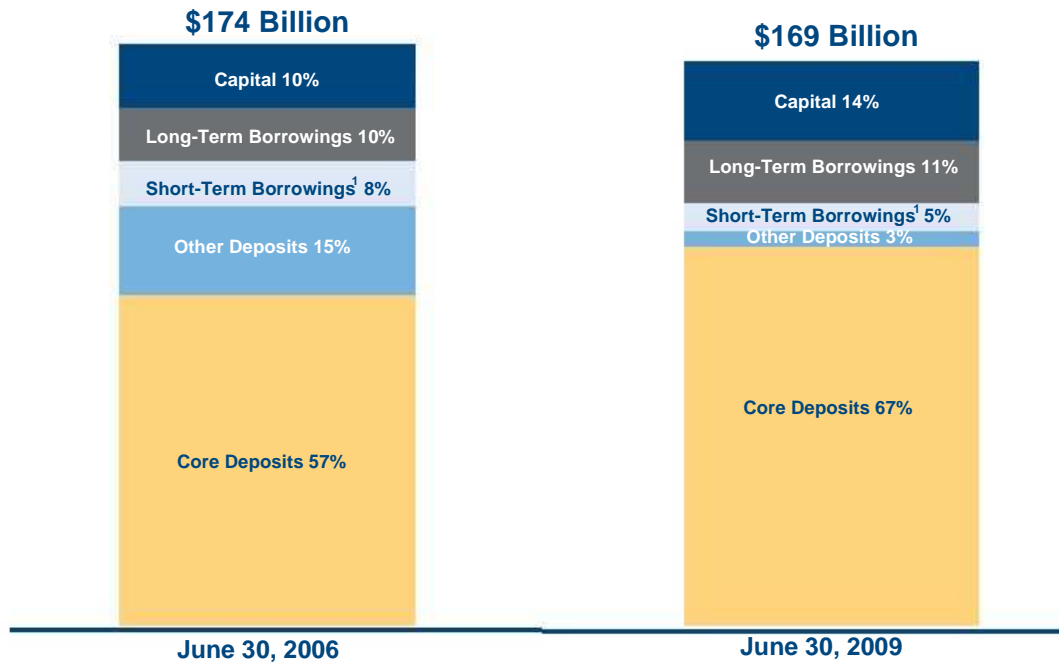


1. Reflects average balances for the month

Diversified Sources of Funding

Large, Stable Deposit Base Primary Source of Liquidity

Funding Profile

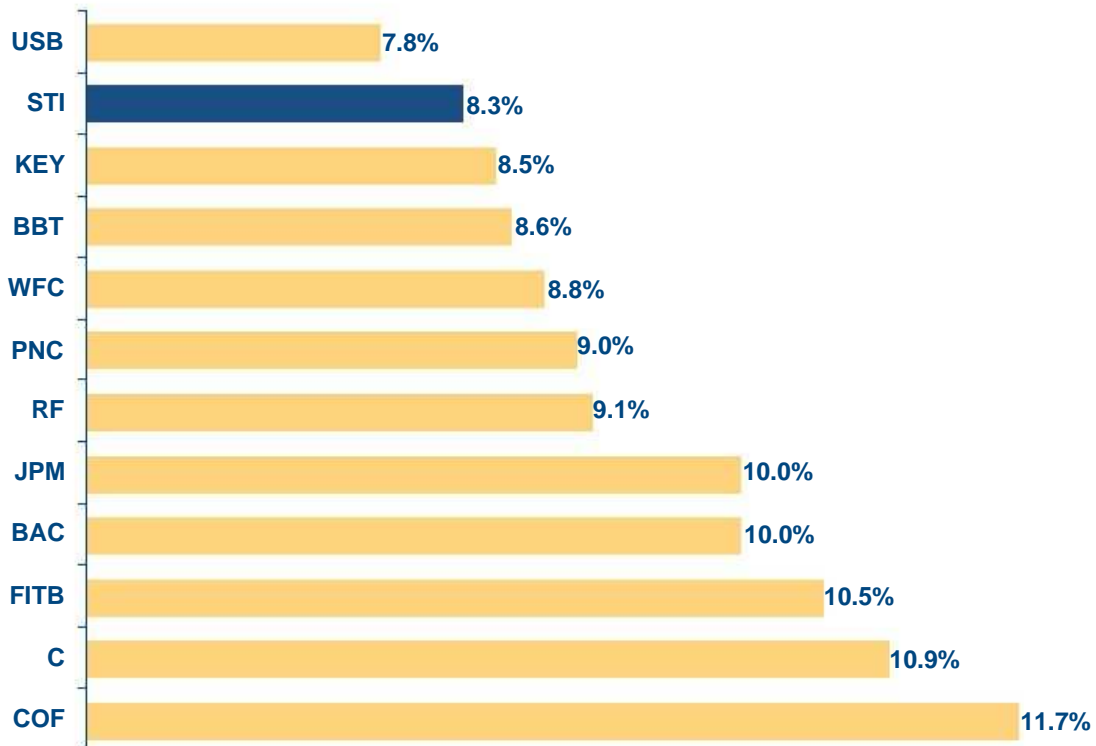


1. Includes Fed Funds, Repos, and other short-term borrowings

SCAP Confirmed SunTrust's Relative Credit Strength



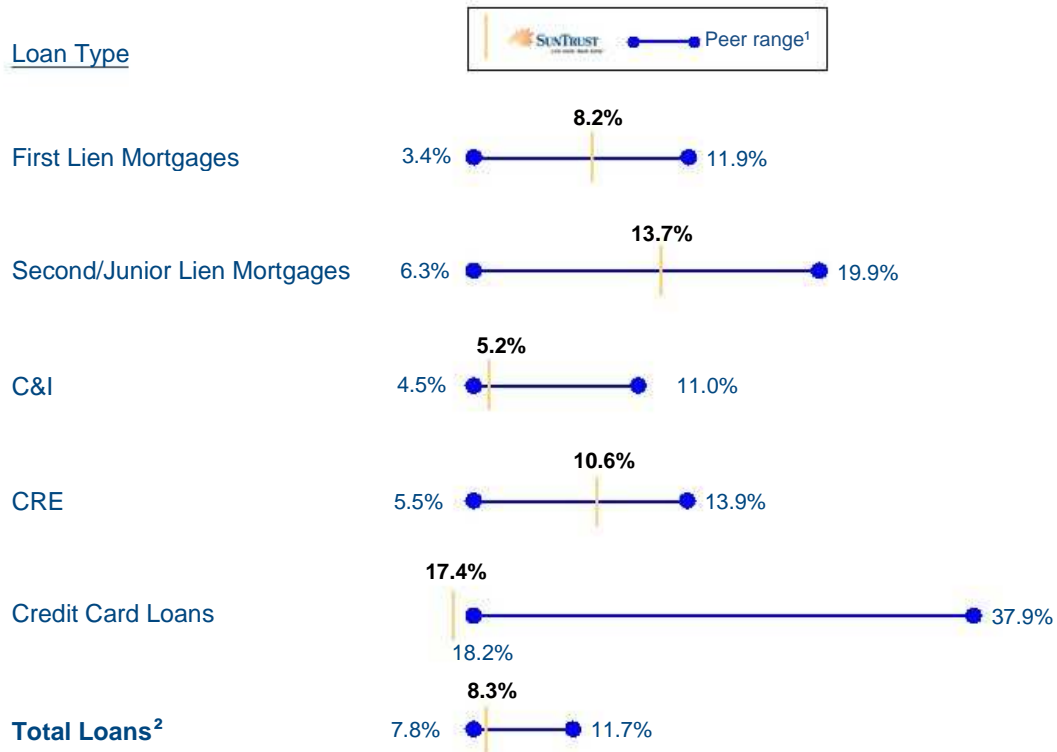
SCAP Loan Losses (%) – “More Adverse” Scenario



Conservative Underwriting Across All Asset Classes

SCAP Estimated Losses for 2009 and 2010 for “More Adverse Scenario”

Loan Type



Source: Federal Reserve

Note: Financial data as of December 31, 2008

1. Includes BAC, BBT, C, COF, FITB, JPM, KEY, PNC, RF, USB and WFC

2. Includes losses on other consumer and non-consumer loans

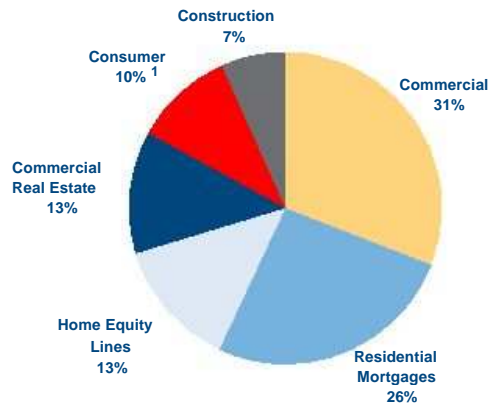
III. RELATIVE CREDIT STRENGTH

Diversified Credit Profile

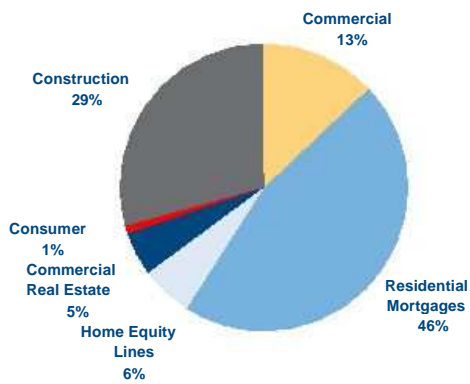


Diversified Credit Profile and Strong Credit Culture

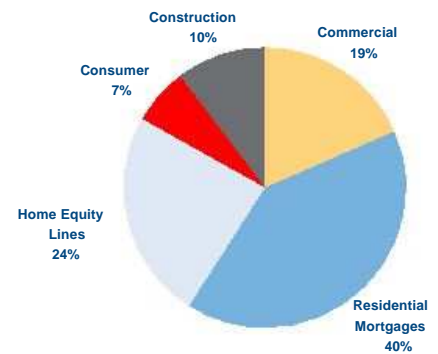
Loan Portfolio 6/30/09



Nonaccrual Loans 6/30/09



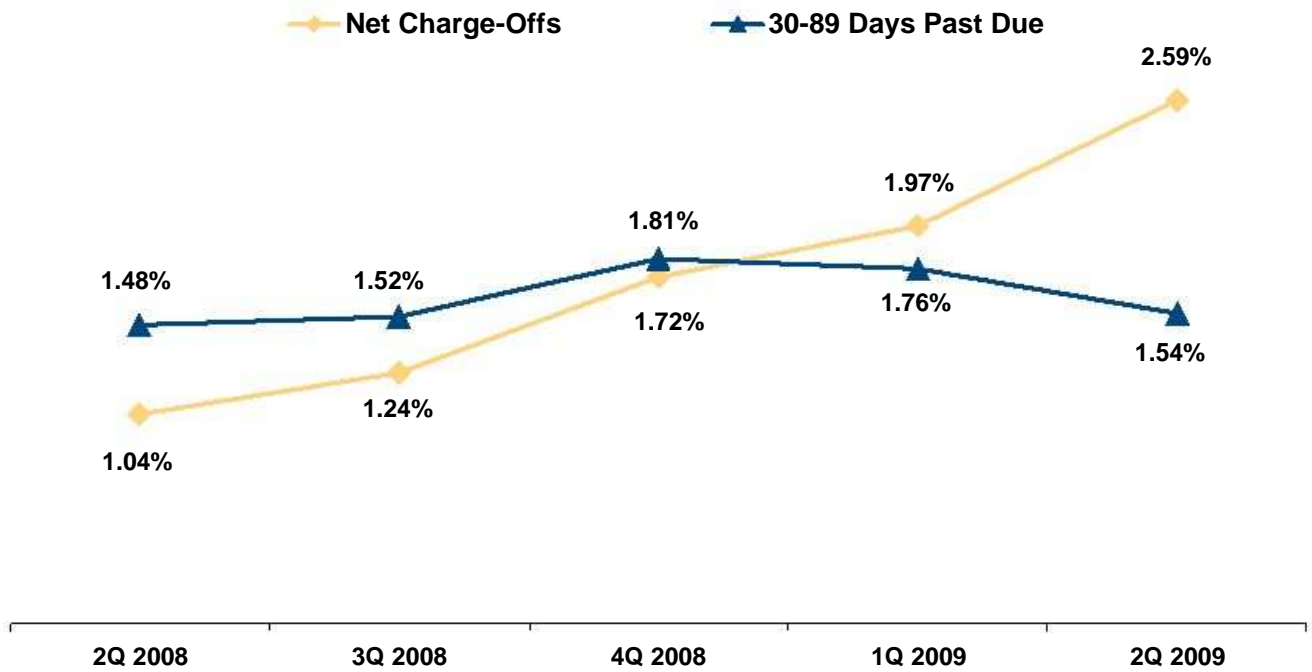
2Q 2009 Net Charge-Offs



1. Consumer includes credit card portfolio of \$1.0 billion

III. RELATIVE CREDIT STRENGTH

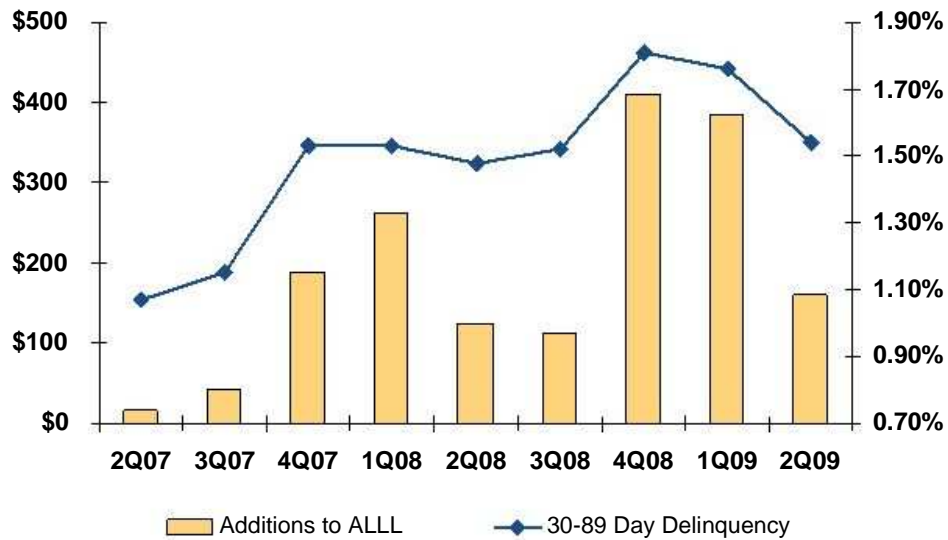
Credit Trends



Building The Allowance For Loan & Lease Losses

Reserve Building and Early Stage Delinquency Trends

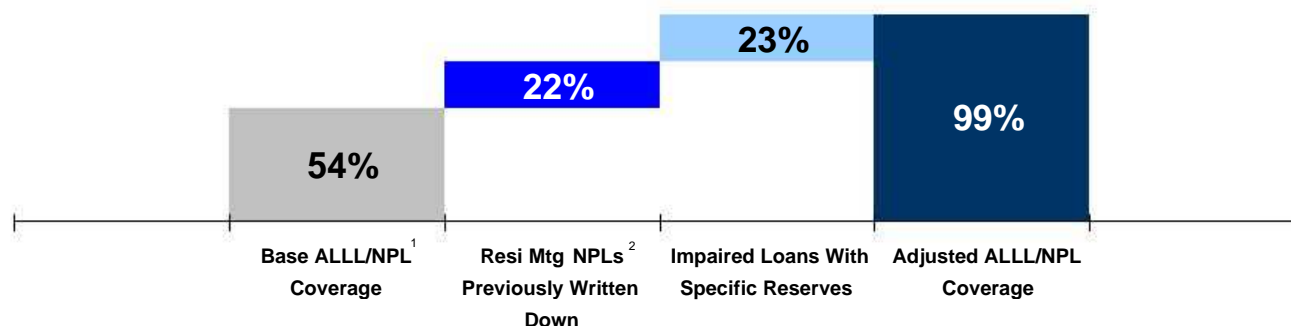
(\$ in millions)



Allowance to Non-Performing Loan Review

ALLL Coverage of NPLs Increases to Nearly 100% When Adjusted for NPLs Previously Written Down and Impaired Loans That Have Specific Reserve Allocations

ALLL / NPL Coverage Ratio



IMPAIRED LOANS WITH SPECIFIC RESERVES 2Q 2009 (\$ in Millions)				
Line of Business	2Q 09 Balance	2Q 09 FAS114 Reserve	Cumulative Charge-Offs	Implied Severity
Commercial and Investment Banking	\$208	\$85	\$113	62% ³
Commercial	932	190	52	25% ⁴
Wealth and Investment Management	45	13	2	32%
TOTAL FAS 114 Portfolio	\$1,185	\$288	\$167	34%

1. Base ALLL/NPL coverage excludes \$122 million of loans carried at fair value from NPL denominator

2. Incremental losses on loans after the FFIEC review at 180 DPD are charged off at foreclosure. The coverage ratio has not been adjusted for reserves established for these incremental losses

3. Loans to large corporate clients. Relatively few, but larger credits make FAS 114 reserves and implied severities volatile

4. Loans to mid-sized businesses and real estate developers; typically secured

**Continuing to Optimize
Balance Sheet and
Business Mix**

- \$8.5 billion, or 56%, reduction in average brokered and foreign deposits versus 2Q 2008
- \$3.5 billion reduction in FHLB advances in 2Q 2009
- \$5.6 billion, or 41%, reduction in construction loan portfolio from December 2007 to June 2009
- \$1.2 billion, or 29%, increase in consumer direct loan portfolio from December 2007 to June 2009

**Improving
Efficiency and
Productivity**

- Delivered over \$600 million in run-rate expense savings in 2009, or 11% of 2006 noninterest expense base
- Full-time equivalent employees reduced by 5,000, or 15%, versus year end 2006¹
- Office space reduced by over 20%
- Economically sensitive noninterest expenses have increased over \$200 million in 2Q 2009 from 2Q 2006; these expenses will decline over time²

**Generating
Momentum with
Revenue Initiatives**

- Mortgage production volume up 43% year-to-date versus last year
- Retail checking households up 6% versus last year driven in part by improved front line execution, innovative new products, and increased consumer awareness
- Average consumer and commercial deposits increased \$12 billion, or 12%, in 2Q 2009 versus 2Q 2008
- Increasing risk-adjusted loan margin with goal of 15-25 basis point improvement over next two years

1. Includes approximately 1,500 positions transitioned to a third party provider contracted for certain check and related processing operations

2. Includes operating losses, credit and collections, other real estate, additions to Mortgage re-insurance reserves and FDIC expense excluding the special assessment in 2Q 2009



SunTrust Banks, Inc.

Barclays Capital Global Financial Services Conference
September 15, 2009

James M. Wells III

Chairman and Chief Executive Officer

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Appendix

V. APPENDIX

Reconciliation of Non GAAP Measures



(Dollars and Shares in thousands) (Unaudited)

	Three Months Ended				
	June 30 2009	March 31 2009	December 31 2008	September 30 2008	June 30 2008
Total shareholders' equity	\$22,953,158	\$21,645,626	\$22,500,805	\$18,069,378	\$18,023,095
Goodwill	(6,213,243)	(6,224,610)	(6,941,104)	(7,062,869)	(7,056,015)
Other intangible assets including MSRs	(1,468,209)	(1,049,155)	(978,211)	(1,328,055)	(1,394,941)
MSRs	1,322,322	894,797	810,474	1,150,013	1,193,450
Tangible equity	16,594,028	15,266,658	15,391,964	10,828,467	10,765,589
Preferred stock	(4,918,863)	(5,227,357)	(5,221,703)	(500,000)	(500,000)
Tangible common equity	\$11,675,165	\$10,039,301	\$10,170,261	\$10,328,467	\$10,265,589
Total assets	\$176,734,971	\$179,116,402	\$189,137,961	\$174,776,760	\$177,232,727
Goodwill	(6,314,382)	(6,309,431)	(7,043,503)	(7,062,869)	(7,056,015)
Other intangible assets including MSRs	(1,517,483)	(1,103,333)	(1,035,427)	(1,389,965)	(1,442,056)
MSRs	1,322,322	894,797	810,474	1,150,013	1,193,450
Tangible assets	\$170,225,428	\$172,598,435	\$181,869,505	\$167,473,939	\$169,928,106
Tangible equity to tangible assets	9.75 %	8.85 %	8.46 %	6.47 %	6.34 %
Tangible book value per common share	\$23.41	\$28.15	\$28.69	\$29.18	\$29.04
Common shares outstanding (as of period ended)	498,786	356,693	354,515	353,963	353,542