SUNTRUST BANKS INC

FORM 8-K
(Current report filing)

Filed 09/11/07 for the Period Ending 09/11/07

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 11, 2007

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))

Item 7.01 Regulation FD Disclosure.

Representatives of SunTrust Banks, Inc. (the "Registrant") are scheduled to make a presentation at the Lehman Brothers Financial Services Conference in New York on Tuesday, September 11, 2007 at approximately 4:30 PM Eastern Time. James M. Wells III, President and Chief Executive Officer and Mark A. Chancy, Corporate Executive Vice President and Chief Financial Officer of SunTrust Banks, Inc. will make SunTrust's presentation. A copy of the slide package to be used by the Registrant at this conference is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein. Such slide package will also be available on the Registrant's web site at www.suntrust.com immediately before the presentation begins. Information contained on the Registrant's website is expressly not incorporated by reference into this Current Report on Form 8-K.

The information in the preceding paragraphs, 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 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 8.01 Other Events.

At slide 18 of exhibit 99.1, which is described in Item 7.01 above, the Company makes the following statement about the estimated impact in the third quarter of 2007 of marking-to-market certain financial instruments and investments required by fair value accounting: "Current indications are that the negative marks from the loan warehouse and trading assets, offset by the positive mark on the debt portfolio, would have an estimated ($0.20) impact on 3Q 2007 EPS; the actual impact will not be known until the third quarter is completed."

The foregoing statement is a forward-looking statement and should be read in conjunction with the financial statements, notes and other information contained in the Company's 2006 Annual Report on Form 10-K, Quarterly Reports for the quarters ended March 31, 2007 and June 30, 2007 and Current Reports on Form 8-K. It is based upon the current beliefs and expectations of SunTrust's management and on information currently available to management. The forward-looking statement is intended to be subject to the safe harbor provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statement speaks as of the date hereof, and SunTrust does 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 involve significant risks and uncertainties. Investors are cautioned against placing undue reliance on such statement. Actual results may differ materially. Factors that could cause actual results to differ materially from those described in the forward-looking statements can be found in the Company's 2006 Annual Report on Form 10-K, in the Company's Quarterly Reports on Form 10-Q, and in the Current Reports on Form 8-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: changes in general business or economic conditions, including customers' ability to repay debt obligations, could have a material adverse effect on our financial condition and results of operations; our trading assets and financial instruments carried at fair value expose the Company to certain market risks; changes in market interest rates or capital markets could adversely affect our revenues and expenses, the values of assets and obligations, costs 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; significant changes in securities markets or markets for residential or commercial real estate could harm our revenues and profitability; customers could pursue alternatives to bank deposits, causing us to lose a relatively inexpensive source of funding;

customers may decide not to use banks to complete their financial transactions, which could affect net income; we have businesses other than banking, which subjects 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 for 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, revenues, and profit margins; competition in the financial services industry is intense and could result in losing business or reducing profit 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; our ability to receive dividends from our subsidiaries accounts for most of our revenues and could affect our liquidity and ability to pay dividends; significant legal actions could subject us to substantial uninsured liabilities; 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 without whom our operations may suffer; we may be unable 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 methods are key to how we report financial condition and results of operations, and may require management to make estimates about matters that are uncertain; our stock price can be volatile; changes in our accounting policies or in accounting standards could materially affect how we report our financial results and condition; our disclosure controls and procedures may fail to prevent or detect all errors or acts of fraud; and weakness in residential property values and mortgage loan markets could adversely affect us; and 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.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Slide package to be presented on September 11, 2007 (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: September 11, 2007.

By: /s/ David A. Wisniewski
David A. Wisniewski,
Group Vice President

Exhibit 99.1

Driving Shareholder Value

James M. Wells III
President and Chief Executive Officer
Mark A. Chancy
Corporate Executive Vice President and Chief Financial Officer

Lehman 2007 Financial Services Conference
September 11, 2007

The following should be read in conjunction with the financial statements, notes and other information contained in the Company's 2006 Annual Report on Form 10-K, Quarterly Reports for the quarters ended March 31, 2007 and June 30, 2007 and Current Reports on Form 8-K.

The information in this presentation may contain forward-looking statements. Statements that do not describe historical or current facts, including statements about beliefs and expectations, are forward-looking statements. These statements often include the words "believes," "expects," "anticipates," "estimates," "intends," "plans," "targets," "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 SunTrust's management and on information currently available to management. The forward-looking statements are intended to be subject to the safe harbor provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements speak as of the date hereof, and SunTrust does 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 involve 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 the Company's 2006 Annual Report on Form 10-K, in the Company's Quarterly Reports on Form 10-Q, and in the Current Reports on Form 8-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: changes in general business or economic conditions, including customers' ability to repay debt obligations, could have a material adverse effect on our financial condition and results of operations; our trading assets and financial instruments carried at fair value expose the Company to certain market risks; changes in market interest rates or capital markets could adversely affect our revenues and expenses, the values of assets and obligations, costs 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; significant changes in securities markets or markets for residential or commercial real estate could harm our revenues and profitability; customers could pursue alternatives to bank deposits, causing us to lose a relatively inexpensive source of funding; customers may decide not to use banks to complete their financial transactions, which could affect net income; we have businesses other than banking, which subjects 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 for 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, revenues, and profit margins; competition in the financial services industry is intense and could result in losing business or reducing profit 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; our ability to receive dividends from our subsidiaries accounts for most of our revenues and could affect our liquidity and ability to pay dividends; significant legal actions could subject us to substantial uninsured liabilities; 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 without whom our operations may suffer; we may be unable 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 methods are key to how we report financial condition and results of operations, and may require management to make estimates about matters that are uncertain; our stock price can be volatile; changes in our accounting policies or in accounting standards could materially affect how we report our financial results and condition; and our disclosure controls and procedures may fail to prevent or detect all errors or acts of fraud; weakness in residential property values and mortgage loan markets could adversely affect us; and 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.

An Attractive Investment Opportunity

Delivering on Shareholder Value Commitments

- **Since they were announced in early 2007, the Company has made significant progress on numerous initiatives aimed at driving shareholder value; the acceleration and expansion of these initiatives are already producing results and contributing to earnings**
  - E^2 Efficiency and Productivity
  - Balance Sheet Management
  - Capital Optimization

Strength and Stability

- **SunTrust operates from a position of strength and stability in difficult operating environments through a disciplined approach to credit and liquidity risk, as well as possessing a strong customer deposit and capital base**

Long-Term Growth Opportunities

- **SunTrust is a unique franchise that has meaningful opportunity for longer term growth; attractive growth prospects exist for each line of business**

Driving Shareholder Value

Driving Shareholder Value

E^2 Efficiency and Productivity Program: *Achievements*

Accelerated and Expanded Estimated Cost Savings For Fiscal Year 2009 Represent Over 10% of Current Expense Base

- As a result of the early success of the program, **estimated cost savings in a number of key areas were expanded:**
  - Corporate Real Estate
  - Process Reengineering
  - Organizational Review
- Estimated cost savings for **2007 increased $46M to $181M**
- **For fiscal year 2009,** the additional reductions translate into **over $200M in further cost savings**
  - $530M in cost savings is expected to be achieved for the 2009 fiscal year

Estimated Gross Cost Savings [1]

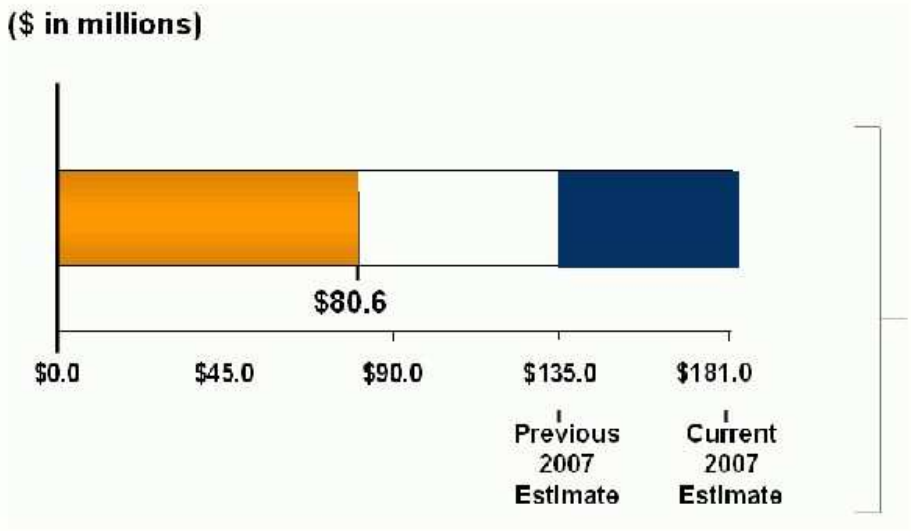
	Cumulative Total	2007	2008	2009
Corporate Real Estate	$100			
Supplier Management	115			
Offshoring/Outsourcing	45	$181	$350	$530
Process Reengineering	125			
Organizational Review	145			
Previous E [2] Estimates (converted to fiscal year estimates)		$135	$203 [2]	$325 [2]
Additional Savings [3]		$46	$147	$205

Notes:
1 Does not include one-time costs associated with implementation, including severance
2 Straight-line interpolation of previous guidance to convert from end-of-year run rate to fiscal year impact; previously communicated year-end run rates were $250M for 2008 and $400M for 2009
3 Acceleration and expansion of cost savings was previously announced on May 15, 2007

Driving Shareholder Value

E^2 Efficiency and Productivity Program: *Achievements*

E^2 2007 Estimated Gross Cost Savings [1] Exceed Initial Estimates; On Track to Achieve the 2007 Estimate



2007 Gross Cost Savings Are Now Estimated to be $181M

Exceeds Original Estimate by $46M

- Total realized expense reductions achieved through the end of 2Q[1]
- Additional estimated gross cost savings for 2007

1 Does not include initial costs associated with implementation, including severance.

E^2 Efficiency and Productivity Program: *Achievements*

E^2 Program Impacting Earnings: Core Expense Growth <1% YTD 2007 Over YTD 2006

($ in millions)	Six Months Ended June 30, 2007	Six Months Ended June 30, 2006	% Change
Noninterest Expense	$2,487.2	$2,440.6	1.9%
E^2 Initial Implementation Costs	(26.2)	(6.9)	
E^2 Program Real Estate Gains	17.4	-	
Elimination of FAS 91 Deferral Related to FV Adoption	(12.4)	-	
Reversal of LILO QTE Reserve	-	10.9	
Core Expenses	**$2,466.0**	**$2,444.6**	**0.9%**

Driving Shareholder Value

E^2 Efficiency and Productivity Program: *Current Initiatives*

Organizational Review

Approximately 2,400 primarily non-customer contact employee positions, or 7% of the workforce, will be eliminated by year-end 2008

- Moved from 4 Groups/20 Regions to 3 Groups/17 Regions
- Introduced a more efficient approach to layers of management and spans of control within the Geographies
- Consolidating several back office operations that have historically been performed at the Region or Group level to gain consistency and economies of scale
- Will incur a pre-tax one-time charge of $45 million associated with the eliminations in 3Q 2007

Corporate Real Estate

New corporate-owned real estate strategy involving the sale and leaseback of key facilities

- Involves approximately 475 facilities throughout the Southeast and Mid-Atlantic - 49 office buildings and 425 retail branches:
  - Final bids due by late September, anticipate closings to occur by year-end
  - Could result in gains later this year which may provide restructuring opportunities

Process Reengineering

Implemented New Credit Support Structure

- Credit Resource Centers have been formed
- Streamlining the credit process will improve client experience, eliminate administrative tasks from Relationship Managers, and reduce headcount and expenses through the achievement of economies of scale

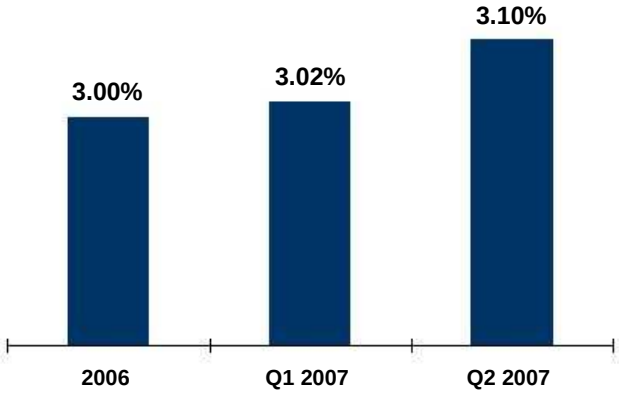
Balance Sheet Management: *Achievements*

- The Company continues to execute on opportunities to reposition its balance sheet to delever the Company, enhance earnings and achieve greater capital efficiency
  - Nearly $30 billion of loans and investments have been sold over the past year with goal of enhancing yield and/or reducing capital necessary to support assets
  - Proceeds used to buy higher yielding assets or to pay-down wholesale funding
- Efforts were accelerated in the 1st and 2nd quarters of 2007
  - Sold $16.0 billion in investment securities
  - $5.0 billion reinvested in longer-term mortgage backed securities for duration management
  - Improved credit profile of securities portfolio – 97% rated AAA
  - $7.0 billion reinvested in US T-bills for collateral needs (pledging to repos and public deposits) – eliminated credit-related risk and achieved better duration match given short duration of these specific deposit products
  - Sold $4.1 billion in mortgage loans
  - Sold $1.9 billion in corporate loans through structured asset transaction

Balance Sheet Management: *Achievements*

- **Balance sheet optimization strategies have resulted in a stronger, more profitable earning asset mix, thereby improving the margin**
  - In 2Q 2007, SunTrust NIM was 3.10%, up 10bps from 2Q 2006 and 8bps from 1Q 2007
  - NIM up 16bps in the past two quarters
- **Drove Net Interest Income growth of $32M in 2Q over 1Q 2007**
- **These initiatives have also resulted in additional capital flexibility – enabling SunTrust to repurchase over $850M in shares through repurchase programs**
- **Delevered the balance sheet in a flat to inverted yield curve environment**

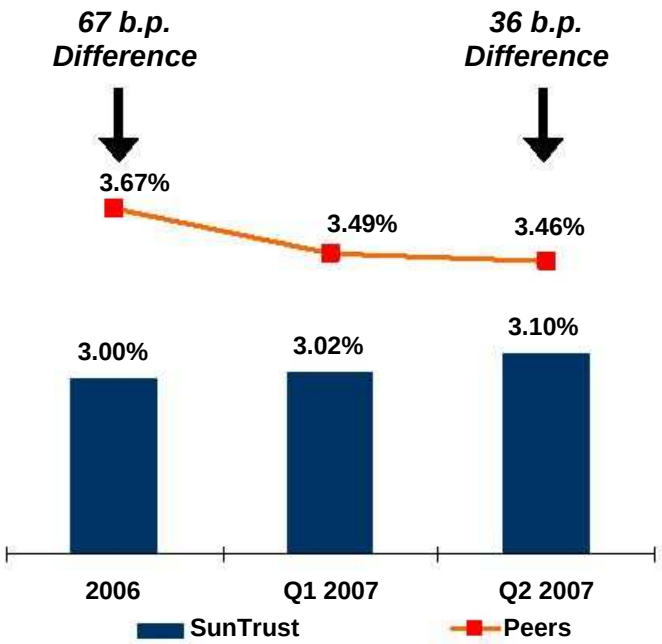
Net Interest Margin Improvement



Balance Sheet Management: *Current Initiatives*

- **While NIM has benefited from recent restructuring activities, it remains at low end of peer range**
  - We believe that our conservative loan mix and loan yields are primary drivers of margin level vs peers
- **Management has committed to a comprehensive review of the balance sheet and lines of business**
  - Reviewing risk-adjusted returns and valuation of all asset classes/business lines with focus on lower yielding loan portfolios
  - Areas not meeting requirements (i.e., RAROC) will be evaluated for de-emphasis or divestiture
  - As a percentage of loans, large corporate, indirect auto and student lending assets have all declined significantly in recent years
- **Implement initiatives to drive higher-yield loan growth**
  - Focus on building out business banking—higher spread and greater profitability
  - Increasingly moving to originate and sell model where appropriate, including mortgage and student lending

Net Interest Margin



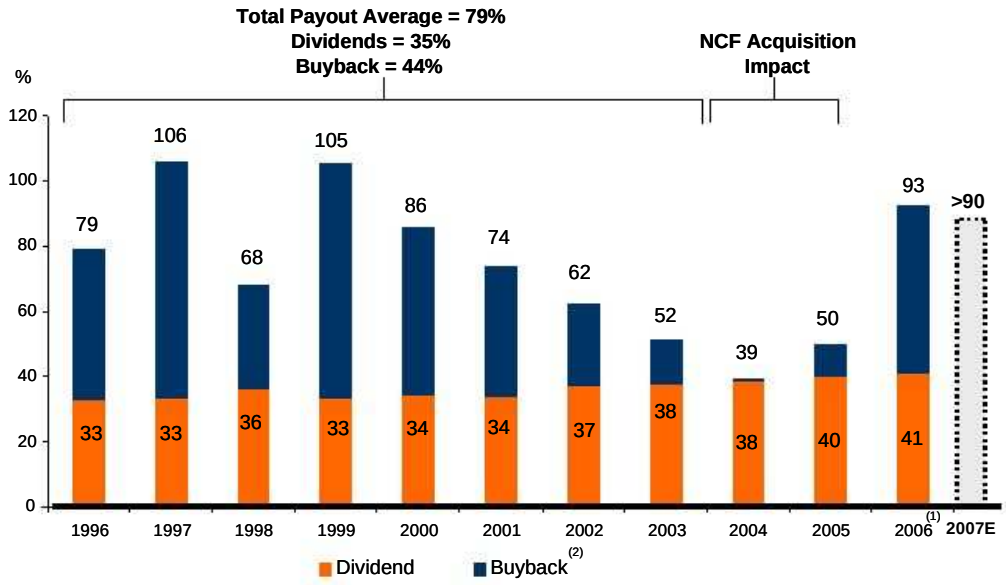
Peers: BAC, BBT, CMA, FITB, FHN, KEY, MTB NCC, PNC, RF, USB, WB and WFC. Peer numbers are medians.

Capital Optimization: *Achievements*

- **In 3Q 2006, SunTrust initiated a comprehensive evaluation of its capital structure resulting in the following actions to date:**
  - Established a 7.5% Tier 1 target
  - Retired $1B of legacy TruPs
  - Issued $1B of enhanced equity content TruPs
  - Issued $500M of Preferred Stock and $500M of Preferred Purchase Securities
  - Sold 4.5M shares or 9% of its Coca-Cola holdings producing an after-tax gain of $145.6M, or $0.41 per share
  - Repurchased approximately $1.7B of common stock
- **In connection with the partial sale in May 2007, SunTrust announced its intention to formally evaluate its remaining Coca-Cola holdings in connection with its capital optimization strategy**

Capital Optimization: *Achievements*

- Increased dividend 20% in February 2007
- Approximately $850M in shares have been repurchased to date in 2007
- Expect to return over 90% of net income to shareholders in 2007 through share repurchases and dividends



(1) Includes the Accelerated Share Repurchase program announced in October 2006.
(2) Buyback amounts shown in chart are before any reduction from other capital stock issuances.

Capital Optimization: *Current Initiatives*

- **Developing plans to lower cost of capital by further optimizing and diversifying capital base**
  - **Evaluating hybrid capital structures and the replacement of legacy TRuPs with higher equity content TRuPs**
- **Currently evaluating alternatives for the remaining 43.7M shares of Coca-Cola stock and will communicate results of evaluation and next steps by year-end**
- **Committed to maintaining a minimum Tier 1 Capital ratio of 7.5%**

Driving Shareholder Value

Tangible Results To Be Realized

Initiative	Impact
Additional benefit from accelerating and expanding E2 initiatives	
- 2007	$46M
- 2008	$137M
- 2009	$205M
Total Share Repurchases	
- Additional share repurchases resulting from balance sheet management initiatives	~ $700M
- Sale of a portion of Coca-Cola holdings used to repurchase shares	~ $146M
	~ $850M
Execution of additional balance sheet management opportunities and full evaluation of Coca-Cola holdings in the context of capital optimization	TBD

Strength of SunTrust in Today's Operating Environment - Credit

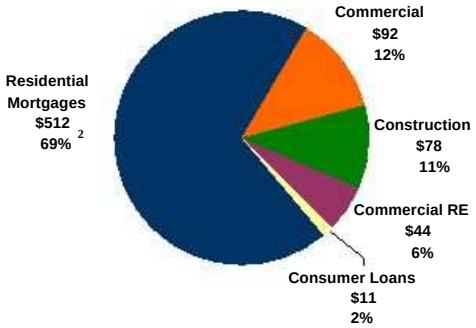
Loan Portfolio: $118,788[1]

(As of 6/30/2007, in millions)

- SunTrust does not originate sub-prime loans
- SunTrust has originated Alt-A loans, but only retained a small amount in the loan portfolio (1.5% of total loans)
- High LTV (>90%) home equity lines represent only 2% of the portfolio

Nonaccrual Loans: $737

(As of 6/30/2007, in millions)



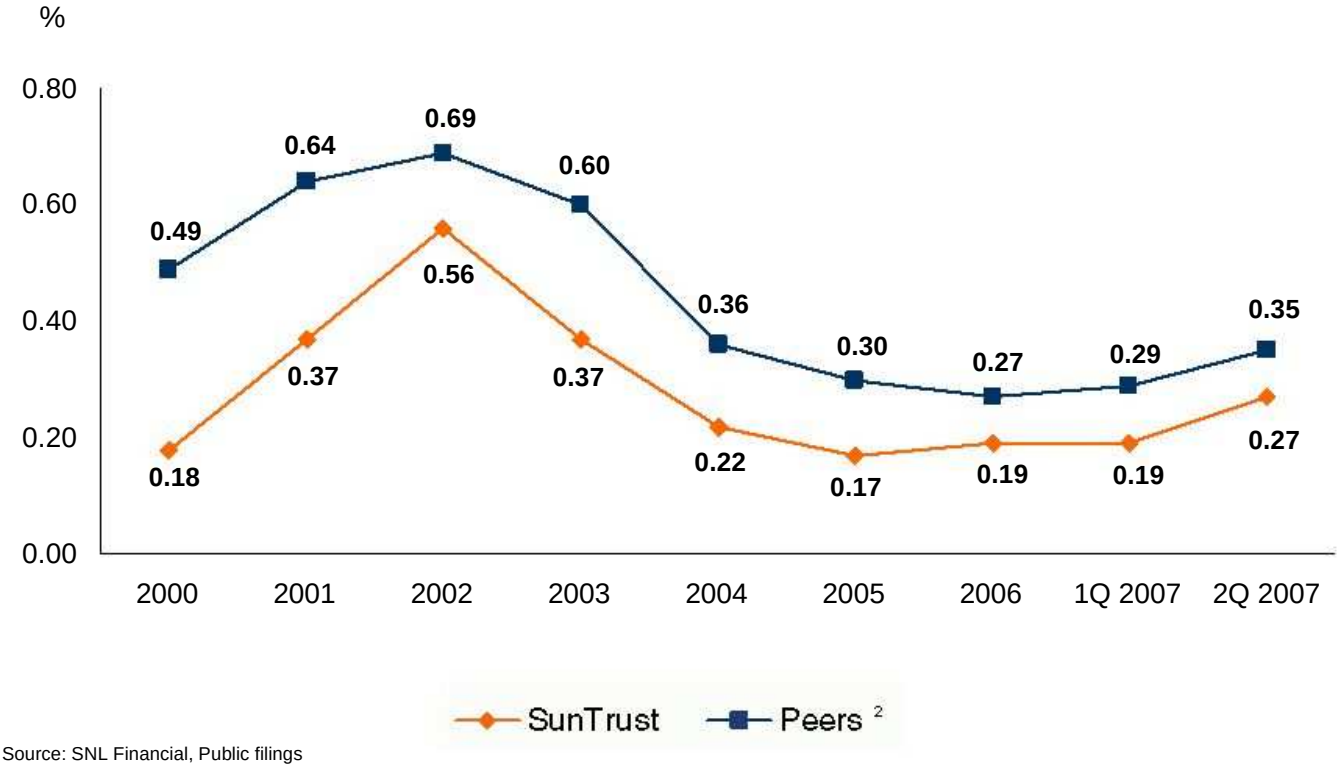
- 69% of NPA's in highly-collateralized consumer mortgages and home equity lines
- Utilized insurance to a large degree on high LTV component
- NPL's from mortgage warehouse, mainly Alt-A, included in residential NPL's

1 Loan Portfolio also includes credit cards which totaled $397
2 Includes home equity lines

Strength of SunTrust in Today's Operating Environment - Credit

Annualized Net Charge-Offs/Average Loans Consistently Better Than Peers

Annualized Net Charge-Offs/Average Loans[1]



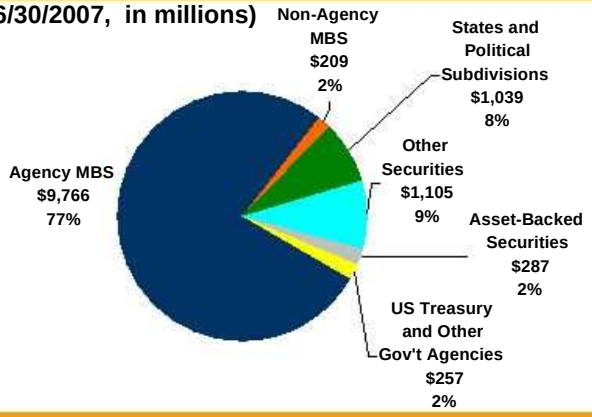
Source: SNL Financial, Public filings

1 The numbers from SNL Financial include Loans Held for Sale. SunTrust calculates Annualized NCO/Average Loans excluding Loans Held for Sale, that ratio was 0.30 for 2Q 2007.
2 BAC, BBT, CMA, FITB, FHN, KEY, MTB NCC, PNC, RF, USB, WB and WFC. Peer numbers are medians.

Strength of SunTrust in Today's Operating Environment - Liquidity

Investment Portfolio: $12,690[1]

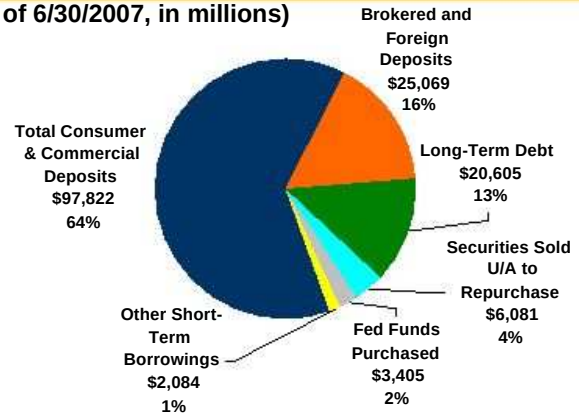
(As of 6/30/2007, in millions)



- Investment Portfolio size reduced by 45% from 12/31/06
- Approximately 97% of securities are rated AAA
- Yield, ex-Coca-Cola dividend, ~5.7%, consistent with a high grade investment portfolio

Funding Structure

(As of 6/30/2007, in millions)



- Diversified funding base
- Strong customer and commercial deposit base; 64% of total funding base
- Increased liquidity by de-levering balance sheet
- Significant contingent funding sources are available:
  - $14.0B at Discount Window
  - $10.0B at FHLB
  - $12.5B remaining on global bank note shelf [2]
  - $2.4B remaining on parent company shelf [2]
  - $5.4B in free securities

1 Investment Portfolio also includes corporate bonds which totaled $27M and the common stock of The Coca-Cola Company which totaled $0.1M
2 Represents Board authorized borrowing; does not represent commitment to fund by any investor or lender; figures as of 9/11/2007

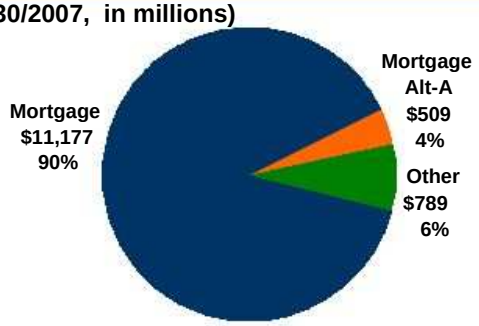
Selected Areas With Potential Mark-to-Market Risk

SunTrust's Loans Held for Sale and Trading Asset Structure

- There are mark-to-market exposures in certain areas of the loan warehouse, trading assets, and debt
- Current indications are that the negative marks from the loan warehouse and trading assets, offset by the positive mark on the debt portfolio, would have an estimated ($0.20) impact on 3Q 2007 EPS; the actual impact will not be known until the third quarter is completed

Loans Held for Sale: $12,475

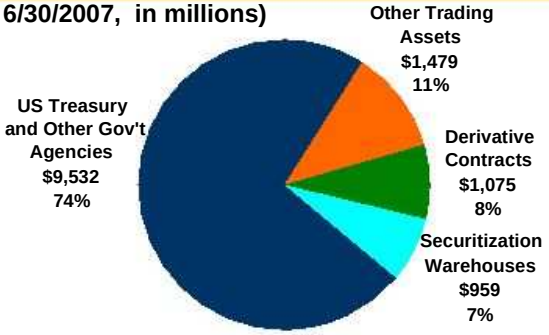
(As of 6/30/2007, in millions)



- Currently, 94% of mortgage production intended for sale in secondary market is agency conforming
- Small Alt-A warehouse of $509M and no sub-prime loans in the warehouse
- Other includes government-backed student loans
- Mark-to-market risk lies in Alt A and nonconforming loan warehouses

Trading Assets: $13,045

(As of 6/30/2007, in millions)



- Nearly 75% of trading assets are in US Government and Agency Securities
- Trading assets have relatively short duration
- Mark-to-market risk lies in the securitization warehouse, which is composed of SBA, CDO, CLO and RMBS securitizations in process

Long-Term Growth Opportunities

Growth Opportunities

Selected 2007 Growth Drivers

Business Banking

- Highest average loan spread across all LOB's and 2nd highest deposit spread
- New segmentation model allows for more efficient relationship management and increased number of resources focused on client acquisition
- Q3 launch of enhanced Online Cash Manager provides positive pay functionality to help business owners combat fraud

Consumer Lending

- Focusing on maintaining and improving spreads through use of relationship pricing
- Streamlining back office processes to decrease time required to decision and close loans and to drive out costs

DCM

- Opened Charlotte and Chicago offices
- Improved talent and capacity with 100 new hires
- Cross-sales of capital markets products up 10% from 2006

High-Growth Wealth and Investment Management Segments

- Will introduce new investment platform in 2008, offering our enhanced asset allocation framework and a broader selection of investment managers in one convenient account
- 85% of STI Classic Equity and Fixed Income funds are in Lipper top 2 quartiles for year-to-date performance
- Retail investment income up 20% over 2006

Long-Term Goals

SunTrust Long-Term Financial Goals

Primary Performance Metrics	5 Year Goal[1]
EPS Growth[2]	**9-11%**
Operating Leverage: Revenue/Expense Multiple[2]	**1.5x**
Revenue Growth[2]	**>7%**
Tier 1 Capital	**7.5%**

How We Get There

- Executing LOB strategies in the geographic units to acquire, retain and expand client relationships, leveraging our operating model differentiation
- Executing E^2 program and continuing to focus on internal productivity improvements to reduce costs and create investments for future growth
- Balancing our business mix, optimizing risk-adjusted returns and aligning investments with the greatest opportunities

[1] Actual results could differ. Please see slide 1 for a list of important factors that could cause actual results to differ.
[2] Based on full-year, annual growth rates.

Conclusion

Conclusion

An Attractive Investment Opportunity

- A unique operating model coupled with an ideal high-growth footprint provides a strong platform for growth
- Diversified and balanced business mix with strong distribution capabilities
- Operates from a position of strength and stability in difficult operating environments through a disciplined approach to credit and liquidity risk management, as well as possessing a strong customer deposit and capital base
- Expanded and accelerated E^2 Efficiency and Productivity initiatives
- Focused on optimizing capital structure through continuation of balance sheet management and capital restructuring opportunities, as well as a strategic review of Coca-Cola stock holdings
- Commitment to returning a high-level of earnings to shareholders, including a 20% dividend increase (2/13/2007) and share repurchases of $850M year-to-date in 2007

Driving Shareholder Value

James M. Wells III
President and Chief Executive Officer
Mark A. Chancy
Corporate Executive Vice President and Chief Financial Officer

Lehman 2007 Financial Services Conference
September 11, 2007

Appendix

2Q 2007 Financial Performance
Income Statement

($ in millions, except per share data)

	2Q 2007	% Change Annualized 1Q 2007	% Change 2Q 2006	Six Months Ended June 30, 2007	% Change Six Months Ended June 30, 2006
Net Interest Income (FTE)	$1,220.0	11%	3%	$2,408.2	1%
Provision for Loan Losses	104.7	342%	102%	161.1	89%
Noninterest Income	1,154.6	126%	32%	2,033.5	18%
Gain on Sale of Shares of Coke	234.8	-	-	234.8	-
Noninterest Income Excluding Coke Gain	919.8	19%	5%	1,798.7	4%
Total Revenue (FTE)	2,374.6	60%	15%	4,441.7	8%
Gain on Sale of Shares of Coke	234.8	-	-	234.8	-
Total Revenue (FTE) Excluding Coke Gain	2,139.8	14%	4%	4,206.9	2%
Total Noninterest Expense	1,251.2	5%	3%	2,487.2	2%
Provision for Income Taxes [1]	312.6	144%	33%	542.3	15%
Net Income Available to Common Shareholders	673.9	124%	24%	1,187.8	10%
Gain on Sale of Shares of Coke, Net of Tax	145.6	-	-	145.6	-
Net Income Available to Common Shareholders Excluding Coke Gain	528.3	11%	(3)%	1,042.3	(3)%
Diluted Net Income Per Average Common Share	1.89	125%	27%	3.33	13%
Impact of Excluding Gain on Sale of Shares of Coke	(0.41)	-	-	(0.41)	-
Diluted Net Income Per Average Common Share Excluding Coke Gain [2]	1.48	11%	(1)%	2.92	(1)%

1 Effective tax rate in 2Q 2007 was 31.45% versus 30.59% in 1Q 2007 and 30.10% in 2Q 2006 primarily due to taxes paid on Coke gain.

2 Accelerated share repurchases of 8 million shares entered into in late May is partially reflected in 2Q 2007.

Balance Sheet

(Average balances, $ in millions)	2Q 2007	2Q 2006	% Change
Real Estate 1-4 Family	$ 30,754.4	$ 34,348.0	(10)%
Real Estate Construction	13,710.1	12,180.6	13%
Real Estate Home Equity Lines	13,849.7	13,517.5	2%
Real Estate Commercial	12,731.8	12,840.8	(1)%
Commercial	33,607.7	33,993.0	(1)%
Consumer – Direct	4,347.5	4,251.1	2%
Consumer – Indirect	8,063.6	8,385.8	(4)%
Total Loans	118,164.6	120,144.5	(2)%
Total Securities Available for Sale	12,055.5	25,554.8	(53)%
Total Earning Assets	$ 157,594.2	$ 158,888.8	(1)%
Noninterest-Bearing Deposits	$ 22,395.8	$ 23,858.0	(6)%
NOW Accounts	20,065.8	16,811.2	19%
Money Market Accounts	21,773.3	25,091.3	(13)%
Savings	4,786.7	5,161.0	(7)%
Consumer Time	16,942.3	15,471.7	10%
Other Time	11,962.4	10,779.1	11%
Total Consumer and Commercial Deposits	$ 97,926.3	$ 97,172.3	1%

Financial Ratios and Other Data

	2Q 2007	1Q 2007
Return on Average Total Assets	1.52%	1.16%
Impact of Gain on Sale of Shares of Coke	(0.33)%	-
Return on Average Total Assets Excluding Coke Gain	1.19%	1.16%
Return on Average Common Shareholders' Equity	15.51%	12.10%
Impact of Gain on Sale of Shares of Coke	(3.35)%	-
Return on Average Common Shareholders' Equity Excluding Coke Gain	12.16%	12.10%
Net Interest Margin	3.10%	3.02%
Efficiency Ratio	52.69%	59.79%
Impact of Gain on Sale of Shares of Coke	5.78%	-
Efficiency Ratio Excluding Coke Gain	58.47%	59.79%
Tier 1 Capital Ratio	7.49%	7.60%
Annualized Total Net Charge-Offs to Total Average Loans	0.30%	0.21%
Diluted Average Common Shares Outstanding (000s)	356,008[1]	357,214

1 Accelerated share repurchases of 8 million shares entered into in late May is partially reflected in 2Q 2007.