

SunTrust Preferred Capital I
Form 424B3
October 18, 2006
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The information in this preliminary prospectus supplement is not complete and may be changed. Neither this preliminary prospectus supplement nor the accompanying prospectus is an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated October 18, 2006.

Prospectus Supplement to Prospectus dated October 18, 2006.

**FILED PURSUANT TO
RULE 424 (B) (3)
REGISTRATION NO: 333-137101
333-137101-09**

SunTrust Preferred Capital I

% Fixed-to-Floating Rate Normal PPS

(liquidation amount \$1,000 per security)

fully and unconditionally guaranteed, as described herein, by

SunTrust Banks, Inc.

The % Fixed-to-Floating Rate Normal Preferred Purchase Securities, or *Normal PPS*, are beneficial interests in SunTrust Preferred Capital I, a Delaware statutory trust. The trust will pass through, as distributions on or the redemption price of Normal PPS, amounts that it receives on its assets that are the corresponding assets for the Normal PPS, and your financial entitlements as a holder of Normal PPS generally will correspond to the trust's financial entitlements as a holder of the corresponding assets. The corresponding assets for each Normal PPS, with its \$1,000 liquidation amount, initially will be \$1,000 principal amount of our Remarketable Junior Subordinated Notes due 2042, or *Junior Subordinated Notes*, and a 1/100th, or \$1,000, interest in a stock purchase contract between the trust and SunTrust Banks, Inc. under which the trust agrees to purchase, and we agree to sell, on the stock purchase date, one share of our Perpetual Preferred Stock, Series B, \$100,000 liquidation preference per share, or *Preferred Stock*, for \$100,000 and we agree to make contract payments to the trust. The trust will pledge the Junior Subordinated Notes and their proceeds to secure its obligation to pay the purchase price under the related stock purchase contracts. We expect the stock purchase date to be December 15, 2011 but in certain circumstances it may occur on an earlier date or as late as December 15, 2012. From and after the stock purchase date, the corresponding asset for each Normal PPS will be a 1/100th, or \$1,000, interest in one share of Preferred Stock.

Assuming that we do not elect to defer contract payments or interest payments on the Junior Subordinated Notes or to skip dividends on the Preferred Stock, holders of Normal PPS will receive distributions on the \$1,000 liquidation amount per Normal PPS:

from October 1, 2006 through the later of December 15, 2011 and the stock purchase date, at a rate *per annum* of %, payable semi-annually on each June 15 and December 15 (and on the stock purchase date, if not a June 15 or December 15), commencing June 15, 2007, and

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thereafter at a rate *per annum* equal to the greater of (x) three-month LIBOR for the related distribution period plus % and (y) %, payable quarterly on each March 15, June 15, September 15 and December 15 (or if any such date is not a business day, on the next business day).

Distributions will be cumulative through the later of the stock purchase date and the effective date of an amendment to SunTrust's articles of incorporation permitting preferred stock dividends to be cumulative, non-cumulative or partially cumulative, and non-cumulative thereafter.

The Normal PPS are perpetual and the trust will redeem them only to the extent we redeem the Preferred Stock. Although the Preferred Stock by its terms is redeemable by us at our option on any date on or after the later of December 15, 2011 and the stock purchase date, any redemption is subject to prior approval of the Federal Reserve as well as to our commitments in the Replacement Capital Covenant described in this prospectus supplement. Unless the Federal Reserve agrees otherwise in writing, we will redeem the Preferred Stock only if it is replaced with other Tier 1 capital that is not a restricted core capital element. See the discussion on pages S-108 to S-109 of this prospectus supplement.

Investors may exchange Normal PPS and U.S. treasury securities having a \$1,000 principal amount per Normal PPS for like amounts of Stripped PPS and Capital PPS, which are also beneficial interests in the trust. Each Stripped PPS corresponds to a 1/100th interest in a stock purchase contract and \$1,000 principal amount of U.S. treasury securities, and each Capital PPS corresponds to \$1,000 principal amount of Junior Subordinated Notes.

The Normal PPS and the Junior Subordinated Notes are not deposits or other obligations of a bank. They are not insured by the FDIC or any other government agency. Application will be made to list the Normal PPS on the New York Stock Exchange under the symbol . Trading of the Normal PPS on the New York Stock Exchange is expected to commence within a 30-day period after the initial delivery of the Normal PPS.

See [Risk Factors](#) beginning on page S-34 of this prospectus supplement to read about factors you should consider before buying PPS.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed on the accuracy or adequacy of this prospectus supplement. Any representation to the contrary is a criminal offense.

	Discounts and		
	Per Normal PPS	Commissions	Total (1)(2)
Initial public offering price	\$ 1,000	(2)	\$
Proceeds, before expenses and commissions, to SunTrust Banks, Inc.	\$ 1,000	(2)	\$

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- (1) The initial public offering price does not include accrued distributions, if any, on the Normal PPS from October , 2006 to the date of delivery.
(2) In view of the fact that the proceeds of the sale of the Normal PPS will be invested in the Junior Subordinated Notes, we have agreed to pay the underwriters, as compensation for arranging the investment therein of such proceeds, \$ per Normal PPS (or \$ in the aggregate). See Underwriting.

The underwriters expect to deliver the Normal PPS in book-entry form only through the facilities of The Depository Trust Company against payment in New York, New York on October , 2006.

Joint Book-Runners and Joint Structuring Coordinators

Goldman, Sachs & Co.

SunTrust Robinson Humphrey

Joint Book-Runner
Lehman Brothers

Banc of America Securities LLC
JPMorgan

Citigroup

Credit Suisse Securities
Morgan Stanley

Prospectus Supplement dated October , 2006.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of this offering. The second part is the prospectus, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described below under the heading *Where You Can Find More Information*.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement to *SunTrust*, *we*, *us*, *our* or similar references mean SunTrust Banks, Inc. and its subsidiaries, and references to the *Trust* mean SunTrust Preferred Capital I.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement. This prospectus supplement may be used only for the purpose for which it has been prepared. No one is authorized to give information other than that contained in this prospectus supplement and in the documents referred to in this prospectus supplement and which are made available to the public. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it.

We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this prospectus supplement or any document incorporated by reference is accurate as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase, any of the securities and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

An index of terms used in this prospectus supplement with specific meanings appears on page S-133 of this prospectus supplement.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or *SEC*. You may read and copy any document that we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. In addition, our SEC filings are available to the public from the SEC's web site at <http://www.sec.gov>. Our SEC filings are also available at the offices of the New York Stock Exchange. For further information on obtaining copies of our public filings at the New York Stock Exchange, you should call 212-656-5060.

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement, and later information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the following documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the *Exchange Act*, until we or any of the underwriters sell all of the securities:

Annual Report on Form 10-K for the year ended December 31, 2005;

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006 and June 30, 2006; and

Current Reports on Form 8-K filed on January 6, 2006, January 12, 2006, February 17, 2006, February 21, 2006, July 25, 2006, August 28, 2006, September 5, 2006, September 12, 2006, September 29, 2006 and October 18, 2006.

You may request a copy of these filings, at no cost, by writing or telephoning us at the following address:

SunTrust Banks, Inc.
303 Peachtree Street, NE
Atlanta, GA 30308
Telephone: 404-588-7711
Attn: Corporate Secretary

We have also filed a registration statement (No. 333-137101) with the SEC relating to the securities offered by this prospectus supplement and the accompanying prospectus. This prospectus supplement is part of the registration statement. You may obtain from the SEC a copy of the registration statement and exhibits that we filed with the SEC when we registered the PPS. The registration statement may contain additional information that may be important to you.

The Trust has no separate financial statements. The statements would not be material to holders of the securities because the Trust has no independent operations.

Unless otherwise indicated, currency amounts in this prospectus supplement are stated in U.S. dollars.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information included or incorporated by reference in this prospectus supplement may contain forward-looking statements, including statements about credit quality and the future prospects of SunTrust. 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*, *potentially*, *probably*, *projects*, *outlook* or 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, as amended, or *Securities Act*, and Section 21E of the Exchange Act. Such statements speak as of the date hereof, and SunTrust does not assume any obligation to update the statements included or incorporated by reference 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 our 2005 Annual Report on Form 10-K, in our Quarterly Reports on Form 10-Q and in our Current Reports filed on Form 8-K with the SEC and available at the SEC'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;

changes in market interest rates or capital markets could adversely affect our revenues and expenses, the value 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 commercial or residential 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;

we rely on other companies for key components of our business infrastructure;

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;

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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;

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; and

our disclosure controls and procedures may fail to prevent or detect all errors or acts of fraud.

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SUMMARY INFORMATION

This summary highlights information contained elsewhere, or incorporated by reference, in this prospectus supplement. As a result, it does not contain all of the information that may be important to you or that you should consider before investing in the PPS or any of their component securities. You should read this entire prospectus supplement and accompanying prospectus, including the Risk Factors section and the documents incorporated by reference, which are described under Where You Can Find More Information.

SunTrust Banks, Inc.

SunTrust Banks, Inc., with year-end 2005 assets of \$179.7 billion, is one of the nation's largest financial services holding companies.

Through our flagship subsidiary, SunTrust Bank, we provide deposit, credit and trust and investment services. Additional subsidiaries provide mortgage banking, insurance, asset management, equipment leasing, brokerage and capital market services. SunTrust's client base encompasses a broad range of individuals and families, high-net-worth clients, businesses and institutions.

SunTrust enjoys strong market positions in some of the highest growth markets in the United States and also serves clients in selected markets nationally. Our priorities include consistency in financial performance, quality in customer service and a strong commitment to all segments of the communities we serve.

As of September 30, 2006, SunTrust had 1,699 retail and specialized service branches and 2,568 ATMs, which are located primarily in Florida, Georgia, Maryland, North Carolina, South Carolina, Tennessee, Virginia and the District of Columbia. In addition, SunTrust provides clients with a selection of technology-based banking channels including Internet, PC and Telephone Banking. Our internet address is www.suntrust.com.

As of September 30, 2006, SunTrust had total assets under advisement of \$238.5 billion. This includes \$201.8 billion in assets under management and non-managed trust assets as well as \$36.7 billion in retail brokerage assets. SunTrust's mortgage servicing portfolio grew to \$124.8 billion at period end.

Our common stock is traded on the New York Stock Exchange under the ticker symbol STI. Our principal executive offices are located at SunTrust Banks, Inc., 303 Peachtree Street, NE, Atlanta, Georgia 30308. Our telephone number is 404-588-7711.

SunTrust Preferred Capital I

SunTrust Preferred Capital I, or the *Trust*, is a statutory trust organized under Delaware law by the trustees and us. The Trust was established solely for the following purposes:

issuing the PPS and the Trust Common Securities;

investing the gross proceeds of the PPS and the Trust Common Securities in Junior Subordinated Notes;

entering into the Stock Purchase Contract Agreement and holding the Stock Purchase Contracts;

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holding Junior Subordinated Notes, certain U.S. treasury securities and an interest-bearing deposit with SunTrust Bank, and pledging them to secure the Trust's obligations under the Stock Purchase Contracts;

purchasing the Preferred Stock pursuant to the Stock Purchase Contracts on the Stock Purchase Date and holding it thereafter;

selling Junior Subordinated Notes in a Remarketing or an Early Remarketing; and

engaging in other activities that are directly related to the activities described above.

The Trust's business and affairs will be conducted by its trustees, each appointed by us as sponsor of the Trust. The trustees will be U.S. Bank National Association as the *Property Trustee*, U.S. Bank Trust National Association, as the *Delaware Trustee*, and three or more individual trustees, or *administrative trustees*, who are employees or officers of or affiliated with us.

The principal executive office of the Trust is c/o SunTrust Banks, Inc., 303 Peachtree Street, NE, Atlanta, Georgia 30308, and the Trust's telephone number is 404-588-7711.

The Offering

This summary includes questions and answers that highlight selected information from this prospectus supplement to help you understand the PPS, the Junior Subordinated Notes and the Preferred Stock.

What are the PPS?

The PPS and the common securities issued concurrently by the Trust to us, or *Trust Common Securities*, represent beneficial interests in the Trust. The Trust's assets consist solely of:

Remarketable Junior Subordinated Notes due 2042, or *Junior Subordinated Notes*, issued by us to the Trust;

contracts, or *Stock Purchase Contracts*, for the Trust to purchase shares of our Perpetual Preferred Stock, Series B, \$100,000 liquidation preference per share, or *Preferred Stock*, from us on a date, or *Stock Purchase Date*, that we expect to be December 15, 2011 but may in certain circumstances be an earlier date or be deferred for quarterly periods until as late as December 15, 2012;

to the extent holders exchange Normal PPS and U.S. treasury securities for Stripped PPS and Capital PPS, as described under *What are Stripped PPS and Capital PPS, and how can I exchange Normal PPS for Stripped PPS and Capital PPS?*, certain U.S. treasury securities;

after a successful Remarketing of the Junior Subordinated Notes, an interest-bearing deposit with SunTrust Bank; and

after the Stock Purchase Date, shares of Preferred Stock.

Each holder of PPS will have a beneficial interest in the Trust but will not own any specific Junior Subordinated Note, Stock Purchase Contract, substituted treasury security, deposit or share of Preferred Stock. However, the Declaration of Trust under

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which the Trust operates defines the financial entitlements of each class of beneficial interests in the Trust in a manner that causes those financial

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entitlements to correspond to the financial entitlements of the Trust in the assets of the Trust that are the corresponding assets for such class.

The Trust will issue the PPS in three classes that will correspond to different assets of the Trust. Each PPS will have a liquidation amount of \$1,000. At completion of the offering, the only beneficial interests in the Trust that will be outstanding are the Normal PPS offered by this prospectus supplement and the Trust Common Securities. The two other classes of beneficial interests that the Trust may issue, *Stripped PPS* and *Capital PPS*, may be issued only in connection with an exchange for Normal PPS as described under *What are Stripped PPS and Capital PPS, and how can I exchange Normal PPS for Stripped PPS and Capital PPS?*

The PPS sold in the offering are called the _____ % Fixed-to-Floating Rate Normal Preferred Purchase Securities, or *Normal PPS*, and each represents a beneficial interest in the Trust initially corresponding to the following Trust assets:

a 1/100th interest in a Stock Purchase Contract under which the Trust agrees to purchase, and we agree to sell, for \$100,000, a share of Preferred Stock on the Stock Purchase Date, and

a Junior Subordinated Note with a principal amount of \$1,000, which the Trust will pledge to us to secure its obligations under the Stock Purchase Contract.

After the Stock Purchase Date, each Normal PPS will correspond to 1/100th of a share of Preferred Stock held by the Trust.

The following diagram shows the transactions that will happen on the day that the Trust issues the Normal PPS in the offering:

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- 1) Investors purchase Normal PPS, each with a \$1,000 liquidation amount, from the Trust, which corresponds to \$1,000 principal amount of Junior Subordinated Notes and a 1/100th interest in a Stock Purchase Contract having a stated amount of \$100,000.
 - 2) The Trust purchases Junior Subordinated Notes from SunTrust and enters into the Stock Purchase Contracts with SunTrust. The Trust pledges the Junior Subordinated Notes to SunTrust to secure its obligation to purchase Preferred Stock on the Stock Purchase Date.

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After the offering, you will have the right to exchange your Normal PPS and certain U.S. treasury securities for Stripped PPS and Capital PPS by substituting pledged treasury securities for the pledged Junior Subordinated Notes. You will be able to exercise this right on any business day until the Stock Purchase Date, other than on a day in March, June, September or December that is on or after the first day of the month through the 15th day of the month (or the next business day if the 15th day is not a business day) or from 3:00 P.M., New York City time, on the second business day before the beginning of any Remarketing Period and until the business day after the end of that Remarketing Period. You will also not be able to exercise this right at any time after a successful Remarketing. We refer to periods during which exchanges are permitted as *Exchange Periods* and we explain how Remarketing works and when it may occur under *What is a Remarketing?* A *business day* means any day other than a Saturday, Sunday or any other day on which banking institutions and trust companies in New York, New York, Atlanta, Georgia or Wilmington, Delaware are permitted or required by any applicable law to close.

Each Stripped PPS will be a beneficial interest in the Trust corresponding to a 1/100th interest in a Stock Purchase Contract and the substituted treasury securities, and each Capital PPS will be a beneficial interest in the Trust corresponding to a Junior Subordinated Note with a principal amount of \$1,000. We describe the exchange process and the Stripped PPS and Capital PPS in more detail under *What are Stripped PPS and Capital PPS, and how can I exchange Normal PPS for Stripped PPS and Capital PPS?*

Unless indicated otherwise, as used in this prospectus supplement *PPS* will include Normal PPS, Stripped PPS and Capital PPS.

What are the Stock Purchase Contracts?

Each Stock Purchase Contract consists of an obligation of the Trust to purchase, and of us to sell, a share of our Preferred Stock on the Stock Purchase Date for \$100,000, as well as our obligation to pay periodic contract payments, or *Contract Payments*, to the Trust as described below. To secure its obligation under each Stock Purchase Contract to purchase a share of Preferred Stock from us on the Stock Purchase Date, the Trust will pledge either Junior Subordinated Notes (which after the Remarketing Settlement Date will be replaced by a deposit with SunTrust Bank, payable on the Stock Purchase Date and bearing interest at *% per annum*) or Qualifying Treasury Securities with an aggregate principal amount equal to the stated amount of \$100,000 of the corresponding Stock Purchase Contract.

We will make Contract Payments on each Regular Distribution Date through the Stock Purchase Date at the annual rate of *%* of the stated amount of \$100,000 per Stock Purchase Contract. We explain what the Regular Distribution Dates are under *What distributions or payments will be made to holders of the Normal PPS, Stripped PPS and Capital PPS?* The Trust will distribute these Contract Payments when received to each holder of Normal PPS and Stripped PPS in an amount equal to 1/100th of each Contract Payment received on a Stock Purchase Contract for each Normal PPS or Stripped PPS. We may defer the Contract Payments. If we defer any of these payments, we will accrue interest on the deferred amounts at the initial rate *per annum* applicable to the Junior Subordinated Notes. We will pay the deferred amounts on the Stock Purchase Date to the Trust in the form of subordinated notes, as described under *When can the Trust defer or skip distributions on the PPS?* The Trust will in turn distribute each payment of interest on, or principal of, these subordinated notes to the holders of Normal PPS and Stripped PPS as received.

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What are the basic terms of the Junior Subordinated Notes?

Maturity and Redemption. The maturity date of the Junior Subordinated Notes is initially December 15, 2042. We may from time to time redeem Junior Subordinated Notes, in whole or in part, at any date on or after December 15, 2015, at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest, including deferred interest (if any), to the date of redemption. In connection with a Remarketing, we may change the date after which we may redeem Junior Subordinated Notes to a later date or change the redemption price; *provided* that no redemption price may be less than the principal plus accrued and unpaid interest (including additional interest) on the Junior Subordinated Notes. In connection with a Remarketing, we may also move up the maturity date of the Junior Subordinated Notes to any time on or after December 15, 2015.

Subordination. Our obligations to pay interest and premium (if any) on, and principal of, the Junior Subordinated Notes are subordinate and junior in right of payment and upon liquidation to all our senior and subordinated indebtedness, whether now outstanding or subsequently incurred, including all of our indebtedness for money borrowed, including junior subordinated debt securities underlying our trust preferred securities currently outstanding, indebtedness evidenced by bonds, debentures, notes or similar instruments, similar obligations arising from off-balance sheet guarantees and direct credit substitutes, obligations associated with derivative products including but not limited to interest rate and foreign exchange contracts and foreign contracts relating to mortgages, commodity contracts, capital lease obligations and guarantees of any of the foregoing, but not including trade accounts payable and accrued liabilities arising in the ordinary course of business, which will rank equally in right of payment and upon liquidation with the Junior Subordinated Notes, and other debt securities and guarantees that by their terms are not superior in right of payment to the Junior Subordinated Notes. Our obligations to pay interest and premium (if any) on, and principal of, the Junior Subordinated Notes will rank *pari passu* with our obligations in respect of our *Pari Passu Securities*. *Pari Passu Securities* means: (i) indebtedness that, among other things, (a) qualifies or is issued to financing vehicles issuing securities that qualify as Tier 1 capital of SunTrust under the capital guidelines of the Federal Reserve and (b) by its terms ranks equally with the Junior Subordinated Notes in right of payment and upon liquidation; and (ii) guarantees of indebtedness described in clause (i) or securities issued by one or more financing vehicles described in clause (i). *Pari Passu Securities* does not include our junior subordinated debentures or guarantees issued in connection with our other currently outstanding traditional trust preferred securities, each of which ranks or will rank senior to the Normal PPS being issued by SunTrust Preferred Capital I, or any junior subordinated debentures or guarantees that may be issued in the future in connection with traditional trust preferred securities. We refer to our obligations to which the Junior Subordinated Notes are subordinate as our *senior and subordinated debt*. All liabilities of our subsidiaries including trade accounts payable and accrued liabilities arising in the ordinary course of business are effectively senior to the Junior Subordinated Notes to the extent of the assets of such subsidiaries. As of September 30, 2006, our indebtedness and obligations, on an unconsolidated basis, totaled approximately \$6.2 billion and our subsidiaries' direct borrowings and deposit liabilities that would effectively rank senior to the Junior Subordinated Notes totaled approximately \$158.3 billion. Because of the subordination, if we become insolvent, holders of senior and subordinated debt may receive more, ratably, and holders of the Junior Subordinated Notes having a claim pursuant to those securities may receive less, ratably, than our other creditors. This type of subordination will not prevent an event of default from occurring under the Indenture in connection with the Junior Subordinated Notes. The Indenture places no limitation on the amount of senior and subordinated debt that we may incur. We expect from time to time to incur additional indebtedness and other obligations constituting senior and subordinated debt. As described under *What is an Early Remarketing?*, after the first Remarketing attempt in an Early Remarketing we may remarket the Junior Subordinated Notes as senior and subordinated debt.

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Interest Payments. We will pay interest on the Junior Subordinated Notes semi-annually on each June 15 and December 15, commencing June 15, 2007, at a rate equal to % *per annum*. We will also pay interest on the Junior Subordinated Notes on the Stock Purchase Date, if not otherwise an interest payment date, if they have not been successfully remarketed prior thereto, as described under What is a Remarketing? We will have the right under the Indenture to defer the payment of interest on the Junior Subordinated Notes at any time or from time to time as described under When can the Trust defer or skip distributions on the PPS? Interest on Junior Subordinated Notes. If any date on which interest is payable on the Junior Subordinated Notes is not a business day, then payment of the interest payable on that date will be made on the next succeeding day that is a business day. However, no interest or other payment shall be paid in respect of the delay.

If on the Stock Purchase Date any interest accrued on the Junior Subordinated Notes has not been paid in cash and there is a Failed Remarketing, we will pay the Trust the deferred interest on the Stock Purchase Date in the form of subordinated notes, as described under When can the Trust defer or skip distributions on the PPS? The Trust will in turn distribute each payment of interest on, or principal of, these subordinated notes to the holders of Normal PPS and Capital PPS as received.

Alternative Payment Mechanism. We will covenant in the Indenture that, if we defer payment of interest on any interest payment date on or prior to the Stock Purchase Date:

we will notify the Federal Reserve if this covenant is applicable; and

commencing with the date two years after the beginning of an interest deferral period:

we will pay deferred interest only out of the net proceeds of the sale of (i) shares of our common stock or (ii) non-cumulative perpetual preferred stock subject to a replacement capital covenant similar to the Replacement Capital Covenant received by us during the 180 days prior to the date of payment of such deferred interest; and

after notice and except to the extent the Federal Reserve shall have disapproved, we will continuously use our Commercially Reasonable Efforts to sell shares of our common stock or non-cumulative perpetual preferred stock in an amount so that the net proceeds of such sale, when applied to such deferred payments of interest, will cause such unpaid deferred interest payments to be paid in full and (unless the Federal Reserve instructs otherwise) apply the proceeds of such sale to pay the deferred amounts (*provided* that we will not in any event be required to pay interest on the Junior Subordinated Notes at a time when the payment of such interest would violate the terms of any securities issued by us or one of our subsidiaries or the terms of a contract binding on us or one of our subsidiaries).

We refer to these provisions as the *Alternative Payment Mechanism*.

Our failure to raise sufficient eligible equity proceeds or our use of other sources to fund interest payments in accordance with our covenant described above would be a breach of our obligations under the Junior Subordinated Notes, but would not be an event of default under the Indenture. However, an event of default under the Indenture will occur if we fail to pay all accrued and unpaid interest on the Junior Subordinated Notes at the end of the deferral period.

Notwithstanding the foregoing, if we are required to conduct a sale of shares of our common stock and/or non-cumulative perpetual preferred stock in order to pay amounts due and payable under any instruments or other securities that rank *pari passu* as to interest or distributions with the Junior Subordinated Notes, then we will apply such proceeds to deferred interest payments on the Junior

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Subordinated Notes, on the one hand, and such other *pari passu* securities, on the other hand, on a ratable basis in proportion to the total amounts that are due on the Junior Subordinated Notes and such other *pari passu* securities before we shall be relieved of our obligation to conduct the sale of shares of our common stock and/or non-cumulative perpetual preferred stock and apply the proceeds thereof to such securities.

Events of Default. If an event of default under the Indenture occurs and continues, the Indenture Trustee or the holders of at least 25% in aggregate principal amount of the outstanding Junior Subordinated Notes may declare the entire principal and all accrued but unpaid interest of all Junior Subordinated Notes to be due and payable immediately. If the Indenture Trustee or the holders of Junior Subordinated Notes do not make such declaration and the Junior Subordinated Notes are beneficially owned by the Trust or a trustee of the Trust, the Property Trustee or the holders of at least 25% in aggregate liquidation amount of the Capital PPS and the Normal PPS (if such default occurs prior to the Stock Purchase Date or if earlier, the Remarketing Settlement Date) shall have such right. An *event of default*, when used in the Indenture, means any of the following:

non-payment of interest for 30 days after deferral for 14 or more consecutive semi-annual interest periods or the equivalent thereof, in the event that interest periods are other than semi-annual;

termination of the Trust without redemption of the PPS, distribution of the Junior Subordinated Notes to holders of the Capital PPS and, if such termination occurs prior to the Stock Purchase Date, or if earlier, the Remarketing Settlement Date, the holders of the Normal PPS, or assumption of SunTrust's obligations under the Junior Subordinated Notes by its successor;

bankruptcy of SunTrust; or

receivership of SunTrust Bank.

Events of default do not include the breach of any other covenant in the Junior Subordinated Notes or the Indenture and, accordingly, the breach of any other covenant would not entitle the Indenture Trustee or holders of the Junior Subordinated Notes to declare the Junior Subordinated Notes due and payable.

Pledge of Junior Subordinated Notes. The Trust will pledge Junior Subordinated Notes with a principal amount equal to the aggregate liquidation amount of the Normal PPS and Trust Common Securities to secure its obligations under the Stock Purchase Contracts. After the creation of Stripped PPS and Capital PPS, the Trust will also hold Junior Subordinated Notes that are not pledged with an aggregate principal amount equal to the liquidation amount of the Capital PPS. The pledged Junior Subordinated Notes and related Stock Purchase Contracts are corresponding assets for Normal PPS and Trust Common Securities, and the Junior Subordinated Notes that are not pledged are corresponding assets for the Capital PPS. The Bank of New York Trust Company, N.A. will hold the pledged Junior Subordinated Notes and Qualifying Treasury Securities as collateral agent, or *Collateral Agent*, for us and the other Junior Subordinated Notes as custodial agent, or *Custodial Agent*, for the Trust.

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What are the basic terms of the Preferred Stock?

The holder of the Preferred Stock after the Stock Purchase Date will be the Trust unless the Trust is dissolved. The Trust, as the sole holder of the Preferred Stock so long as the Normal PPS are outstanding, will make distributions on the Normal PPS out of the dividends received on the Preferred Stock.

Dividend Rate. Dividends on shares of Preferred Stock will be calculated (a) if the Preferred Stock is issued prior to December 15, 2011, at a rate *per annum* equal to % until December 15, 2011, and (b) thereafter, at a rate *per annum* that will be reset quarterly and will equal the greater of (i) three-month LIBOR for the related Dividend Period plus % and (ii) %. Dividends will be calculated prior to December 15, 2011 based on a 360-day year consisting of 12 30-day months and thereafter based on the actual number of days in the Dividend Period using a 360-day year.

Dividend Payment Dates. The Dividend Payment Dates for the Preferred Stock, or *Dividend Payment Dates*, are (a) if the Preferred Stock is issued prior to December 15, 2011, the 15th day of June and December of each year until December 15, 2011, and (b) thereafter, the 15th day of March, June, September and December of each year, commencing on the first such date following the Stock Purchase Date. If any day on or after December 15, 2011 that would otherwise be a Dividend Payment Date is not a business day, then the first business day following that day will be the applicable Dividend Payment Date. If a Dividend Payment Date prior to December 15, 2011 is not a business day, the applicable dividend shall be paid on the first business day following that day without adjustment.

Declaration of Dividends, etc. Holders of shares of Preferred Stock will be entitled to receive cash dividends, only when, as and if declared by SunTrust's board of directors or a duly authorized committee of the board, payable at the applicable dividend rate applied to the liquidation preference per share, calculated on each share from the Stock Purchase Date.

Non-Cumulative Dividends upon Common Shareholder Approval. Dividends on shares of Preferred Stock initially may be cumulative because SunTrust's current articles of incorporation require that preferred stock dividends be cumulative. However, dividends on the Preferred Stock will automatically become non-cumulative immediately upon the effective date of an amendment to SunTrust's articles of incorporation permitting preferred stock dividends to be cumulative, non-cumulative or partially cumulative. SunTrust's board of directors has approved such an amendment, proposed it for submission to common shareholders and recommended that they approve it. The amendment will become effective, and dividends will become non-cumulative, following common shareholder approval and the filing of the amendment with the Secretary of State of Georgia. SunTrust intends to hold a shareholder vote on this amendment at its 2007 annual meeting of shareholders, expected to occur on April 17, 2007, and, if not approved at that meeting, at subsequent annual or special meetings until approval is obtained. In this document, we refer to the period prior to the effective date of this amendment as the *Cumulative Dividend Period* and we refer to the period commencing upon the effective date of this amendment as the *Non-Cumulative Dividend Period*. If the effective date of this amendment occurs prior to the Stock Purchase Date, dividends on the Preferred Stock will at all relevant times be non-cumulative. In deciding whether or not to invest in the PPS, you should assume that dividends will be non-cumulative.

The change from cumulative to non-cumulative dividends is a term of the Preferred Stock and occurs automatically upon effectiveness of the appropriate amendment to the articles of incorporation. Holders of the Preferred Stock will have no right to vote on this amendment to the articles of incorporation or on the change from cumulative to non-cumulative dividends.

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During any Dividend Period for which the corresponding Dividend Payment Date occurs during the Non-Cumulative Dividend Period, the dividends on the Preferred Stock will be non-cumulative (even if a portion of that Dividend Period occurs during the Cumulative Dividend Period, and even if there are undeclared and unpaid dividends for Dividend Periods occurring during the Cumulative Dividend Period). For any Dividend Payment Date occurring during the Non-Cumulative Dividend Period, we have no obligation to pay dividends for the corresponding Dividend Period after that Dividend Payment Date or to pay interest with respect to these dividends, whether or not we declare dividends on the Preferred Stock for any subsequent Dividend Period.

After the Non-Cumulative Dividend Period begins, we will have no obligation to pay dividends that were undeclared and unpaid during the Cumulative Dividend Period.

See Description of the Preferred Stock Dividends for a discussion of the dividends during the Cumulative Dividend Period.

Redemption. The Preferred Stock is not redeemable prior to the later of the Stock Purchase Date and the Dividend Payment Date in December 2011. On that date or on any date after that date (but subject to the limitations described below under Replacement Capital Covenant), the Preferred Stock is redeemable at SunTrust's option in whole or in part at a redemption price equal to \$100,000 per share, plus (in the case of a redemption during the Non-Cumulative Dividend Period) any declared and unpaid dividends, including, if applicable, a *pro rata* portion of any declared and unpaid dividends for the then-current Dividend Period to the redemption date, without regard to any undeclared dividends. See Description of the Preferred Stock Redemption for a discussion of redemption during the Cumulative Dividend Period. The Preferred Stock will not be subject to any sinking fund or other obligation of SunTrust to redeem, repurchase or retire the Preferred Stock. If the Trust is the holder of the Preferred Stock at such redemption, it will also redeem the Normal PPS as described in What is the maturity of the PPS, and may the Trust redeem the PPS?

Our right to redeem or repurchase shares of the Preferred Stock is subject to important limitations, including the following:

Under the Federal Reserve's risk-based capital guidelines applicable to bank holding companies, any redemption of the Preferred Stock is subject to prior approval of the Federal Reserve. Moreover, unless the Federal Reserve authorizes us to do otherwise in writing, we will redeem the Preferred Stock only if it is replaced with other Tier 1 capital that is not a restricted core capital element for example, common stock or another series of non-cumulative perpetual preferred stock.

We are making a covenant in favor of certain debtholders limiting, among other things, our right to redeem or repurchase shares of Preferred Stock, as described under What is the maturity of the PPS, and may the Trust redeem the PPS? See Risk Factors Additional Risks Related to the Normal PPS after the Stock Purchase Date Investors should not expect SunTrust to redeem the Preferred Stock on the date it first becomes redeemable or on any particular date after it becomes redeemable.

Ranking. The Preferred Stock:

will rank senior to SunTrust's junior stock with respect to the payment of dividends and distributions upon liquidation, dissolution or winding-up. Junior stock includes SunTrust's common stock and any other class of stock that ranks junior to the Preferred Stock either as to

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the payment of dividends or as to the distribution of assets upon any liquidation, dissolution or SunTrust's winding-up; and

will rank at least equally with each other series of parity stock that SunTrust may issue with respect to the payment of dividends and distributions upon liquidation, dissolution or SunTrust's winding-up.

During any Dividend Period, so long as any shares of Preferred Stock remain outstanding, unless the full dividends for the then-current Dividend Period on all outstanding shares of Preferred Stock (plus, during the Cumulative Dividend Period, all unpaid dividends for all prior Dividend Periods) have been paid, or declared and funds set aside therefor:

no dividend whatsoever shall be paid or declared on SunTrust's common stock or other junior stock, other than a dividend payable solely in junior stock; and

no common stock or other junior stock shall be purchased, redeemed or otherwise acquired for consideration by SunTrust.

Any dividends that are declared during the Cumulative Dividend Period but are not paid will not prevent us from paying dividends on or purchasing, redeeming or otherwise acquiring common stock or other junior stock during the Non-Cumulative Dividend Period or have any priority over dividends declared during the Non-Cumulative Dividend Period.

On any Dividend Payment Date for which full dividends are not paid, or declared and funds set aside for payment, upon the Preferred Stock and other equity securities designated as ranking on parity with the Preferred Stock as to payment of dividends, all dividends paid or declared for payment on that Dividend Payment Date with respect to the Preferred Stock and any such dividend parity stock shall be shared first ratably by the holders of any such shares who have the right to receive dividends with respect to prior Dividend Periods, in proportion to the respective amounts of the undeclared and unpaid dividends relating to prior Dividend Periods, and thereafter by the holders of these shares on a *pro rata* basis.

Liquidation. Upon SunTrust's voluntary or involuntary liquidation, dissolution or winding-up, holders of the Preferred Stock are entitled to receive out of SunTrust's assets that are available for distribution to shareholders, before any distribution is made to holders of common stock or other junior stock, a liquidation distribution in the amount of \$100,000 per share, plus (in the case of a liquidation occurring during the Non-Cumulative Dividend Period) any declared and unpaid dividends, including, if applicable, a *pro rata* portion of any declared and unpaid dividends for the then-current Dividend Period to the date of liquidation, without regard for any undeclared dividends. See Description of the Preferred Stock Liquidation Rights for a discussion of liquidation rights during the Cumulative Dividend Period. Distributions will be made *pro rata* as to the Preferred Stock and any other parity stock and only to the extent of SunTrust's assets, if any, that are available after satisfaction of all liabilities to creditors.

Voting Rights. Holders of the Preferred Stock will have no voting rights, except as provided below or as otherwise provided by applicable law. Holders of Normal PPS must act through the Property Trustee to exercise any voting rights.

If and when dividends payable on the Preferred Stock or on any other class or series of stock of SunTrust ranking on a parity with the Preferred Stock as to payment of dividends and that have comparable voting rights (*Voting Parity Stock*) shall have not been declared and paid in an aggregate

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amount equal, as to any such class or series, to at least six quarterly dividends (whether or not consecutive), the number of directors then constituting SunTrust's board of directors will be increased by two and the holders of shares of Preferred Stock, together with the holders of all other affected classes and series of Voting Parity Stock, voting as a single class, shall be entitled to elect the two additional directors at any annual meeting of shareholders or any special meeting of holders of shares of Preferred Stock and holders of Voting Parity Stock. In the case of the Preferred Stock, these voting rights shall continue during the Non-Cumulative Dividend Periods until full dividends have been paid for at least one year and during the Cumulative Dividend Period until all dividends have been paid in full.

Additionally, so long as any shares of the Preferred Stock remain outstanding, the affirmative vote of the holders of at least two-thirds of the Preferred Stock outstanding at the time, given in person or by proxy, either in writing or at a meeting (voting separately as a class), will be required to:

authorize or create, or increase the authorized or issued amount of, any class or series of capital stock ranking senior to the Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding-up, or reclassify any authorized shares of capital stock into shares of Preferred Stock; or

amend, alter or repeal the provisions of our articles of incorporation, whether by merger, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Preferred Stock or the holders thereof.

The amendment to our articles of incorporation authorizing us to issue non-cumulative preferred stock will not require the approval of the holders of the Preferred Stock.

Maturity. The Preferred Stock does not have any maturity date, and SunTrust is not required to redeem the Preferred Stock. Accordingly, the Preferred Stock will remain outstanding indefinitely, unless and until SunTrust decides to redeem it. SunTrust may not redeem the Preferred Stock without receiving the prior approval of the Federal Reserve.

Preemptive Rights. Holders of shares of Preferred Stock will have no preemptive rights.

What are Stripped PPS and Capital PPS, and how can I exchange Normal PPS for Stripped PPS and Capital PPS?

After the offering, you may consider it beneficial either to hold Capital PPS, which correspond only to Junior Subordinated Notes but not to Stock Purchase Contracts, or to realize income from their sale. These investment choices are facilitated by exchanging Normal PPS and certain U.S. treasury securities for Stripped PPS and Capital PPS. At your option, at any time during an Exchange Period, you may elect to exchange Normal PPS for Stripped PPS and Capital PPS by substituting certain U.S. treasury securities, which we refer to as *Qualifying Treasury Securities*, for the pledged Junior Subordinated Notes. See *Description of the PPS Exchanging Normal PPS and Qualifying Treasury Securities for Stripped PPS and Capital PPS*. The Trust will pledge the substituted Qualifying Treasury Securities to secure its obligations under the Stock Purchase Contracts corresponding to the Stripped PPS, and the Collateral Agent will release the pledged Junior Subordinated Notes from the pledge, but they will continue to be property of the Trust corresponding to the Capital PPS.

Each Stripped PPS will have a liquidation amount of \$1,000 and will initially be a beneficial interest in the Trust corresponding to:

a 1/100th interest in a Stock Purchase Contract; and

a Qualifying Treasury Security having a principal amount of \$1,000 and maturing at least one business day prior to March 15, 2007 (for the period to such date if Stripped PPS are

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outstanding before such date) and thereafter the next succeeding March 15, June 15, September 15 or December 15. On the Stock Purchase Date, the Trust will use the proceeds of the Qualifying Treasury Securities to satisfy its obligations under the Stock Purchase Contracts corresponding to the Stripped PPS, as a result of which each Stripped PPS, like each Normal PPS, will represent a 1/100th interest in a share of Preferred Stock held by the Trust. On the next business day, each Stripped PPS will automatically, without any action by holders being necessary, be and become a Normal PPS with the same liquidation amount. If, however, there has been a Failed Remarketing, as described under "What happens if the Remarketing Agent cannot remarket the Junior Subordinated Notes for settlement on or before November 21, 2012?", and we have paid deferred interest on the Junior Subordinated Notes on the Stock Purchase Date in additional notes, as described under "When can the Trust defer or skip distributions on the PPS?", the Stripped PPS will not become Normal PPS until we have paid all amounts due on these additional notes.

Each Capital PPS will have a liquidation amount of \$1,000 and will represent a beneficial interest in the Trust corresponding to a Junior Subordinated Note with a principal amount of \$1,000. The Trust will not pledge the Junior Subordinated Notes that are the corresponding assets for the Capital PPS to secure its obligations under the Stock Purchase Contracts.

After you have exchanged Normal PPS and Qualifying Treasury Securities for Stripped PPS and Capital PPS, you may exchange them back into Normal PPS during any Exchange Period. In that event, Junior Subordinated Notes having a principal amount equal to the liquidation amount of the Capital PPS will be substituted under the pledge for the same principal amount of Qualifying Treasury Securities, which will be released from the pledge and delivered to you. If you elect to exchange Normal PPS and Qualifying Treasury Securities for Stripped PPS and Capital PPS, or vice versa, you will be responsible for any related fees or expenses incurred by the Trust, the Collateral Agent, the Custodial Agent or the Transfer Agent.

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The following diagrams illustrate the exchange of Normal PPS and Qualifying Treasury Securities for Stripped PPS and Capital PPS and vice versa:

What distributions or payments will be made to holders of the Normal PPS, Stripped PPS and Capital PPS?

General. The Normal PPS, Stripped PPS and Capital PPS are beneficial interests in the Trust, with the financial entitlements of each such class corresponding to the financial entitlements of the Trust in the corresponding assets for such class. Accordingly, the Trust will make distributions on Normal PPS, Stripped PPS and Capital PPS only when and to the extent it has funds on hand available to make such distributions from receipt of payments on the corresponding assets for each respective class. Similarly, if we exercise our right to defer payment of interest on the Junior Subordinated Notes or Contract Payments, or to defer or skip dividends on the Preferred Stock once issued, the Trust will defer or skip corresponding distributions on the Normal PPS, Stripped PPS and Capital PPS, as applicable.

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The distribution dates for Normal PPS and Stripped PPS, which we call *Regular Distribution Dates*, are:

each June 15 and December 15 occurring prior to and including the later of December 15, 2011 and the Stock Purchase Date, commencing June 15, 2007 (or in the case of Stripped PPS, the first such date on which Stripped PPS are outstanding);

after the later of December 15, 2011 and the Stock Purchase Date, each March 15, June 15, September 15 and December 15, or if any such date is not a business day, the next business day; and

the Stock Purchase Date if not otherwise a Regular Distribution Date;
provided that the last Regular Distribution Date for the Stripped PPS shall be the Stock Purchase Date.

The distribution dates for Capital PPS, which we call *Capital PPS Distribution Dates*, are:

each June 15 and December 15, commencing on the later of the first such date on which Capital PPS are outstanding and June 15, 2007 and continuing through and including the last such date to occur prior to the Remarketing Settlement Date; and

thereafter for so long as Capital PPS remain outstanding, each day that is an interest payment date for the Junior Subordinated Notes.

Also, prior to the Stock Purchase Date, the Trust will make additional distributions on the Stripped PPS relating to the Qualifying Treasury Securities quarterly on each March 15, June 15, September 15 and December 15, or if any such date is not a business day, the next business day, which we call *Additional Distribution Dates*, or as promptly thereafter as the Collateral Agent and the paying agent determine to be practicable, commencing on the later of the first such day after Stripped PPS are outstanding and March 15, 2007.

We use the term *Distribution Date* to mean a Regular Distribution Date, a Capital PPS Distribution Date or an Additional Distribution Date. A *Distribution Period* is (i) with respect to Normal PPS, Stripped PPS and Trust Common Securities, each period of time beginning on a Regular Distribution Date (or the date of original issuance in the case of the Distribution Period ending in June 2007) and continuing to but not including the next succeeding Regular Distribution Date for such class; and (ii) with respect to Capital PPS, each period of time beginning on a Capital PPS Distribution Date (or the date of original issuance of the PPS in the case of the Distribution Period ending in June 2007) and continuing to but not including the next succeeding Capital PPS Distribution Date. When a Distribution Date is not a business day, the Trust will make the distribution on the next business day without interest.

Distributions made for periods prior to the later of December 15, 2011 and the Stock Purchase Date will be calculated on the basis of a 360-day year consisting of twelve 30-day months, and distributions for periods beginning on or after such date will be calculated on the basis of a 360-day year and the number of days actually elapsed.

Normal PPS. Distributions on Normal PPS will be payable on each Regular Distribution Date:

from June 15, 2007 through the later of December 15, 2011 and the Stock Purchase Date, accruing at a rate equal to %
per annum for each Distribution Period ending prior to such date, and thereafter accruing at an annual rate equal to the

greater of (i) Three-Month LIBOR for such Distribution Period plus % and (ii) %; and

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on a cumulative basis for each Regular Distribution Date to and including the later of the Stock Purchase Date and the effective date of an amendment to SunTrust's articles of incorporation permitting preferred stock dividends to be cumulative, non-cumulative or partially cumulative, and on a non-cumulative basis thereafter.

The distributions paid on any Regular Distribution Date will include any additional amounts or deferred interest amounts received by the Trust on the Junior Subordinated Notes or deferred Contract Payments received by the Trust on Stock Purchase Contracts, in each case that are corresponding assets for the Normal PPS, as well as payments of interest on and principal of any subordinated notes we issue to the Trust on the Stock Purchase Date in respect of deferred interest on the Junior Subordinated Notes or deferred Contract Payments. See "When can the Trust defer or skip distributions on the PPS?"

Stripped PPS. Distributions on Stripped PPS will be payable on each Regular Distribution Date on or prior to the Stock Purchase Date:

at the annual rate of %, accruing for each Stripped PPS from the Regular Distribution Date immediately preceding its issuance, and

on a cumulative basis.

The distributions paid on any Regular Distribution Date will include any deferred Contract Payments received by the Trust on Stock Purchase Contracts that are corresponding assets for the Stripped PPS. The Trust will also distribute to holders of Stripped PPS a *pro rata* portion of each payment received in respect of interest on or principal of any subordinated notes we issue to the Trust on the Stock Purchase Date in respect of deferred Contract Payments.

Additionally, on each Additional Distribution Date (or as promptly thereafter as the Collateral Agent and the paying agent determine to be practicable), each holder of Stripped PPS will also receive a *pro rata* distribution from the Trust of the amount by which the proceeds of the Qualifying Treasury Securities pledged by the Trust in respect of Stock Purchase Contracts maturing at least one business day prior to such date exceed the amount required to purchase replacement Qualifying Treasury Securities. We refer to these distributions as *Excess Proceeds Distributions*.

Capital PPS. Distributions on Capital PPS will be payable on each Capital PPS Distribution Date prior to the Stock Purchase Date at the annual rate of %, accruing for each Capital PPS from the Capital PPS Distribution Date immediately preceding its issuance.

If we successfully remarket the Junior Subordinated Notes as described below under "What is a Remarketing?" and you do not elect to dispose of your Capital PPS in connection with the Remarketing, any changes we make to the interest rate and interest payment dates for the Junior Subordinated Notes will be reflected in the distribution rate and distribution payment dates applicable to the Capital PPS. The Trust will redeem the Capital PPS in exchange for Junior Subordinated Notes promptly after the Remarketing Settlement Date.

On and after the Remarketing Settlement Date (if the redemption described above has not been completed) or in the event of a Failed Remarketing, the Stock Purchase Date, holders of Capital PPS will be entitled to receive distributions on the dates and in the amounts that we pay interest on the Junior Subordinated Notes, as described above under "What are the basic terms of the Junior Subordinated Notes?" The distributions paid on any Capital PPS Distribution Date will include any additional amounts or deferred interest amounts received by the Trust on the Junior Subordinated

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Notes that are corresponding assets for the Capital PPS, as well as payments of interest on and principal of any subordinated notes we issue to the Trust on the Stock Purchase Date in respect of deferred interest on the Junior Subordinated Notes in the event of a Failed Remarketing.

When can the Trust defer or skip distributions on the PPS?

The Trust will make distributions on each class of PPS only to the extent it has received payments on the corresponding assets of such class that is, interest payments on the Junior Subordinated Notes, Contract Payments on the Stock Purchase Contracts and dividends on the Preferred Stock. Accordingly, the Trust will defer or skip distributions on any class of PPS whenever we are deferring payments on the assets that correspond to that class. Thus, if we are deferring Contract Payments at any time prior to the Stock Purchase Date, the Trust will defer that portion of the distributions on the Normal PPS and Stripped PPS that corresponds to the Contract Payments. Similarly, if we are deferring interest payments on the Junior Subordinated Notes, the Trust will defer that portion of the distributions on the Normal PPS (prior to the Remarketing Settlement Date) that corresponds to the interest payments, and will defer the distributions on the Capital PPS. If we defer or skip any dividend on the Preferred Stock, the Trust will defer or skip the corresponding distribution on Normal PPS after the Stock Purchase Date. The Trust will not be entitled to defer Excess Proceeds Distributions on the Stripped PPS. If the Preferred Stock is issued prior to the effective date of an amendment to SunTrust's articles of incorporation permitting preferred stock dividends to be cumulative, non-cumulative or partially cumulative, dividends on the Preferred Stock will be cumulative until such date and non-cumulative thereafter. At any time that the Preferred Stock is non-cumulative, the Trust will not make a distribution on the Normal PPS on any Distribution Date to the extent we do not declare and pay a dividend on the Preferred Stock, and you will have no entitlement to receive these distributions or any Distributions with respect to dividends that accrued on the Preferred Stock prior to when it became non-cumulative at a later date.

Stock Purchase Contracts. We may, at our option, and will if so directed by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of Atlanta, or any successor Federal bank regulatory agency having primary jurisdiction over us, collectively referred to as the *Federal Reserve*, defer Contract Payments at any time and from time to time. We may elect, and will elect if so directed by the Federal Reserve, to defer payments on more than one occasion. Deferred Contract Payments will accrue interest until paid, compounded on each Regular Distribution Date, at the rate *per annum* originally applicable to the Junior Subordinated Notes. If we elect to defer Contract Payments on the Stock Purchase Contracts until the Stock Purchase Date, then we will pay the Trust the deferred Contract Payments on the Stock Purchase Date in additional junior subordinated notes, or *Additional Subordinated Notes*, that have a principal amount equal to the aggregate amount of deferred Contract Payments as of the Stock Purchase Date, mature on the later of December 15, 2014 and five years after commencement of the related deferral period, bear interest at a rate *per annum* equal to the rate of interest originally applicable to the Junior Subordinated Notes, are subordinate and rank junior in right of payment to all of our senior and subordinated debt on the same basis as the Contract Payments, permit us to optionally defer interest on the same basis as the Junior Subordinated Notes and are redeemable by us at any time prior to their stated maturity. The Additional Subordinated Notes will be issued as a new series of notes under our junior subordinated indenture described in this prospectus supplement under Description of the Junior Subordinated Notes.

Interest on the Junior Subordinated Notes. We may, at our option, and will if so directed by the Federal Reserve, defer the interest payments due on the Junior Subordinated Notes at any time and from time to time. We may elect to defer interest payments on more than one occasion. Deferred interest will accrue additional interest, compounded on each Regular Distribution Date, from the

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relevant interest payment date during any deferral period, at the rate borne by the Junior Subordinated Notes at such time, to the extent permitted by applicable law. We may not defer interest payments that we are otherwise obligated to pay in cash for any period of time that exceeds seven years with respect to any deferral period or that extends beyond the maturity date of the Junior Subordinated Notes. If on the Stock Purchase Date any interest accrued on the Junior Subordinated Notes has not been paid in cash and there is a Failed Remarketing, then we will pay the Trust the deferred interest on the Stock Purchase Date in Additional Subordinated Notes. Subject to certain exceptions, we covenant in the Indenture that if we defer interest on any interest payment date on or prior to the Stock Purchase Date and such deferral has continued for at least two years, except to the extent we are required to pay that deferred interest by the issuance of Additional Subordinated Notes, we will pay that deferred interest only out of proceeds of shares of our common stock or our non-cumulative perpetual preferred stock we receive during the 180 days prior to the date we pay such deferred interest, but our use of other sources to fund interest payments would not be an event of default under the Indenture notwithstanding that it would be a breach of this covenant. See What are the basic terms of the Junior Subordinated Notes? Alternative Payment Mechanism.

Restrictions Resulting from a Deferral. Subject to certain exceptions as described under Description of the Junior Subordinated Notes Restrictions on Certain Payments, Including on Deferral of Interest, during any period in which we defer interest payments on the Junior Subordinated Notes or Contract Payments on the Stock Purchase Contracts, including any period prior to the payment in full of any Additional Subordinated Notes, in general we cannot:

declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any shares of our capital stock;

make any interest, principal or premium payment on, or repay, repurchase or redeem, any of our debt securities that rank equally with or junior to the Junior Subordinated Notes, except that in connection with a Failed Remarketing we may pay interest in Additional Subordinated Notes and we may repurchase Junior Subordinated Notes in exchange for Preferred Stock; or

make any payment on any guarantee that ranks equal or junior to the Guarantee related to the PPS.

If we exercise our right to defer payments of stated interest on the Junior Subordinated Notes, we intend to treat the Junior Subordinated Notes as reissued, solely for U.S. federal income tax purposes, with original issue discount, and you would generally be required to accrue such original issue discount as ordinary income using a constant yield method prescribed by Treasury regulations. As a result, the income that you would be required to accrue would exceed the interest payments that you would actually receive. See Certain U.S. Federal Income Tax Consequences.

Dividends on the Preferred Stock. At any time during the Cumulative Dividend Period, we may pay a partial dividend or defer a dividend on the Preferred Stock, and at any time during the Non-Cumulative Dividend Period we may pay a partial dividend or skip a dividend on the Preferred Stock. Whenever we pay a partial dividend or defer or skip a dividend on the Preferred Stock for any Dividend Period, during that Dividend Period we may not pay or declare a dividend, or make a distribution, on any junior stock, other than a dividend payable solely in junior stock, or repurchase, redeem or otherwise acquire for consideration, directly or indirectly, any junior stock (other than as a result of reclassification of junior stock for or into junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock), nor will we pay to or make available any monies for a sinking fund for the redemption of any such securities. On any

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Dividend Payment Date for which full dividends are not paid, or declared and funds set aside therefor, upon the Preferred Stock and any Dividend Parity Stock, all dividends paid or declared for payment on that Dividend Payment Date with respect to the Preferred Stock and the Dividend Parity Stock shall be shared first ratably by the holders of any such shares (including the Preferred Stock, if during the Cumulative Dividend Period), if any, who have the right to receive dividends with respect to Dividend Periods prior to the then-current Dividend Period, in proportion to the respective amounts of the undeclared and unpaid dividends relating to prior Dividend Periods, and thereafter by the holders of these shares on a *pro rata* basis.

What is the maturity of the PPS, and may the Trust redeem the PPS?

The PPS have no stated maturity. The Trust must redeem the Normal PPS upon redemption of the Preferred Stock and it must redeem the Capital PPS in kind in exchange for Junior Subordinated Notes or for cash (if you have so elected) in connection with a successful Remarketing. The consequences of an unsuccessful Remarketing are described under *Are there limitations on our or the Trust's right to redeem or repurchase the PPS?* The redemption price of each PPS will equal the redemption price of the corresponding assets. The redemption price of the Preferred Stock is described under *What are the basic terms of the Preferred Stock? Redemption.* The Property Trustee will give not less than 30 days (or not less than 20 days in the case of a redemption in kind after a successful Remarketing) nor more than 60 days' notice of redemption by mail to holders of the PPS.

The Junior Subordinated Notes will mature on December 15, 2042 or on such earlier date on or after December 15, 2015 as we may elect in connection with the Remarketing. We may from time to time redeem the Junior Subordinated Notes, in whole or in part, at any date on or after December 15, 2015, at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest, including deferred interest (if any), to the date of redemption. In connection with a Remarketing, we may change the date after which we may redeem the Junior Subordinated Notes to a later date or change the redemption price. If we are deferring interest on the Junior Subordinated Notes at the time of the Remarketing, however, we may not elect a maturity date or redemption date that is earlier than seven years after commencement of the deferral period. We will give not less than 30 days nor more than 60 days' notice of redemption by mail to holders of the Junior Subordinated Notes. We may not redeem the Junior Subordinated Notes in part if the principal amount has been accelerated and such acceleration has not been rescinded or unless all accrued and unpaid interest has been paid in full on all outstanding Junior Subordinated Notes for all interest periods terminating on or before the redemption date.

Because the Trust will not purchase the Preferred Stock until the Stock Purchase Date, the Normal PPS may not be redeemed prior to the later of December 15, 2011 and the Stock Purchase Date and, because the Junior Subordinated Notes by their terms may be redeemed no earlier than December 15, 2015, which will be after the Stock Purchase Date, the Junior Subordinated Notes may not be redeemed at a time when they are corresponding assets for Normal PPS.

What is a Remarketing?

For each Normal PPS, the Trust will pledge \$1,000 principal amount of Junior Subordinated Notes to secure its obligation to pay the purchase price for 1/100th of a share of Preferred Stock on the Stock Purchase Date. To provide the Trust with the funds necessary to pay the purchase price of the Preferred Stock under the Stock Purchase Contracts, the Trust will attempt to sell the Junior Subordinated Notes in a process we call a *Remarketing*. Unless an Early Settlement Event shall have

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occurred as described under *What is an Early Remarketing?*, the first Remarketing Period will begin on the seventh business day immediately preceding November 21, 2011, which will be the Remarketing Settlement Date if the Remarketing is successful. We call any five-business day period during which a Remarketing occurs a *Remarketing Period* and the date on which a successful Remarketing settles, which will always be the next February 18, May 21, August 21 or November 21 following the end of that Remarketing Period, or if such day is not a business day, the immediately preceding business day, the *Remarketing Settlement Date*.

As a holder of Normal PPS, you are not required to take any action in connection with a Remarketing but you may elect during any Exchange Period prior to such Remarketing to exchange your Normal PPS for Stripped PPS and Capital PPS if the Remarketing is successful. If you do so, Junior Subordinated Notes having a principal amount equal to the liquidation amount of your Normal PPS will be excluded from the Remarketing. To make this election, you will also be required to deliver Qualifying Treasury Securities in the same principal amount to the Collateral Agent prior to the Remarketing. Upon a successful Remarketing, the Trust will receive the net proceeds of the pledged Junior Subordinated Notes sold in the Remarketing and place them in an interest-bearing deposit with SunTrust Bank. This deposit will be substituted for the pledged Junior Subordinated Notes and will provide the Trust with sufficient cash on the Stock Purchase Date to purchase the Preferred Stock and to make a payment to holders of Normal PPS (other than those making the election described above) in the amount they would have received in respect of interest accrued on the Junior Subordinated Notes through the Stock Purchase Date had they not been successfully remarketed and the interest rate not been reset as described below. If we are deferring interest on the Junior Subordinated Notes at the time of a successful Remarketing, the deposit will also enable the Trust to make a cash payment to holders of the Normal PPS on the Stock Purchase Date in the amount of the accrued and unpaid interest on the Junior Subordinated Notes.

If you hold Capital PPS and elect to dispose of them in the event of a successful Remarketing as described below, your Capital PPS will be redeemed for cash out of the proceeds of the Remarketing. If you do not make this election, your Capital PPS will be redeemed in exchange for Junior Subordinated Notes promptly after the Remarketing Settlement Date.

We will enter into a remarketing agreement, or *Remarketing Agreement*, with a nationally recognized investment bank, as remarketing agent, or *Remarketing Agent*, which will agree to use its commercially reasonable efforts as Remarketing Agent to sell the Junior Subordinated Notes included in the Remarketing at a price that results in proceeds, net of any remarketing fee, of at least 100% of their Remarketing Value. The *Remarketing Value* of each Junior Subordinated Note will be equal to the present value on the Remarketing Settlement Date of an amount equal to the principal amount of, plus the interest payable on, such Junior Subordinated Note on the next Regular Distribution Date, including any deferred interest, assuming for this purpose, even if not true, that the interest rate on the Junior Subordinated Notes remains at the rate in effect immediately prior to the Remarketing and all accrued and unpaid interest on the Junior Subordinated Notes is paid in cash on such date, determined using a discount rate equal to the interest rate on the deposit with SunTrust Bank. To obtain that value, the Remarketing Agent may reset the interest rate on the Junior Subordinated Notes to a new fixed rate, or *Reset Rate*, or to a new floating rate equal to an index plus a spread, or *Reset Spread*, that will apply to all outstanding Junior Subordinated Notes, whether or not included in the Remarketing, and will become effective on the Remarketing Settlement Date. If we elect a floating rate, we also have the option to change the interest payment dates and manner of calculation of interest on the Junior Subordinated Notes to correspond with the market conventions applicable to notes bearing interest at rates based on the applicable index. The Junior Subordinated Notes will bear interest at the new rate from and after the Remarketing Settlement Date.

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As noted above, if you hold Normal PPS and prefer to retain your economic interest in the Junior Subordinated Notes represented by your Normal PPS if a Remarketing is successful, you may elect to exchange them for Stripped PPS and Capital PPS. To make this election, you must, by 3:00 P.M., New York City time, on the second business day before the beginning of any Remarketing Period, deliver your Normal PPS to the Transfer Agent and, for each Normal PPS, deliver \$1,000 principal amount of Qualifying Treasury Securities to the Collateral Agent, all as described in Description of the PPS Remarketing of the Junior Subordinated Notes Normal PPS. If the Remarketing is successful, on the Remarketing Settlement Date, the Qualifying Treasury Securities you delivered will be substituted under the pledge for the Junior Subordinated Notes, you will be deemed to have exchanged your Normal PPS for Stripped PPS and Capital PPS, your Normal PPS will be cancelled and the Stripped PPS and Capital PPS will be delivered to you. If the Remarketing is unsuccessful, your Normal PPS and Qualifying Treasury Securities will be returned to you.

If you hold Capital PPS, you may elect to dispose of them in connection with the Remarketing, as a result of which you will receive an amount in cash equal to the Remarketing Value of the corresponding Junior Subordinated Notes on the Remarketing Settlement Date if the Remarketing is successful. To make this election, you must deliver your Capital PPS to the Transfer Agent by 3:00 P.M., New York City time, on the second business day before the beginning of any Remarketing Period, as described in Description of the PPS Remarketing of the Junior Subordinated Notes Capital PPS. If the Remarketing is not successful, your Capital PPS will be returned to you. Since distributions on the Capital PPS correspond to interest on the Junior Subordinated Notes, the new rate established in a successful Remarketing will also apply to any Capital PPS that are not disposed of in connection with the Remarketing.

The Reset Rate or Reset Spread will be determined in the Remarketing such that the proceeds from the Remarketing, net of any remarketing fee, will be at least 100% of the Remarketing Value; *provided* that the Reset Rate may not exceed the Fixed Rate Reset Cap or the Reset Spread may not exceed the Floating Rate Reset Cap, as applicable, in connection with the first four Remarketing Periods. The *Fixed Rate Reset Cap* will be the prevailing market yield, as determined by the Remarketing Agent, of the benchmark U.S. treasury security having a remaining maturity that most closely corresponds to the period from such date until the earliest date on which the Junior Subordinated Notes may be redeemed at our option in the event of a successful Remarketing, plus basis points, or %, *per annum*, and the *Floating Rate Reset Cap*, which the Reset Spread may not exceed, will be basis points, or %, *per annum*.

In connection with a Remarketing, we may elect:

to change the date after which the Junior Subordinated Notes will be redeemable at our option to any date on or after December 15, 2015 and to change the redemption price; *provided* that no redemption price may be less than the principal plus accrued and unpaid interest (including additional interest) on the Junior Subordinated Notes, or

to move the maturity date of the Junior Subordinated Notes up to any date on or after December 15, 2015; *provided* that if we are deferring interest on the Junior Subordinated Notes at the time of the Remarketing, we may not elect a maturity date or optional redemption date that is earlier than seven years after commencement of the deferral period.

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Each Remarketing Period will last for five consecutive business days. On any day other than the last day of a Remarketing Period, we will have the right, in our absolute discretion and without prior notice to the holders of the PPS, to postpone the Remarketing until the following business day.

The following diagram shows the principal features of a Remarketing:

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- (1) The Junior Subordinated Notes owned by the Trust and pledged to SunTrust are remarketed to new investors.
 - (2) Net proceeds from Remarketing are placed in an interest-bearing deposit with SunTrust Bank that will be used to purchase the Preferred Stock under the Stock Purchase Contracts and, combined with the final semi-annual Contract Payment on the Stock Purchase Contracts, make the final semi-annual payment due to holders of the Normal PPS on the Stock Purchase Date at the rate of % *per annum* of their liquidation amount.

What happens if the first Remarketing is not successful?

If the Remarketing Agent cannot remarket the Junior Subordinated Notes during the first Remarketing Period at a price that results in proceeds, net of any remarketing fee, of at least 100% of their Remarketing Value, then:

the interest rate on the Junior Subordinated Notes will not be reset;

the Junior Subordinated Notes will continue to bear interest at the interest rate originally applicable;

the Remarketing Agent will attempt to establish a Reset Rate or Reset Spread meeting the requirements described under What is a Remarketing? and remarket the Junior Subordinated Notes in subsequent Remarketing Periods; and

the subsequent Remarketing Periods shall begin on the seventh business day immediately preceding each of February 18, 2012, May 21, 2012, August 21, 2012 and November 21, 2012

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(or if any such day is not a business day, the immediately preceding business day), which date shall be the Remarketing Settlement Date in the event of a successful Remarketing.

Any Remarketing after the first one will be subject to the same conditions and procedures described under *What is a Remarketing?*, except that if a successful Remarketing has not previously occurred and, as a result, the Remarketing Agent attempts a Remarketing beginning on the seventh business day immediately preceding November 21, 2012, the Reset Rate for that Remarketing will not be subject to the Fixed Rate Reset Cap or the Reset Spread for that Remarketing will not be subject to the Floating Rate Reset Cap, as applicable.

What is an Early Remarketing?

If an Early Settlement Event occurs, as described under *What is an Early Settlement Event?*, the Remarketing process will be moved up such that the first Remarketing Period will begin on the seventh business day prior to the next February 18, May 21, August 21 or November 21, or if any such day is not a business day, the preceding business day, that is at least 30 days after the occurrence of such Early Settlement Event. We will conduct an *Early Remarketing* in which:

the first Remarketing attempt will be on the basis that the Junior Subordinated Notes will be remarketed as deeply subordinated securities (*i.e.*, we will not have the option to elect to remarket them as senior notes) and be subject to the Fixed Rate Reset Cap or Floating Rate Reset Cap, as applicable;

the second, third and fourth Remarketing attempts will be on the basis that the Junior Subordinated Notes will be subject to the Fixed Rate Reset Cap or Floating Rate Reset Cap, as applicable, but may, at our election, be remarketed as senior notes; and

the fifth and last Remarketing attempt will be on the basis that the Junior Subordinated Notes will not be subject to the Fixed Rate Reset Cap or Floating Rate Reset Cap, as applicable, and may, at our election, be remarketed as senior notes.

If the first Remarketing attempt in an Early Remarketing is not successful, up to four additional attempts will be made beginning on the seventh business day prior to the next February 18, May 21, August 21 or November 21, or if any such day is not a business day, the preceding business day, as applicable, immediately following the first Remarketing Period, which date shall be the Remarketing Settlement Date in the event of a successful Remarketing, and the Stock Purchase Date shall be the March 15, June 15, September 15 or December 15 immediately following the Remarketing Settlement Date or the final unsuccessful attempt, or on the next business day if not a business day. In the case of an Early Settlement Event resulting from the entry of an order for dissolution of the Trust by a court of competent jurisdiction, however, there shall be only one Remarketing Period and the Reset Rate shall not be subject to the Fixed Rate Reset Cap or the Reset Spread shall not be subject to the Floating Rate Reset Cap, as applicable. If that Remarketing is not successful, it shall be deemed a Failed Remarketing and the Stock Purchase Date shall be the next succeeding March 15, June 15, September 15 or December 15, or if such day is not a business day, the next business day.

What is an Early Settlement Event?

An *Early Settlement Event* shall be deemed to occur if:

our total risk-based capital ratio is less than 10%;

our tier 1 risk-based capital ratio is less than 6%;

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our leverage capital ratio is less than 4%;

the Federal Reserve, in its discretion, anticipates that we may fail one or more of the capital tests referred to above in the near term and delivers a notice to us so stating; or

the Trust is dissolved pursuant to the entry of an order for dissolution by a court of competent jurisdiction.

The related Early Settlement Event in the case of the tests described in the first three bullets will be deemed to occur on the date we file a Form FR Y-9C showing in Schedule HC-R (or successor forms) that the related capital measure has been failed.

If I hold Capital PPS, may I dispose of them in a Remarketing?

If you hold Capital PPS, you may elect to dispose of them in the Remarketing. If the Remarketing is successful, you would then receive an amount equal to the Remarketing Value of the corresponding Junior Subordinated Notes on the Remarketing Settlement Date. You may wish to make this election if you think that you would not want to hold Capital PPS after the Remarketing because of the changes in the distribution rate and other terms that may occur as a result of the Remarketing. To make this election, you must deliver your Capital PPS to the Transfer Agent for the PPS by 3:00 P.M., New York City time, on the second business day before the beginning of any Remarketing Period, as described in Description of the PPS Remarketing of the Junior Subordinated Notes Capital PPS.

What happens if the Remarketing Agent cannot remarket the Junior Subordinated Notes for settlement on or before November 21, 2012?

If the Remarketing Agent fails to remarket the Junior Subordinated Notes successfully by the end of the fifth Remarketing Period, which except in an Early Remarketing would be the five-business day period beginning on the seventh business day prior to November 21, 2012, the interest rate on the Junior Subordinated Notes will not be reset and they will continue to accrue interest at the rate that would otherwise apply. We refer to this situation as a *Failed Remarketing*. In the event of a Failed Remarketing, we may move up the maturity date of the Junior Subordinated Notes to any date on or after December 15, 2015; *provided* that if we are deferring interest on the Junior Subordinated Notes at the time of the Remarketing, we may not elect a maturity date that is earlier than seven years after commencement of the deferral period.

Following a Failed Remarketing, on the Stock Purchase Date we will exercise our rights as a secured party and, subject to applicable law, retain the Junior Subordinated Notes pledged to secure the Trust's obligations under the Stock Purchase Contracts or their proceeds under the Collateral Agreement or sell them in one or more public or private sales. In either case, together with the application of the proceeds at maturity of any Qualifying Treasury Securities held by the Collateral Agent, this would satisfy the Trust's obligations under the Stock Purchase Contracts in full and we would deliver the Preferred Stock to the Trust. We will pay any accrued and unpaid interest not otherwise paid in cash on the Junior Subordinated Notes pledged to us by the Trust in Additional Subordinated Notes. Holders of Normal PPS and Capital PPS will receive distributions corresponding to payments of principal of and interest on these Additional Subordinated Notes received by the Trust.

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The following diagrams show what will happen on and after the Stock Purchase Date following a Failed Remarketing:

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- (1) If five Remarketing attempts fail, SunTrust will exercise its rights under the Collateral Agreement either to retain the Junior Subordinated Notes or dispose of them and apply the proceeds in settlement of the Stock Purchase Contracts. In either case, the Trust's obligations under the Stock Purchase Contracts will be satisfied in full and SunTrust will deliver the Preferred Stock to the Trust and make a final semi-annual Contract Payment on the Stock Purchase Contracts.
 - (2) The Trust uses the final semi-annual Contract Payment and the interest payment due on the Stock Purchase Date on the Junior Subordinated Notes to make a distribution to holders of the Normal PPS at the rate of % *per annum* of their liquidation amount, which is the initial combined distribution rate on the Normal PPS.

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After the Settlement of the Stock Purchase Contracts

- (1) After settlement of the Stock Purchase Contracts on the Stock Purchase Date, for each \$1,000 liquidation amount of Normal PPS and Stripped PPS the Trust will own 1/100th of a share of Preferred Stock.

What happens on the Stock Purchase Date?

If there has been a successful Remarketing, on the Stock Purchase Date, SunTrust Bank will repay the interest-bearing deposit and a portion of the proceeds, together with the cash proceeds of the Qualifying Treasury Securities, automatically will be applied towards satisfying the Trust's obligation to purchase Preferred Stock under the Stock Purchase Contracts, and we will issue the Preferred Stock to the Trust. The Trust will apply the remainder of the proceeds of the interest-bearing deposit and the Contract Payments received from SunTrust to make the distributions due on the Regular Distribution Date to holders of Normal PPS and Stripped PPS. Whether or not there has been a successful Remarketing, you will not be required to deliver any additional cash or securities to the Trust.

Each Stripped PPS will automatically, without any action by holders being necessary, be and become a Normal PPS on the business day immediately following the Stock Purchase Date, unless there has been a Failed Remarketing and we have issued Additional Subordinated Notes to the Trust in respect of deferred interest on the Junior Subordinated Notes, in which case the Stripped PPS will only be and become Normal PPS on the business day after these Additional Subordinated Notes have been paid in full. The Normal PPS, and the Stripped PPS if then outstanding, will represent a beneficial interest in the Trust corresponding to 1/100th of a share of Preferred Stock. If we have issued Additional Subordinated Notes to the Trust in respect of deferred interest on the Junior Subordinated Notes, the Normal PPS, but not the Stripped PPS, will also correspond to these Additional Subordinated Notes. On the Stock Purchase Date, holders of the Normal PPS and the Stripped PPS will also receive the distributions described under What distributions or payments will be made to holders of the Normal PPS, Stripped PPS and Capital PPS?

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The following diagrams show what happens on the Stock Purchase Date if there has been a successful Remarketing during the initially scheduled Remarketing Period in November 2011, as well as what assets of the Trust the Normal PPS will correspond to after the Stock Purchase Date:

Stock Purchase Date

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- (1) SunTrust Bank repays the interest-bearing deposit.
 - (2) The Trust purchases the Preferred Stock from SunTrust for \$100,000 per share under the Stock Purchase Contracts using the proceeds at maturity of the Qualifying Treasury Securities and a portion of the proceeds of the deposit. SunTrust makes the final semi-annual Contract Payment to the Trust.
 - (3) The Trust uses the final semi-annual Contract Payment and the remainder of the proceeds of the SunTrust Bank deposit to make a distribution to holders of the Normal PPS at the rate of % *per annum* of their liquidation amount, which is the initial combined distribution rate on the Normal PPS.

After settlement of the Stock Purchase Contracts on the Stock Purchase Date, for each \$1,000 liquidation amount of Normal PPS and Stripped PPS the Trust will own 1/100th of a share of Preferred Stock.

What happens to the Stock Purchase Contracts in the event of a bankruptcy or merger of SunTrust?

The Stock Purchase Contracts, our and the Trust's related rights and obligations under the Stock Purchase Contracts, including the right and obligation to purchase Preferred Stock and the right to receive accrued Contract Payments, automatically will terminate upon our bankruptcy, insolvency or reorganization. If SunTrust Bank is placed in receivership while it is holding the interest-bearing deposit, and if the Stock Purchase Contracts have not been terminated, the deposit will be assigned to us on the Stock Purchase Date as payment for the Preferred Stock corresponding to the Normal PPS; however, if the Stock Purchase Contracts have been terminated, the deposit will remain property of the Trust until the Trust's assets are distributed to the holders of the Trust securities.

We will agree not to merge or consolidate with any other person unless the surviving corporation assumes our obligations under the Stock Purchase Contracts and reserves sufficient authorized and unissued shares of preferred stock having substantially the same terms and conditions as the Preferred Stock, such that the Trust will receive, on the Stock Purchase Date, preferred stock having

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substantially the same rights as the Preferred Stock that it would have received had such merger or consolidation not occurred.

What is the ranking of the Trust's claims against SunTrust either for the Contract Payments under the Stock Purchase Contracts or for interest or principal on the Junior Subordinated Notes, if SunTrust were to become insolvent?

The Trust's claims against us for Contract Payments or for payments of principal and interest on the Junior Subordinated Notes are subordinated to our indebtedness for money borrowed, including any junior subordinated debt securities underlying trust preferred securities of SunTrust that are currently outstanding and other subordinated debt that is not by its terms expressly made *pari passu* with or junior to the Junior Subordinated Notes, as described under Description of the Junior Subordinated Notes Subordination. As mentioned above, your right to receive accrued and unpaid Contract Payments automatically will terminate upon the occurrence of particular events of SunTrust's bankruptcy, insolvency or reorganization.

In connection with an Early Remarketing, other than the first attempt at Remarketing, we may elect that our obligations under the Junior Subordinated Notes shall be senior obligations instead of subordinated obligations, effective on or after the Remarketing Settlement Date.

Are there limitations on our or the Trust's right to redeem or repurchase the PPS?

At or prior to the initial issuance of the Normal PPS, we will enter into a Replacement Capital Covenant, or *Replacement Capital Covenant*, relating to the PPS and shares of Preferred Stock the Trust will purchase under the Stock Purchase Contracts. The Replacement Capital Covenant only benefits holders of Covered Debt, as defined below in Description of the Preferred Stock Redemption or Repurchase Subject to Restrictions, and is not enforceable by holders of the PPS or the Preferred Stock. However, the Replacement Capital Covenant could preclude us from repurchasing the PPS or redeeming or repurchasing shares of Preferred Stock at a time we might otherwise wish to repurchase the PPS or redeem or repurchase shares of Preferred Stock. If notice of redemption of any Preferred Stock has been given and if the funds necessary for the redemption have been set aside by us for the benefit of the holders of any shares of Preferred Stock so called for redemption, then, from and after the redemption date, those shares shall no longer be deemed outstanding and all rights of the holders of those shares (including the right to receive any dividends) will terminate, except the right to receive the redemption price.

In the Replacement Capital Covenant, we covenant to repurchase the PPS prior to the Stock Purchase Date only if and to the extent that (a) the total repurchase price is equal to or less than 100% of the aggregate net cash we or our subsidiaries have received during the 180 days prior to such date from the issuance of our common stock, certain qualifying non-cumulative perpetual preferred stock satisfying the requirements of the Replacement Capital Covenant or other securities that qualify as Tier 1 capital of SunTrust under the risk-based capital guidelines of the Federal Reserve, but that are not restricted core capital elements; and (b) we have obtained prior approval of the Federal Reserve, if such approval is then required by the Federal Reserve. We also covenant to redeem or repurchase the PPS or shares of Preferred Stock on or after the Stock Purchase Date only if and to the extent that (a) the total redemption or repurchase price is equal to or less than the sum, as of the date of redemption or repurchase, of (i) 133.33% of the aggregate net cash proceeds we or our subsidiaries have received during the 180 days prior to such date from the issuance and sale of common stock of SunTrust plus (ii) 100% of the aggregate net cash proceeds we or our subsidiaries have received

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during the 180 days prior to such date from the issuance of certain other specified securities that (A) have equity-like characteristics that satisfy the requirements of the Replacement Capital Covenant and are the same as, or more equity-like than, the applicable characteristics of the PPS at that time, and (B) qualify as Tier 1 capital of SunTrust under the risk-based capital guidelines of the Federal Reserve; and (b) we have obtained the prior approval of the Federal Reserve, if such approval is then required by the Federal Reserve.

Additionally, under the Federal Reserve's risk-based capital guidelines applicable to bank holding companies, any redemption or repurchase of the PPS is subject to prior approval of the Federal Reserve. See *What are the basic terms of the Preferred Stock? Redemption* concerning limitations on our right to redeem or repurchase shares of Preferred Stock.

The Trust will redeem the Capital PPS in exchange for Junior Subordinated Notes promptly after the Remarketing Settlement Date. After the Stock Purchase Date, if the Junior Subordinated Notes have not been successfully remarketed, or the earlier termination of the Stock Purchase Contracts, the Trust may redeem the Capital PPS, in whole but not in part, in exchange for Junior Subordinated Notes having a principal amount equal to the liquidation amount of the Capital PPS so redeemed, *provided* that there are no additional notes outstanding that were issued in respect of deferred interest on the Junior Subordinated Notes. The Trust is also required to redeem the Normal PPS upon redemption of the Preferred Stock and to redeem any outstanding Capital PPS upon the maturity or earlier redemption of the Junior Subordinated Notes, in each case out of the proceeds of the corresponding security. The Replacement Capital Covenant does not restrict the redemption or repurchase of the Capital PPS on or after the Stock Purchase Date.

When can the Trust be dissolved?

The Trust may only be dissolved upon a bankruptcy, dissolution or liquidation of SunTrust, the redemption of all the PPS in accordance with the provisions of the Declaration of Trust or the entry of an order for the dissolution of the Trust by a court of competent jurisdiction. The dissolution of the Trust pursuant to the entry of an order for dissolution will constitute an Early Settlement Event if it occurs prior to the Stock Purchase Date and the Stock Purchase Contracts have not otherwise been terminated.

Upon the dissolution, after satisfaction of liabilities of creditors of the Trust, holders of each class of PPS will generally receive corresponding assets of the Trust in respect of their PPS, which may in the case of Normal PPS consist of depository receipts in respect of their interests therein, and the PPS will no longer be deemed to be outstanding.

What is the extent of our Guarantee?

Pursuant to a guarantee, or *Guarantee*, that we will execute and deliver for the benefit of holders of PPS, we will irrevocably guarantee, on a junior subordinated basis, the payment in full of the following:

any accumulated and unpaid distributions required to be paid on the PPS, to the extent the Trust has funds available to make the payment;

the redemption price for any PPS called for redemption, to the extent the Trust has funds available to make the payment; and

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upon a voluntary or involuntary dissolution, winding-up or liquidation of the Trust, other than in connection with a distribution of corresponding assets to the holders of the PPS, the lesser of:

the aggregate of the liquidation amount and all accumulated and unpaid distributions on the PPS to the date of payment, to the extent the Trust has funds available to make the payment; and

the amount of assets of the Trust remaining available for distribution to holders of the PPS upon liquidation of the Trust.

Our obligations under the Guarantee are unsecured, are subordinated to and junior in right of payment to all of our secured and senior and subordinated debt and will rank on a parity with any other similar guarantees issued by us in the future.

The PPS, the Guarantee and the Junior Subordinated Notes do not limit our ability or the ability of our subsidiaries to incur additional indebtedness, including indebtedness that ranks senior to or equally with the Junior Subordinated Notes and the Guarantee.

The Guarantee, when taken together with our obligations under the Junior Subordinated Notes and the Indenture, the Stock Purchase Contracts and the Declaration of Trust, including the obligations to pay costs, expenses, debts and liabilities of the Trust, other than liabilities with respect to the Trust securities, has the effect of providing a full and unconditional guarantee of amounts due on the PPS.

What are the U.S. federal income tax consequences related to the PPS?

If you purchase Normal PPS in the offering, we will treat you for U.S. federal income tax purposes as having acquired an interest in the Junior Subordinated Notes and Stock Purchase Contracts held by the Trust. You must allocate the purchase price of the Normal PPS between those Junior Subordinated Notes and Stock Purchase Contracts in proportion to their respective fair market values, which will establish your initial tax basis in the Junior Subordinated Notes and the Stock Purchase Contracts. We will treat the fair market value of each interest in the Junior Subordinated Notes as \$1,000 and the fair market value of each Stock Purchase Contract as \$0. This position generally will be binding on the beneficial owner of each Normal PPS but not on the Internal Revenue Service.

Assuming full compliance with the terms of the Declaration of Trust, the Trust will not be classified as an association or publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, and the Trust intends to treat itself as one or more grantor trusts or agency arrangements for U.S. federal income tax purposes. Accordingly, for U.S. federal income tax purposes, we will treat each U.S. holder (as defined under *Certain U.S. Federal Income Tax Consequences*) of Normal PPS as purchasing and owning a beneficial interest in the Junior Subordinated Notes and as required to take into account its *pro rata* share of all items of income, gain, loss or deduction of the Trust.

The Junior Subordinated Notes will be treated as our indebtedness for U.S. federal income tax purposes. We intend to treat stated interest on the Junior Subordinated Notes as ordinary interest income that is includible in your gross income at the time the interest is paid or accrued, in accordance with your regular method of tax accounting, and by purchasing a Normal PPS you agree to report income on this basis. However, because there are no regulations, rulings or other authorities that address the U.S. federal income tax treatment of debt instruments that are substantially similar to the Junior Subordinated Notes, other treatments of the Junior Subordinated Notes are possible. See *Certain U.S. Federal Income Tax Consequences*.

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If we exercise our right to defer payments of stated interest on the Junior Subordinated Notes, we intend to treat the Junior Subordinated Notes as reissued, solely for U.S. federal income tax purposes, with original issue discount, and you would generally be required to accrue such original issue discount as ordinary income using a constant yield method prescribed by Treasury regulations. As a result, the income that you would be required to accrue would exceed the interest payments that you would actually receive. See Certain U.S. Federal Income Tax Consequences. We intend to report Contract Payments on the Stock Purchase Contracts as income to you, but you may want to consult your tax advisor concerning the U.S. federal income tax treatment of the Contract Payments. See Certain U.S. Federal Income Tax Consequences.

What are the U.S. federal income tax consequences related to the Preferred Stock?

Any distribution with respect to the Preferred Stock that we pay out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will constitute a dividend and will be includible in income by you when received by the Trust and distributed to you as holder of a Normal PPS after the Stock Purchase Date. Any such dividend will be eligible for the dividends received deduction if you are an otherwise qualifying corporate U.S. holder that meets the holding period and other requirements for the dividends received deduction. Dividends paid to non-corporate U.S. holders in taxable years beginning before January 1, 2011 are generally subject to a maximum federal income tax rate of 15% if the holder holds its interest in the Preferred Stock for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meets certain other requirements.

What are your expected uses of proceeds from the offering of the PPS?

We expect to receive net proceeds from this offering of approximately \$, after expenses and underwriting commissions.

The Trust will invest all of the proceeds from the sale of the Normal PPS and the Trust Common Securities in the Junior Subordinated Notes.

We intend to use the net proceeds for general corporate purposes, which may include using some or all of the net proceeds to repurchase shares of our common stock. We expect that the PPS will be treated as Tier 1 capital of SunTrust for federal bank holding company regulatory purposes.

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The following is selected consolidated financial data for SunTrust for the nine-month periods ended September 30, 2006 and 2005 and the years ended December 31, 2005, 2004 and 2003.

The selected consolidated financial data for each of the years ended December 31, 2005, 2004 and 2003 are derived from our audited consolidated financial statements. Our consolidated financial statements for each of the three fiscal years ended December 31, 2005, 2004 and 2003 were audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm. The selected consolidated condensed financial data for SunTrust for the nine-month periods ended September 30, 2006 and 2005 are derived from our unaudited consolidated condensed financial statements filed on a Current Report on Form 8-K dated October 18, 2006 and, in our opinion, such financial statements reflect all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the data for those periods. Our results of operations for the nine months ended September 30, 2006 may not be indicative of results that may be expected for the full fiscal year. The summary below should be read in conjunction with our unaudited consolidated condensed financial statements included in our Current Report on Form 8-K dated October 18, 2006 and our audited consolidated financial statements, and the related notes thereto, and the other detailed information contained in our 2005 Annual Report on Form 10-K.

	Nine Months Ended September 30		Twelve Months Ended December 31		
	2006	2005	2005	2004	2003
(Dollars in millions, except per share and other data)					
Summary of Operations					
Interest and dividend income	\$ 7,227.3	\$ 5,556.0	\$ 7,731.3	\$ 5,218.4	\$ 4,768.8
Interest expense	3,728.1	2,164.0	3,152.3	1,533.2	1,448.5
Net interest income	3,499.2	3,392.0	4,579.0	3,685.2	3,320.3
Provision for loan losses	146.7	128.8	176.9	135.6	313.6
Net interest income after provision for loan losses	3,352.5	3,263.2	4,402.1	3,549.6	3,006.7
Noninterest income	2,585.8	2,357.1	3,155.0	2,604.4	2,303.0
Noninterest expense	3,646.1	3,483.8	4,690.7	3,897.0	3,400.6
Income before provision for income taxes	2,292.2	2,136.5	2,866.4	2,257.0	1,909.1
Provision for income taxes	681.1	667.7	879.2	684.1	576.8
Net income	\$ 1,611.1	\$ 1,468.8	\$ 1,987.2	\$ 1,572.9	\$ 1,332.3
Net interest income FTE	\$ 3,563.3	\$ 3,447.4	\$ 4,654.5	\$ 3,743.6	\$ 3,365.3
Total revenue	6,149.1	5,804.5	7,809.5	6,348.0	5,668.3
Per Common Share					
Diluted	\$ 4.42	\$ 4.04	\$ 5.47	\$ 5.19	\$ 4.73
Basic	4.46	4.09	5.53	5.25	4.79
Dividends declared	1.83	1.65	2.20	2.00	1.80
Market Price:					
High	81.59	75.77	75.77	76.65	71.73
Low	69.68	68.85	65.32	61.27	51.44
Close	77.28	69.45	72.76	73.88	71.50
Selected Average Balances					
Total assets	\$ 179,631.7	\$ 165,500.5	\$ 168,088.8	\$ 133,754.3	\$ 122,325.4
Earning assets ¹	157,860.4	144,331.3	146,639.7	117,968.8	108,094.9
Loans	119,066.0	107,028.2	108,742.0	86,214.5	76,137.9
Deposits	123,324.6	108,431.7	110,406.5	87,132.9	80,039.0
Total shareholders' equity	17,341.6	16,408.5	16,526.3	11,469.5	9,083.0

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	Nine Months Ended September 30		Twelve Months Ended December 31		
	2006	2005	2005	2004	2003
(Dollars in millions, except per share and other data)					
As of September 30/December 31					
Total assets	\$ 183,104.6	\$ 172,416.1	\$ 179,712.8	\$ 158,869.8	\$ 125,250.5
Earning assets ¹	160,287.6	150,579.6	156,640.9	137,813.4	111,266.5
Loans	121,237.4	112,410.8	114,554.9	101,426.2	80,732.3
Allowance for loan and lease losses	1,087.3	1,029.9	1,028.1	1,050.0	941.9
Deposits	124,393.0	113,730.1	122,053.2	103,361.3	81,189.5
Long-term debt	17,477.3	22,364.8	20,779.2	22,127.2	15,313.9
Total shareholders' equity	18,589.3	16,717.8	16,887.4	15,986.9	9,731.2
Ratios and Other Data					
Return on average total assets	1.20%	1.19%	1.18%	1.18%	1.09%
Return on average total assets less net unrealized securities gains ²	1.22	1.18	1.17	1.19	1.01
Return on average total shareholders' equity	12.45	11.97	12.02	13.71	14.67
Return on average realized shareholders' equity	13.24	12.68	12.70	15.65	15.98
Net interest margin ¹	3.02	3.19	3.17	3.17	3.11
Efficiency ratio	59.29	60.02	60.06	61.39	59.99
Total average shareholders' equity to total average assets	9.65	9.91	9.83	8.58	7.43
Allowance to quarter/year-end loans	0.90	0.92	0.90	1.04	1.17
Nonperforming assets to total loans plus OREO and other repossessed assets	0.52	0.32	0.29	0.40	0.47
Common dividend payout ratio	41.2	40.6	40.0	38.4	37.9
Full-service banking offices	1,699	1,647	1,657	1,676	1,183
ATMs	2,568	2,769	2,782	2,804	2,225
Full-time equivalent employees	34,293	33,013	33,406	33,156	27,578
Average common shares - diluted (thousands)	364,322	363,547	363,454	303,309	281,434
Average common shares - basic (thousands)	361,009	359,020	359,066	299,375	278,295
Regulatory capital ratios					
Total shareholders' equity to assets	10.15%	9.70%	9.40%	10.06%	7.76%
Tier 1 capital	7.70 ₃	7.03	7.01	7.16	7.85
Total risk-based capital	11.10 ₃	10.66	10.57	10.36	11.75
Leverage	7.28 ₃	6.64	6.65	6.64	7.37
Reconciliation of non-GAAP measures					
Return on average total assets	1.20%	1.19%	1.18%	1.18%	1.09%
Impact of excluding net realized and unrealized gains/losses and The Coca-Cola Company dividend	0.02	(0.01)	(0.01)	0.01	(0.08)
Return on average total assets less net unrealized securities gains ²	1.22%	1.18%	1.17%	1.19%	1.01%
Return on average total shareholders' equity	12.45%	11.97%	12.02%	13.71%	14.67%
Impact of excluding net realized and unrealized gains/losses and The Coca-Cola Company dividend	0.79	0.71	0.68	1.94	1.31
Return on average realized shareholders' equity	13.24%	12.68%	12.70%	15.65%	15.98%

Ratio of Earnings to Fixed Charges³

	Nine Months Ended September 30		Twelve Months Ended December 31				
	2006	2005	2005	2004	2003	2002	2001
Including interest on deposits	1.61	1.97	1.89	2.43	2.28	1.94	1.66

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Excluding interest on deposits	2.81	3.20	3.09	3.78	3.66	3.24	2.62
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- ¹ During the nine months ended September 30, 2006, we segregated certain noninterest-earning trading assets that had previously been included with interest-earning trading assets. This resulted in a revision of the net interest margin calculation. All prior periods presented were restated to reflect this refinement. Management believes this refined method to be a more reflective measure of net interest margin due to the interest-earning nature of these assets.

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- ² We present a return on average total assets less net unrealized securities gains. The foregoing numbers reflect primarily adjustments to remove the effects of our securities portfolio which includes the ownership by SunTrust of 48.3 million shares of The Coca-Cola Company. We use this information internally to gauge our actual performance in the industry. We believe that the return on average total assets less net unrealized securities gains is more indicative of our return on assets because it more accurately reflects the return on the assets that are related to our core businesses which are primarily customer relationship and customer transaction driven. The return on average total assets less net unrealized securities gains is computed by dividing annualized net income, excluding securities gains/losses and The Coca-Cola Company dividend, by average assets less net unrealized securities gains. We also believe that the return on average realized shareholders equity is more indicative of our return on equity because the excluded equity relates primarily to a long-term holding of a specific security. The return on average realized shareholders equity is computed by dividing annualized net income, excluding securities gains/losses and The Coca-Cola Company dividend, by average realized shareholders equity.
- ³ For more information on how those ratios are calculated, see Ratio of Earnings to Fixed Charges on page S-45.

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RISK FACTORS

An investment in the PPS is subject to the risks described below. You should carefully review the following risk factors and other information contained in this prospectus supplement, in documents incorporated by reference in this prospectus supplement and in the accompanying prospectus before deciding whether this investment is suited to your particular circumstances. In addition, because each PPS sold in the offering will represent a beneficial interest in the Trust, which will own our Junior Subordinated Notes and enter into Stock Purchase Contracts with us to acquire our Preferred Stock, you are also making an investment decision with regard to the Junior Subordinated Notes and the Preferred Stock, as well as our Guarantee of the Trust's obligations. You should carefully review all the information in this prospectus supplement about all of these securities.

Risks Relating to the PPS

We may defer Contract Payments and interest payments on the Junior Subordinated Notes and this may have an adverse effect on the value of the PPS.

We may at our option, and will if directed to do so by the Federal Reserve, defer the payment of all or part of the Contract Payments on the Stock Purchase Contracts through the Stock Purchase Date, in which case the Trust would defer distributions of corresponding amounts on the Normal PPS and the Stripped PPS. We also may at our option, and will if directed to do so by the Federal Reserve, defer interest payments on the Junior Subordinated Notes, in which case the Trust would defer distributions on the Normal PPS, if the deferral occurs prior to the Stock Purchase Date, and on the Capital PPS.

If the Junior Subordinated Notes are successfully remarketed, the proceeds will reflect the value of accrued and unpaid interest and, to the extent not placed in an interest-bearing deposit with SunTrust Bank to fund the purchase of the Preferred Stock and the final payment under the Normal PPS, will be paid to the holders of the Normal PPS and Trust Common Securities and holders of Capital PPS who elected to dispose of them in connection with the Remarketing. If the Junior Subordinated Notes are not successfully remarketed, on the Stock Purchase Date, the Trust will receive Additional Subordinated Notes in respect of the deferred amounts, which it will hold as additional assets corresponding to the Normal PPS and Capital PPS. If we defer any Contract Payments until the Stock Purchase Date, the Trust will receive Additional Subordinated Notes, in lieu of a cash payment, which it will hold as additional assets corresponding to the Normal PPS, the Stripped PPS and Trust Common Securities. The Additional Subordinated Notes that we issue to the Trust in satisfaction of deferred interest or Contract Payments will be deeply subordinated and bear interest at the rate originally applicable to the Junior Subordinated Notes, which could be less than our then current market rate of interest. In addition, if we exercise our option to defer interest on the Junior Subordinated Notes, we intend to treat the Junior Subordinated Notes as reissued, solely for U.S. federal income tax purposes, with original issue discount. As a result, you will be required to continue to accrue income for U.S. federal income tax purposes even though you would not receive current cash payments in respect of the Junior Subordinated Notes. See **Certain U.S. Federal Income Tax Consequences**. Furthermore, if the Stock Purchase Contracts are terminated due to our bankruptcy, insolvency or reorganization, the right to receive Contract Payments and deferred Contract Payments, if any, will also terminate.

The terms of our outstanding junior subordinated debentures prohibit us from making any payment of principal of or interest on the Junior Subordinated Notes or the Guarantee relating to the

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PPS and from repaying, redeeming or repurchasing any Junior Subordinated Notes if we have actual knowledge of any event that would be an event of default under any indenture governing those debentures or at any time when we have deferred interest thereunder.

We must notify the Federal Reserve before using the Alternative Payment Mechanism and may not use it if the Federal Reserve shall have disapproved.

The Indenture for the Junior Subordinated Notes provides that we must notify the Federal Reserve if the Alternative Payment Mechanism is applicable and that we may not sell our common stock or perpetual non-cumulative preferred stock or apply any eligible equity proceeds to pay interest pursuant to the Alternative Payment Mechanism if such actions have been disapproved by the Federal Reserve. The Federal Reserve may allow the issuance of common stock or non-cumulative perpetual preferred stock, but not allow use of the proceeds to pay deferred dividends on the Junior Subordinated Notes or deferred Contract Payments on the Stock Purchase Contracts and require that the proceeds be applied to other purposes, including supporting a troubled bank subsidiary. Accordingly, if we elect to defer interest on the Junior Subordinated Notes and the Federal Reserve disapproves of the issuance of common stock or perpetual non-cumulative preferred stock or the application of the proceeds to pay deferred interest, we will be unable to pay the deferred interest on the Junior Subordinated Notes or to pay interest on or principal of any Additional Subordinated Notes.

Our failure to raise eligible equity proceeds to pay deferred interest is not, by itself, an event of default under the Indenture for the Junior Subordinated Notes.

Although we are required under the terms of the Indenture for the Junior Subordinated Notes, absent a Market Disruption Event, to use Commercially Reasonable Efforts to sell common stock or non-cumulative perpetual preferred stock to pay deferred interest commencing on the date two years after the beginning of any deferral period, our failure to raise sufficient eligible equity proceeds or our use of other funds to pay interest will not, by itself, constitute an event of default under the Indenture.

If the Trust must settle the Stock Purchase Contracts early, you may earn a smaller return on your investment.

The Remarketing process may begin before November 2011 if certain adverse events described under Description of the Junior Subordinated Notes Early Settlement Events occur. Although dividends will accrue on the Preferred Stock at the same rate as the combined rate at which Contract Payments and interest on the Junior Subordinated Notes would have accrued through December 15, 2011, Preferred Stock dividends are non-cumulative after the effective date of an amendment to SunTrust's articles of incorporation permitting preferred stock dividends to be cumulative, non-cumulative or partially cumulative and thus the distributions on the Normal PPS may become non-cumulative at an earlier date than expected. The Preferred Stock acquired by the Trust will also rank lower on liquidation of SunTrust than the Junior Subordinated Notes. Accordingly, if an Early Settlement Event occurs, the Trust may skip distributions that otherwise would have been cumulative and if SunTrust becomes insolvent prior to the date on which the Stock Purchase Date would otherwise have occurred, the Trust's claim against SunTrust in the insolvency will rank lower than it would have ranked.

The Preferred Stock that the Trust purchases on the Stock Purchase Date may be worth less than the amount it pays for it.

The Trust must buy our Preferred Stock pursuant to the Stock Purchase Contracts on the Stock Purchase Date at a fixed price of \$100,000 per share, or \$1,000 for each 1/100th interest in a Stock Purchase Contract corresponding to Normal PPS or Stripped PPS. Although dividends will accrue on the Preferred Stock at a floating rate commencing on the later of the Dividend Payment Date in

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December 2011 and the Stock Purchase Date, the spread was established at the time of this offering. Accordingly, adverse changes in our credit quality may cause the market value of the Preferred Stock that the Trust will purchase on the Stock Purchase Date to be lower than the price per share that the Stock Purchase Contracts require it to pay. Holders of Normal PPS and Stripped PPS are assuming the entire risk that the market value of the Preferred Stock purchased by the Trust will be lower than the purchase price of the Preferred Stock and that the market value of 1/100th of a share of Preferred Stock corresponding to a Normal PPS may be less than the price they paid for it, and that difference could be substantial.

The return of Pledged Securities on termination of the Stock Purchase Contracts could be delayed if we become subject to a bankruptcy proceeding.

Notwithstanding the automatic termination of the Stock Purchase Contracts, if we become the subject of a case under the U.S. Bankruptcy Code, imposition of an automatic stay under Section 362 of the Bankruptcy Code, if applicable, or any court-ordered stay may delay the return to the Trust of the securities or interest-bearing deposit with SunTrust Bank being held as collateral for the Stock Purchase Contracts, and the delay may continue until the stay has been lifted. The stay will not be lifted until the bankruptcy judge agrees to lift it and return the collateral to the Trust, and the Trust will not be able to distribute the Junior Subordinated Notes or proceeds of the SunTrust Bank interest-bearing deposit held as collateral to the holders of the Normal PPS or to distribute the Qualifying Treasury Securities held as collateral to the holders of the Stripped PPS until they are returned to it.

The Contract Payments and interest on the Junior Subordinated Notes beneficially owned by the Trust will be contractually subordinated and will be effectively subordinated to the obligations of our subsidiaries.

Our obligations with respect to Contract Payments and interest on the Junior Subordinated Notes will be subordinate and junior in right of payment and upon liquidation to our obligations under all of our indebtedness for money borrowed, including the junior subordinated debt securities underlying trust preferred securities of SunTrust currently outstanding and other debt that is not by its terms expressly made *pari passu* with or junior to the Junior Subordinated Notes, but *pari passu* with trade creditors. At September 30, 2006, our indebtedness and other obligations, on an unconsolidated basis, totaled approximately \$6.2 billion.

We receive substantially all of our revenue from dividends from our subsidiaries. Because we are a holding company, our right to participate in any distribution of the assets of our banking or nonbanking subsidiaries, upon a subsidiary's dissolution, winding-up, liquidation or reorganization or otherwise, and thus your ability to benefit indirectly from such distribution, is subject to the prior claims of creditors of any such subsidiary, except to the extent that we may be a creditor of that subsidiary and our claims are recognized. There are legal limitations on the extent to which some of our subsidiaries may extend credit, pay dividends or otherwise supply funds to, or engage in transactions with, us or some of our other subsidiaries. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay amounts due under our contracts or otherwise to make any funds available to us. Accordingly, the Contract Payments and payments on our Junior Subordinated Notes, and therefore the PPS, effectively will be subordinated to all existing and future liabilities of our subsidiaries. At September 30, 2006, our subsidiaries direct borrowings and deposit liabilities totaled approximately \$158.3 billion.

We guarantee distributions on the PPS only if the Trust has cash available.

If you hold any of the PPS, we will guarantee you, on an unsecured and junior subordinated basis, the payment of the following:

any accumulated and unpaid distributions required to be paid on the PPS, to the extent the Trust has funds available to make the payment;

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the redemption price for any PPS called for redemption, to the extent the Trust has funds available to make the payment; and

upon a voluntary or involuntary dissolution, winding-up or liquidation of the Trust, other than in connection with a distribution of corresponding assets to holders of PPS, the lesser of:

the aggregate of the stated liquidation amount and all accumulated and unpaid distributions on the PPS to the date of payment, to the extent the Trust has funds available to make the payment; and

the amount of assets of the Trust remaining available for distribution to holders of the PPS upon liquidation of the Trust.

If we do not make a required Contract Payment on the Stock Purchase Contracts or interest payment on the Junior Subordinated Notes, the Trust will not have sufficient funds to make the related payment on the PPS. The Guarantee does not cover payments on the PPS when the Trust does not have sufficient funds to make them. If we do not pay any amounts on the Stock Purchase Contracts or the Junior Subordinated Notes when due, holders of the PPS will have to rely on the enforcement by the Property Trustee of the trustee's rights as owner of the Stock Purchase Contracts or the Junior Subordinated Notes, or proceed directly against us for payment of any amounts due on the Stock Purchase Contracts or the Junior Subordinated Notes.

Our obligations under the Guarantee are unsecured and are subordinated to and junior in right of payment to all of our secured and senior indebtedness, and will rank on a parity with any similar guarantees issued by us in the future.

Holders of the PPS have limited rights under the Junior Subordinated Notes and Stock Purchase Contracts.

Except as described below, you, as a holder of the PPS, will not be able to exercise directly any other rights with respect to the Junior Subordinated Notes or Stock Purchase Contracts.

If an event of default under the Declaration of Trust were to occur and be continuing, holders of the PPS would rely on the enforcement by the Property Trustee of its rights as the registered holder of the Junior Subordinated Notes and the Stock Purchase Contracts against us. In addition, the holders of a majority in liquidation amount of the relevant class or classes of PPS would have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Property Trustee or to direct the exercise of any trust or power conferred upon the Property Trustee under the Declaration of Trust, including the right to direct the Property Trustee to exercise the remedies available to it as the holder of the Junior Subordinated Notes and Stock Purchase Contracts.

The Indenture for the Junior Subordinated Notes provides that the Indenture Trustee must give holders notice of all defaults or events of default within 30 days after it becomes known to the Indenture Trustee. However, except in the cases of a default or an event of default in payment on the Junior Subordinated Notes, the Indenture Trustee will be protected in withholding the notice if its responsible officers determine that withholding of the notice is in the interest of such holders.

If the Property Trustee were to fail to enforce its rights under the Junior Subordinated Notes in respect of an Indenture event of default after a record holder of the Normal PPS (if prior to the Stock Purchase Date or if earlier, the Remarketing Settlement Date) or the Capital PPS had made a written request, that record holder of the Normal PPS or the Capital PPS may, to the extent permitted by applicable law, institute a legal proceeding against us to enforce the Property Trustee's rights under

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the Junior Subordinated Notes. In addition, if we were to fail to pay interest or principal on the Junior Subordinated Notes on the date that interest or principal is otherwise payable, except for deferrals permitted by the Declaration of Trust and the Indenture, and this failure to pay were continuing, holders of the Normal PPS, if such failure occurs prior to the Stock Purchase Date or if earlier, the Remarketing Settlement Date, and holders of the Capital PPS may directly institute a proceeding for enforcement of payment of the principal of or interest on the Junior Subordinated Notes having a principal amount equal to the aggregate liquidation amount of their Normal PPS or Capital PPS (a *direct action*) after the respective due dates specified in the Junior Subordinated Notes. In connection with a direct action, we would have the right under the Indenture and the Declaration of Trust to set off any payment made to that holder by us. The Stock Purchase Contract Agreement contains similar provisions with respect to a direct action by holders of Normal PPS or Stripped PPS in the event of our default under the Stock Purchase Contracts.

The Property Trustee, as holder of the Junior Subordinated Notes on behalf of the Trust, has only limited rights of acceleration.

The Property Trustee, as holder of the Junior Subordinated Notes on behalf of the Trust, may accelerate payment of the principal and accrued and unpaid interest on the Junior Subordinated Notes only upon the occurrence and continuation of an Indenture event of default. An Indenture event of default is generally limited to payment defaults after giving effect to our deferral rights, and specific events of bankruptcy, insolvency and reorganization relating to us or the receivership of our lead bank.

There is no right to acceleration upon breaches by us of other covenants under the Indenture or default on our payment obligations under the Guarantee.

The secondary market for the PPS may be illiquid.

We are unable to predict how the PPS will trade in the secondary market or whether that market will be liquid or illiquid. There is currently no secondary market for the PPS. Although we will apply to list the Normal PPS on the New York Stock Exchange under the symbol _____, we can give you no assurance as to the liquidity of any market that may develop for the Normal PPS. In addition, in the event that sufficient numbers of Normal PPS are exchanged for Stripped PPS and Capital PPS, the liquidity of Normal PPS could decrease. If Stripped PPS or Capital PPS are separately traded to a sufficient extent that applicable exchange listing requirements are met, we may list the Stripped PPS or Capital PPS on the same exchange as the Normal PPS are then listed, including, if applicable, the New York Stock Exchange, though we are under no obligation to do so. Accordingly, if you exchange Normal PPS for Stripped PPS and Capital PPS, your ability to sell them may be limited and we can give you no assurance whether a trading market, if it develops, will continue. As Normal PPS may only be held or transferred in amounts having an aggregate liquidation amount of at least \$1,000, the trading market for Normal PPS may be less active than markets for securities that may be held or transferred in smaller denominations and may be less liquid.

Certain aspects of the tax accounting for the Junior Subordinated Notes are unclear.

The Junior Subordinated Notes will be treated as our indebtedness for U.S. federal income tax purposes. We intend to treat stated interest on the Junior Subordinated Notes as ordinary interest income that is includible in your gross income at the time the interest is paid or accrued, in accordance with your regular method of tax accounting, and by purchasing a Normal PPS you agree to report income on this basis. However, because no regulations, rulings or other authorities address the U.S. federal income tax treatment of debt instruments that are substantially similar to the Junior Subordinated Notes, other treatments of the Junior Subordinated Notes are possible. See Certain

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U.S. Federal Income Tax Consequences Taxation of the Junior Subordinated Notes Possible Alternative Characterizations and Treatments.

Additional Risks Related to the Normal PPS after the Stock Purchase Date

In purchasing the PPS in the offering, you are making an investment decision with regard to the Preferred Stock.

As described in this prospectus supplement, on the Stock Purchase Date we will issue the Preferred Stock to the Trust. If you hold Normal PPS or Stripped PPS on the Stock Purchase Date, your securities will thereafter represent beneficial interests in the Trust corresponding to 1/100th of a share of Preferred Stock for each \$1,000 liquidation amount of PPS. After the Stock Purchase Date, the Trust will rely solely on the payments it receives on the Preferred Stock to fund all payments on the Normal PPS, other than payments corresponding to payments on Additional Subordinated Notes that we may issue in respect of any deferred interest on the Junior Subordinated Notes after a Failed Remarketing or in respect of deferred Contract Payments. Accordingly, you should carefully review the information in this prospectus supplement regarding the Preferred Stock.

The Preferred Stock is equity and is subordinate to our existing and future indebtedness.

Shares of Preferred Stock are equity interests in SunTrust and do not constitute indebtedness. As such, Shares of Preferred Stock will rank junior to all indebtedness and other non-equity claims on SunTrust with respect to assets available to satisfy claims on SunTrust, including in a liquidation of SunTrust. Additionally, unlike indebtedness, where principal and interest would customarily be payable on specified due dates, in the case of preferred stock like the Preferred Stock (1) dividends are payable only if declared by our board of directors and (2) as a corporation, we are subject to restrictions on payments of dividends and redemption price out of lawfully available funds.

Also, as a bank holding company, SunTrust's ability to declare and pay dividends is dependent on certain federal regulatory considerations. SunTrust has issued and outstanding debt securities under which we may defer interest payments from time to time, but in that case we would not be permitted to pay dividends on any of our capital stock, including the Preferred Stock, during the deferral period.

Investors should not expect SunTrust to redeem the Preferred Stock on the date it first becomes redeemable or on any particular date after it becomes redeemable.

The Preferred Stock is a perpetual equity security. The Preferred Stock has no maturity or mandatory redemption date and is not redeemable at the option of investors. By its terms, the Preferred Stock may be redeemed by us at our option either in whole or in part on any Dividend Payment Date occurring on or after the later of December 15, 2011 and the Stock Purchase Date. Any decision we may make at any time to propose a redemption of the Preferred Stock will depend, among other things, upon our evaluation of the overall level and quality of our capital components, considered in light of our risk exposures, earnings and growth strategy, as well as general market conditions at such time. Our right to redeem the Preferred Stock once issued is subject to two important limitations. Accordingly, investors should not expect us to redeem the Preferred Stock on the date it first becomes redeemable or on any particular date thereafter.

First, under the Federal Reserve's risk-based capital guidelines applicable to bank holding companies, any redemption of the Preferred Stock is subject to prior approval of the Federal Reserve. Moreover, unless the Federal Reserve authorizes us to do otherwise in writing, we will redeem the

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Preferred Stock only if it is replaced with other Tier 1 capital that is not a restricted core capital element for example, common stock or another series of non-cumulative perpetual preferred stock.

There can be no assurance that the Federal Reserve will approve any redemption of the Preferred Stock that we may propose. There also can be no assurance that, if we propose to redeem the Preferred Stock without replacing the Preferred Stock with Tier 1 capital that is not a restricted core capital element, the Federal Reserve will authorize such redemption. We understand that the factors that the Federal Reserve will consider in evaluating a proposed redemption, or a request that we be permitted to redeem the Preferred Stock without replacing it with Tier 1 capital that is not a restricted core capital element, include its evaluation of the overall level and quality of our capital components, considered in light of our risk exposures, earnings and growth strategy, and other supervisory considerations.

Second, at or prior to initial issuance of the PPS, we are entering into the Replacement Capital Covenant, which will limit our right to repurchase the PPS and to redeem or repurchase the Preferred Stock. In the Replacement Capital Covenant, we covenant to redeem or repurchase the PPS only if and to the extent that the total repurchase price is equal to or less than designated percentages of the net cash proceeds that we or our subsidiaries have received during the 180 days prior to such date from the issuance of our common stock, certain qualifying non-cumulative perpetual preferred stock satisfying the requirements of the Replacement Capital Covenant or other securities that qualify as Tier 1 capital of SunTrust under the risk-based capital guidelines of the Federal Reserve, but that are not restricted core capital elements; and we have obtained prior approval of the Federal Reserve, if such approval is then required by the Federal Reserve for repurchases of the PPS.

Our ability to raise proceeds from qualifying securities during the six months prior to a proposed redemption or repurchase will depend on, among other things, market conditions at such time as well as the acceptability to prospective investors of the terms of such qualifying securities. Accordingly, there could be circumstances where we would wish to redeem or repurchase some or all of the Preferred Stock and sufficient cash is available for that purpose, but we are restricted from doing so because we have not been able to obtain proceeds from qualifying securities sufficient for that purpose. In addition, the Federal Reserve has not approved as a Tier 1 capital instrument, in connection with the issuance of the Normal PPS, certain of the types of securities that otherwise would be qualifying securities under the Replacement Capital Covenant on and after the Stock Purchase Date and, accordingly, these securities would not constitute qualifying securities pursuant to the Replacement Capital Covenant unless such approval is obtained.

Upon effectiveness of our charter amendment, dividends on the Preferred Stock will be non-cumulative and we will have no obligation to pay dividends that were undeclared and unpaid during the Cumulative Dividend Period.

Dividends on the Preferred Stock will automatically become non-cumulative immediately upon the effective date of an amendment to SunTrust's articles of incorporation permitting preferred stock dividends to be cumulative, non-cumulative or partially cumulative. Our board of directors has approved such an amendment, proposed it for submission to common shareholders and recommended that they approve it. The amendment will become effective, and dividends will become non-cumulative, following common shareholder approval and the filing of the amendment with the Secretary of State of Georgia. We intend to hold a shareholder vote on this amendment at our 2007 annual meeting of shareholders, expected to occur on April 17, 2007, and, if not approved at that meeting, at subsequent annual or special meetings until approval is obtained. We expect this amendment to be approved at our 2007 annual meeting. While dividends will be cumulative if we issue the Preferred Stock prior to effectiveness of this amendment, any dividends that were not paid on Dividend Payment Dates during the Cumulative Dividend Period will not cumulate and will immediately

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cease to be due and payable. Accordingly, in deciding whether or not to invest in the Normal PPS, you should assume that dividends on the Preferred Stock will be non-cumulative.

The change from cumulative to non-cumulative dividends is a term of the Preferred Stock and occurs automatically upon effectiveness of the appropriate amendment to the articles of incorporation. Holders of PPS will have no right to vote on this amendment to the articles of incorporation or on the change from cumulative to non-cumulative dividends.

Consequently, subsequent to the later of the Stock Purchase Date and effectiveness of the amendment, if our board of directors does not authorize and declare a dividend for any Dividend Period, holders of Normal PPS would not be entitled to receive a distribution in respect of any such dividend, and any such unpaid dividend will cease to accrue and be payable. We will have no obligation to pay dividends accrued for a Dividend Period after the Dividend Payment Date for that period if our board of directors has not declared such dividend before the related Dividend Payment Date, whether or not dividends are declared for any subsequent Dividend Period with respect to the Preferred Stock or any other preferred stock we may issue.

If we are deferring payments on our outstanding junior subordinated debt securities or the Junior Subordinated Notes or are in default under the indentures governing those securities, we will be prohibited from making distributions on or redeeming the Preferred Stock.

The terms of our outstanding junior subordinated debt securities prohibit us from declaring or paying any dividends or distributions on the Preferred Stock, or redeeming, purchasing, acquiring or making a liquidation payment with respect to our Preferred Stock, if we are aware of any event that would be an event of default under the indenture governing those junior subordinated debt securities or at any time when we have deferred interest thereunder. The Indenture governing the Junior Subordinated Notes will contain similar provisions.

Holders of the Preferred Stock will have limited voting rights.

Holders of the Preferred Stock have no voting rights with respect to matters that generally require the approval of voting shareholders, except as required by law.

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SUNTRUST

Through our flagship subsidiary, SunTrust Bank, we provide deposit, credit, and trust and investment services. Additional subsidiaries provide mortgage banking, insurance, asset management, equipment leasing, brokerage and capital market services. SunTrust's client base encompasses a broad range of individuals and families, high-net-worth clients, businesses and institutions.

SunTrust enjoys strong market positions in some of the highest growth markets in the United States and also serves clients in selected markets nationally. Our priorities include consistency in financial performance, quality in customer service and a strong commitment to all segments of the communities we serve.

SunTrust's 1,699 retail and specialized service branches and 2,568 ATMs are located primarily in Florida, Georgia, Maryland, North Carolina, South Carolina, Tennessee, Virginia and the District of Columbia. In addition, SunTrust provides clients with a selection of technology-based banking channels including Internet, PC and Telephone Banking. Our internet address is www.suntrust.com.

As of September 30, 2006, SunTrust had total assets under advisement of \$238.5 billion. This includes \$201.8 billion in assets under management and non-managed trust assets as well as \$36.7 billion in retail brokerage assets. SunTrust's mortgage servicing portfolio grew to \$124.8 billion at period end.

Our common stock is traded on the New York Stock Exchange under the ticker symbol STI. Our principal executive offices are located at SunTrust Banks, Inc., 303 Peachtree Street, NE, Atlanta, Georgia 30308. Our telephone number is 404-588-7711.

If you would like to know more about us, see our documents incorporated by reference in this prospectus supplement as described in the section **Where You Can Find More Information**.

THE TRUST

The following is a summary of some of the terms of the Trust. This summary, together with the summary of some of the provisions of the related documents described below, contains a description of the material terms of the Trust but is not necessarily complete. We refer you to the documents referred to in the following description, copies of which are available upon request as described above under **Where You Can Find More Information**.

SunTrust Preferred Capital I, or the *Trust*, is a statutory trust organized under Delaware law pursuant to a Declaration of Trust, signed by us, as sponsor of the Trust, the Delaware Trustee, the Property Trustee and the administrative trustees and the filing of a certificate of trust with the Delaware Secretary of State. The Declaration of Trust of the Trust will be amended and restated in its entirety by us, the Delaware Trustee, the Property Trustee and the administrative trustees before the issuance of the PPS. We refer to the Declaration of Trust, as so amended and restated, as the *Declaration of Trust*. The Declaration of Trust will be qualified as an indenture under the Trust Indenture Act of 1939, as amended, or *Trust Indenture Act*.

The Trust was established solely for the following purposes:

issuing the PPS and the common securities issued concurrently to us by the Trust, or *Trust Common Securities*, and together with the PPS, the *Trust securities*, representing beneficial interests in the Trust;

investing the gross proceeds of the Trust securities in the Junior Subordinated Notes;

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entering into the Stock Purchase Contract Agreement and holding the Stock Purchase Contracts;

holding the Junior Subordinated Notes, Qualifying Treasury Securities and an interest-bearing deposit with SunTrust Bank and pledging them to secure the Trust's obligations under the Stock Purchase Contracts;

selling the Junior Subordinated Notes in a Remarketing or an Early Remarketing;

purchasing the Preferred Stock pursuant to the Stock Purchase Contracts on the Stock Purchase Date and holding it thereafter; and

engaging in other activities that are directly related to the activities described above.

We will own all of the Trust Common Securities, either directly or indirectly. The Trust Common Securities rank equally with the PPS and the Trust will make payment on its Trust securities *pro rata*, except that upon certain events of default under the Declaration of Trust relating to payment defaults on the Junior Subordinated Notes or non-payment of Contract Payments, the rights of the holders of the Trust Common Securities to payment in respect of distributions and payments upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the PPS. We will acquire Trust Common Securities in an aggregate liquidation amount equal to \$1,000,000.

The Trust's business and affairs will be conducted by its trustees, each appointed by us as sponsor of the Trust. The trustees will be U.S. Bank National Association, as the property trustee, or *Property Trustee*, and U.S. Bank Trust National Association, as the Delaware trustee, or *Delaware Trustee*, and three or more individual trustees, or *administrative trustees*, who are employees or officers of or affiliated with us. The Property Trustee will act as sole trustee under the Declaration of Trust for purposes of compliance with the Trust Indenture Act and will also act as trustee under the Guarantee and the Indenture. See Description of the Guarantee.

Unless an event of default under the Indenture has occurred and is continuing at a time that the Trust owns any Junior Subordinated Notes, the holders of the Trust Common Securities will be entitled to appoint, remove or replace the Property Trustee and/or the Delaware Trustee.

The Property Trustee and/or the Delaware Trustee may be removed or replaced for cause by the holders of a majority in liquidation amount of the PPS. In addition, holders of a majority in liquidation amount of the Capital PPS and, if prior to the Stock Purchase Date or if earlier, the Remarketing Settlement Date, Normal PPS will be entitled to appoint, remove or replace the Property Trustee and/or the Delaware Trustee if an event of default under the Indenture has occurred and is continuing and, at any time after the Stock Purchase Date, the holders of a majority in liquidation amount of the Normal PPS will be entitled to appoint, remove or replace the Property Trustee and/or the Delaware Trustee if we have failed to declare and pay dividends on the Preferred Stock held by the Trust for six or more consecutive quarters.

The right to vote to appoint, remove or replace the administrative trustees is vested exclusively in the holders of the Trust Common Securities, and in no event will the holders of the PPS have such right.

The Trust is a finance subsidiary of us within the meaning of Rule 3-10 of Regulation S-X under the Securities Act. As a result, no separate financial statements of the Trust are included in this prospectus supplement, and we do not expect that the Trust will file reports with the SEC under the Exchange Act.

The Trust is perpetual, but may be dissolved earlier as provided in the Declaration of Trust.

We will pay all fees and expenses related to the Trust and the offering of the PPS.

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USE OF PROCEEDS

We expect to receive net proceeds from this offering of approximately \$, after expenses and underwriting commissions. The Trust will invest the proceeds from the sale of the Normal PPS and all of the proceeds from the sale of the Trust Common Securities in the Junior Subordinated Notes issued by us.

We intend to use the net proceeds for general corporate purposes, which may include using some or all of the net proceeds to repurchase shares of our common stock.

REGULATORY CONSIDERATIONS

As a financial holding company and a bank holding company under the Bank Holding Company Act, SunTrust is subject to regulation, supervision and examination by the Board of Governors of the Federal Reserve. For a discussion of the material elements of the regulatory framework applicable to financial holding companies, bank holding companies and their subsidiaries and specific information relevant to SunTrust, please refer to SunTrust's annual report on Form 10-K for the fiscal year ended December 31, 2005, and any subsequent reports we file with the SEC, which are incorporated by reference in this prospectus supplement. This regulatory framework is intended primarily for the protection of depositors and the federal deposit insurance funds and not for the protection of security holders. As a result of this regulatory framework, SunTrust's earnings are affected by actions of the Federal Reserve, the Federal Deposit Insurance Corporation, which insures the deposits of our banking subsidiaries within certain limits, and the SEC, which regulates the activities of certain subsidiaries engaged in the securities business.

SunTrust's earnings are also affected by general economic conditions, its management policies and legislative action.

In addition, there are numerous governmental requirements and regulations that affect our business activities. A change in applicable statutes, regulations or regulatory policy may have a material effect on our business.

Depository institutions, like SunTrust's bank subsidiaries, are also affected by various federal laws, including those relating to consumer protection and similar matters. SunTrust also has other financial services subsidiaries regulated, supervised and examined by the Federal Reserve, as well as other relevant state and federal regulatory agencies and self-regulatory organizations. SunTrust's non-bank subsidiaries may be subject to other laws and regulations of the federal government or the various states in which they are authorized to do business.

ACCOUNTING TREATMENT; REGULATORY CAPITAL

General

The proceeds from the sale of the PPS will be allocated between the Stock Purchase Contracts and the Junior Subordinated Notes in proportion to the fair market value of each at the date of the offering.

We will recognize the present value of the Contract Payments under the Stock Purchase Contracts as a liability with an offsetting reduction in shareholders' equity. This liability increases over five years by interest charges to the statement of earnings based on a constant rate calculation. Contract Payments paid on the Stock Purchase Contracts will reduce this liability.

Each of the Stock Purchase Contracts is a forward transaction in our Preferred Stock. Upon settlement of a Stock Purchase Contract, we will receive \$100,000 on that Stock Purchase Contract

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and will issue a share of Preferred Stock. The \$100,000 we receive will be credited to shareholders' equity.

Fees and expenses incurred in connection with this offering will be allocated between the Junior Subordinated Notes and the Stock Purchase Contracts. The amount allocated to the Junior Subordinated Notes will be amortized and recognized as interest expense over the term of the Junior Subordinated Notes. The amount allocated to the Stock Purchase Contracts will be charged to shareholders' equity.

Other Matters

Both the Financial Accounting Standards Board and its Emerging Issues Task Force continue to study the accounting for financial instruments and derivative instruments, including instruments such as the PPS and the Stock Purchase Contracts. It is possible that our accounting for the PPS and the Stock Purchase Contracts could be affected by any new accounting rules that might be issued by these groups.

Regulatory Capital Treatment

We expect that the Federal Reserve will treat the Normal PPS and Stripped PPS as Tier 1 capital in an amount equal to the amount of this offering for purposes of its capital guidelines applicable to bank holding companies such as SunTrust. We also expect that, although the Normal PPS and Stripped PPS will be restricted core capital elements for purposes of the guidelines prior to issuance of the Preferred Stock on the Stock Purchase Date, the Normal PPS and Stripped PPS will be treated as qualifying mandatory convertible preferred securities for purposes of those guidelines, with the consequence that the Normal PPS and Stripped PPS, taken together with the other enumerated restricted core capital elements that in the aggregate are limited to 15% of Tier 1 capital, will be subject to the separate sub-limit of 25% of Tier 1 capital for internationally active banking organizations once the guidelines become fully effective on March 31, 2009.

RATIO OF EARNINGS TO FIXED CHARGES

The following table shows the ratio of earnings to fixed charges of SunTrust, which includes our subsidiaries, on a consolidated basis. The ratio of earnings to fixed charges has been computed by dividing:

net income plus all applicable income taxes plus fixed charges, by

fixed charges.

Fixed charges represent interest expense, either including or excluding interest on deposits as set forth below, and the portion of net rental expense deemed to be equivalent to interest on long-term debt. Interest expense, other than on deposits, includes interest on long-term debt, federal funds purchased and securities sold under agreements to repurchase, mortgages, commercial paper and other funds borrowed.

	Nine Months Ended		Twelve Months Ended December 31				
	September 30						
	2006	2005	2005	2004	2003	2002	2001
Including interest on deposits	1.61	1.97	1.89	2.43	2.28	1.94	1.66
Excluding interest on deposits	2.81	3.20	3.09	3.78	3.66	3.24	2.62

We did not declare or pay dividends on any shares of preferred stock during any of the periods shown and accordingly our ratios of earnings to fixed charges and preferred stock dividends would be the same as the ratios shown above. We issued our Perpetual Preferred Stock, Series A on September 16, 2006 and may declare dividends on such shares in the future.

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The following table sets forth the consolidated capitalization of SunTrust as of September 30, 2006, and as adjusted to give effect to the issuance of the Normal PPS and the Junior Subordinated Notes and the application of the net proceeds. See Use of Proceeds. You should read the following table together with SunTrust's consolidated financial statements and notes thereto incorporated by reference into this prospectus supplement and the accompanying prospectus.

	September 30, 2006	
	Actual	As Adjusted
	(Dollars in thousands)	
Long-Term Debt:		
Subordinated notes and debentures	3,936,757	\$
Notes issued to trusts formed to issue trust preferred securities	1,883,485	
Other long-term debt	11,657,034	
Total long-term debt	17,477,276	
Shareholder's Equity:		
Preferred stock	500,000	
Common stock	370,578	
Additional paid in capital	6,735,458	
Retained earnings	10,258,441	
Accumulated other comprehensive income	1,178,764	
Treasury stock, at cost, and other	(453,934)	
Total shareholder's equity	18,589,307	
Total long-term debt and shareholder's equity	36,066,583	
Capital Ratios:		
Risk-based Tier 1 capital ratio	7.70%	%
Risk-based total capital ratio	11.10	
Tier 1 leverage ratio	7.28	

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DESCRIPTION OF THE PPS

The following is a brief description of the terms of the PPS and of the Declaration of Trust under which they are issued. It does not purport to be complete in all respects. This description is subject to and qualified in its entirety by reference to the Declaration of Trust, copies of which are available upon request from us.

General

The PPS will be issued pursuant to the Declaration of Trust. The Property Trustee, U.S. Bank National Association, will act as indenture trustee for the PPS under the Declaration of Trust for purposes of compliance with the provisions of the Trust Indenture Act. The PPS, each with a liquidation amount of \$1,000, may be either Normal PPS, Stripped PPS or Capital PPS, and unless indicated otherwise, as used in this prospectus supplement the term *PPS* will include all three of these classes of PPS. The PPS issued in the offering will consist of Normal PPS, which are exchangeable for the other classes of PPS as described herein. The terms of each class of PPS will include those stated in the Declaration of Trust, including any amendments thereto and those made part of the Declaration of Trust by the Trust Indenture Act and the Delaware Statutory Trust Act.

The Trust will initially own all of our Remarketable Junior Subordinated Notes due 2042, or *Junior Subordinated Notes*, and will enter into a stock purchase contract agreement, or *Stock Purchase Contract Agreement*, with us, pursuant to which it will own stock purchase contracts, each a *Stock Purchase Contract*, having a stated amount of \$100,000.

In addition to the PPS, the Declaration of Trust authorizes the administrative trustees of the Trust to issue the Trust Common Securities on behalf of the Trust. We will own directly or indirectly all of the Trust Common Securities. The Trust Common Securities rank on a parity, and payments upon redemption, liquidation or otherwise will be made on a proportionate basis with the PPS except as set forth below under *Ranking of Trust Common Securities*. The Declaration of Trust does not permit the Trust to issue any securities other than the Trust Common Securities and the PPS or to incur any indebtedness.

Under the Declaration of Trust, the Property Trustee on behalf of the Trust:

will own the Junior Subordinated Notes purchased by the Trust for the benefit of the holders of the Normal PPS, Capital PPS and Trust Common Securities;

will enter into the Stock Purchase Contracts and own the Preferred Stock purchased by the Trust pursuant thereto for the benefit of the holders of the Normal PPS, Stripped PPS and Trust Common Securities;

will own the Qualifying Treasury Securities delivered upon exchange of Normal PPS and Qualifying Treasury Securities for Stripped PPS and Capital PPS or purchased by the Collateral Agent with the proceeds of maturing Qualifying Treasury Securities for the benefit of the holders of Stripped PPS;

will place in an interest-bearing deposit with SunTrust Bank, payable on the Stock Purchase Date and bearing interest at % *per annum*, the cash proceeds from the Remarketing of the Junior Subordinated Notes on the Remarketing Settlement Date for the benefit of the holders of Normal PPS; and

may own the Additional Subordinated Notes, if any, we issue to the Trust on the Stock Purchase Date in respect of deferred interest on the Junior Subordinated Notes and/or deferred Contract Payments on the Stock Purchase Contracts, as the case may be.

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The payment of distributions out of money held by the Trust, and payments upon redemption of the PPS or liquidation of the Trust, are guaranteed by us to the extent described under *Description of the Guarantee*. The Guarantee, when taken together with our obligations under the Stock Purchase Contracts, the Junior Subordinated Notes and the Indenture and our obligations under the Declaration of Trust, including our obligations to pay costs, expenses, debts and liabilities of the Trust, other than with respect to the Trust Common Securities and the PPS, has the effect of providing a full and unconditional guarantee of amounts due on the PPS. U.S. Bank National Association, as the Guarantee Trustee, will hold the Guarantee for the benefit of the holders of the PPS. The Guarantee does not cover payment of distributions when the Trust does not have sufficient available funds to pay those distributions. In that case, except in the limited circumstances in which the holder may take direct action, the remedy of a holder of the PPS is to vote to direct the Property Trustee to enforce the Property Trustee's rights under the Junior Subordinated Notes or the Stock Purchase Contracts, as the case may be.

When we use the term *holder* in this prospectus supplement with respect to a registered PPS, we mean the person in whose name such PPS is registered in the security register. The PPS will be held in book-entry form only, as described under *Book-Entry System*, except in the circumstances described in that section, and will be held in the name of DTC or its nominee.

We will apply to list the Normal PPS on the New York Stock Exchange under the symbol _____. Unless and until Normal PPS are exchanged for Stripped PPS and Capital PPS, the Stripped PPS and the Capital PPS will not trade separately. If Stripped PPS or Capital PPS (or after the Remarketing Settlement Date, Junior Subordinated Notes) are separately traded to a sufficient extent that applicable exchange listing requirements are met, we may list the Stripped PPS or Capital PPS (or after the Remarketing Settlement Date, Junior Subordinated Notes) on the same exchange as the Normal PPS are then listed, including, if applicable, the New York Stock Exchange, though we are under no obligation to do so.

Normal PPS

The PPS sold in the offering are called the ____ % Fixed-to-Floating Rate Normal PPS, or *Normal PPS*, and each represents a beneficial interest in the Trust initially corresponding to the following Trust assets:

\$1,000 principal amount of Junior Subordinated Notes; and

a 1/100th interest in a Stock Purchase Contract under which:

the Trust will agree to purchase from us, and we will agree to sell to the Trust, on the Stock Purchase Date, for \$100,000 in cash, a share of our Non-Cumulative Perpetual Preferred Stock, Series B, \$100,000 liquidation preference per share, or *Preferred Stock*; and

we will pay Contract Payments to the Trust at the rate of ____ % *per annum* on the liquidation amount of \$100,000, subject to our right to defer these payments.

We describe the Stock Purchase Contracts, the Trust's obligation to purchase our Preferred Stock and the Contract Payments in more detail under *Description of the Stock Purchase Contracts* and we describe the Junior Subordinated Notes and how and when they will be remarketed in more detail under *Description of the Junior Subordinated Notes*.

The stock purchase date under the Stock Purchase Contracts, or *Stock Purchase Date*, is expected to be December 15, 2011 (or if such day is not a business day, the next business day), but could (i) occur on an earlier date in the circumstances described below under *Description of the Junior Subordinated Notes - Early Settlement Events* or (ii) be deferred for quarterly periods until as late as

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December 15, 2012 (or if such day is not a business day, the next business day) if the first four attempts to remarket the Junior Subordinated Notes are not successful. Through the later of December 15, 2011 and the Stock Purchase Date or if earlier, the Remarketing Settlement Date, unless we otherwise defer such payments, we will make interest payments on the Junior Subordinated Notes at the annual rate of $\% \text{ per annum}$, semi-annually in arrears on each June 15 and December 15, commencing June 15, 2007, calculated on the basis of a 360-day year consisting of twelve 30-day months, and the Trust will pass through such interest payments when received as distributions on the Normal PPS. We will also make an interim interest payment on the Stock Purchase Date if the Junior Subordinated Notes have not been successfully remarketed and such date is not otherwise an interest payment date. After the later of December 15, 2011 and the Stock Purchase Date or if earlier, the Remarketing Settlement Date, the Trust will not pass through interest on the Junior Subordinated Notes to holders of Normal PPS.

The purchase price of each Normal PPS will be allocated between the interests in the corresponding Stock Purchase Contract and the corresponding Junior Subordinated Notes in proportion to their respective fair market values at the time of issuance. We will treat the fair market value of each Junior Subordinated Note as \$1,000 and the fair market value of each Stock Purchase Contract as \$0. This position generally will be binding on each beneficial owner of each Normal PPS but not on the Internal Revenue Service.

Any Junior Subordinated Notes beneficially owned by the Trust corresponding to the Normal PPS and their proceeds will be pledged to us under a collateral agreement, or *Collateral Agreement*, between us and The Bank of New York Trust Company, N.A., or *The Bank of New York Trust Company*, acting as collateral agent, or *Collateral Agent*, to secure the Trust's obligation to purchase Preferred Stock under the corresponding Stock Purchase Contract. The Bank of New York Trust Company will also act as registrar and transfer agent, or *Transfer Agent*, for the PPS and as custodial agent, or *Custodial Agent*, for other property of the Trust. If The Bank of New York Trust Company should resign or be removed in any of these capacities, we or the Trust will designate a successor and the terms *Collateral Agent*, *Transfer Agent* and *Custodial Agent* as used in this prospectus supplement will refer to that successor.

A *business day* means any day other than a Saturday, Sunday or any other day on which banking institutions and trust companies in New York, New York, Atlanta, Georgia or Wilmington, Delaware are permitted or required by any applicable law to close.

Exchanging Normal PPS and Qualifying Treasury Securities for Stripped PPS and Capital PPS

You will have the right prior to the Stock Purchase Date or, if earlier, the successful Remarketing of the Junior Subordinated Notes, to exchange Normal PPS and Qualifying Treasury Securities for Stripped PPS and Capital PPS by depositing with the Collateral Agent \$1,000 principal amount of Qualifying Treasury Securities for each \$1,000 liquidation amount of Normal PPS to be exchanged, transferring your Normal PPS to the Transfer Agent and delivering the required notice, as described below under Exchange Procedures. Upon any such exchange, you will receive \$1,000 liquidation amount of Stripped PPS and \$1,000 liquidation amount of Capital PPS, and you will be able to trade them separately, although they will not be listed on any stock exchange unless we decide to list them. You will be able to exercise this right on any business day until the Stock Purchase Date, other than on a day in March, June, September or December that is on or after the first day of the month through the 15th day of the month (or the next business day if the 15th is not a business day) or from 3:00 P.M., New York City time, on the second business day before the beginning of any Remarketing Period and until the business day after the end of that Remarketing Period. You will also not be able to exercise this right at any time after a successful Remarketing. We refer to periods during which exchanges are permitted as *Exchange Periods*.

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Each *Stripped PPS* will be a beneficial interest in the Trust corresponding to:

a 1/100th interest in a Stock Purchase Contract; and

\$1,000 principal amount of U.S. treasury securities that were Qualifying Treasury Securities on the date they were acquired by the Trust.

On each Additional Distribution Date (or as promptly thereafter as the Collateral Agent and the paying agent determine to be practicable), each holder of Stripped PPS will also be entitled to receive Excess Proceeds Distributions consisting of the excess of the principal amount at maturity of the Qualifying Treasury Securities over the cost of replacing them with new Qualifying Treasury Securities.

Each *Capital PPS* will be a beneficial interest in the Trust corresponding to \$1,000 principal amount of Junior Subordinated Notes held by the Custodial Agent on behalf of the Trust. The Trust will redeem the Capital PPS promptly after the Remarketing Settlement Date in exchange for Junior Subordinated Notes having an aggregate principal amount equal to the aggregate liquidation amount of Capital PPS so redeemed.

Qualifying Treasury Securities. In order to determine what U.S. Treasury security is the Qualifying Treasury Security during any Exchange Period, any administrative trustee shall, for each March 15, June 15, September 15 and December 15, commencing on March 15, 2007 and ending on the Stock Purchase Date or the earlier termination of the Stock Purchase Contracts, or if any such day is not a business day, the immediately succeeding business day, or *Additional Distribution Date*, identify:

the 13-week treasury bill that matures at least one but not more than six business days prior to that Additional Distribution Date; or

if no 13-week treasury bill that matures on at least one but more than six business days prior to that Additional Distribution Date is or is scheduled to be outstanding on the immediately preceding Additional Distribution Date, the 26-week treasury bill that matures at least one but not more than six business days prior to that Additional Distribution Date; or

if neither of such treasury bills is or is scheduled to be outstanding on the immediately preceding Additional Distribution Date, any other treasury security (which may be a zero coupon treasury security) that is outstanding on the immediately preceding Additional Distribution Date, is highly liquid and matures at least one business day prior to such Additional Distribution Date; *provided* that any treasury security identified pursuant to this clause shall be selected in a manner intended to minimize the cash value of the security selected.

The administrative trustees shall use commercially reasonable efforts to identify the security meeting the foregoing criteria for each Additional Distribution Date promptly after the Department of the Treasury makes the schedule for upcoming auctions of U.S. treasury securities publicly available and shall, to the extent that a security previously identified with respect to any Additional Distribution Date is no longer expected to be outstanding on the immediately preceding Additional Distribution Date, identify another security meeting the foregoing criteria for such Additional Distribution Date. The security most recently identified by the administrative trustees with respect to any Additional Distribution Date shall be the *Qualifying Treasury Security* with respect to the period from and including its date of issuance (or if later, the date of maturity of the Qualifying Treasury Security with respect to the immediately preceding Additional Distribution Date) to but excluding its date of maturity, and the administrative trustees identification of a security as a Qualifying Treasury Security for such period shall be final and binding for all purposes absent manifest error. You will be able to obtain the issue date, the maturity date and, when available, the CUSIP number of the treasury bills or other U.S. treasury securities that are Qualifying Treasury Securities for the current Exchange Period from the

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Collateral Agent by calling 1-800-254-2826. Since this information is subject to change from time to time, holders should confirm this information prior to purchasing or delivering U.S. treasury securities in connection with any exchange of Normal PPS and Qualifying Treasury Securities for Stripped PPS and Capital PPS.

Each Qualifying Treasury Security delivered to the Collateral Agent in connection with any exchange of Normal PPS and Qualifying Treasury Securities for Stripped PPS and Capital PPS and each Qualifying Treasury Security purchased by the Collateral Agent with the proceeds of any maturing Qualifying Treasury Security will be pledged to us through the Collateral Agent to secure the Trust's obligation to purchase Preferred Stock under the corresponding Stock Purchase Contracts. In purchasing Qualifying Treasury Securities, the Collateral Agent will solicit offers from at least three U.S. government securities dealers, one of which may be The Bank of New York Trust Company or an affiliate of The Bank of New York Trust Company, and will accept the lowest offer so long as at least two offers are available. The Collateral Agent shall have no liability to the Trust, any trustee or any holder of the PPS in connection with the purchase of Qualifying Treasury Securities in the absence of gross negligence or willful misconduct.

Exchange Procedures. To exchange Normal PPS and Qualifying Treasury Securities for Stripped PPS and Capital PPS, for each Normal PPS you must:

deposit with the Collateral Agent U.S. treasury securities that are Qualifying Treasury Securities on the date of deposit, in a principal amount of \$1,000, which you must purchase on the open market at your expense unless you already own them;

transfer the Normal PPS to the Transfer Agent; and

deliver a notice to the Collateral Agent and the Transfer Agent, in connection with the actions specified above, stating that you are depositing the appropriate Qualifying Treasury Securities with the Collateral Agent, transferring the Normal PPS to the Transfer Agent in connection with the exchange of the Normal PPS and Qualifying Treasury Securities for Stripped PPS and Capital PPS and requesting the delivery to you of Stripped PPS and Capital PPS.

Upon the deposit, transfer and receipt of notice, the Collateral Agent will release the Junior Subordinated Notes corresponding to the exchanged Normal PPS from the pledge under the Collateral Agreement, free and clear of our security interest, and continue to hold them as Custodial Agent for the Trust in connection with the Capital PPS to be delivered to you. The Transfer Agent will cancel the exchanged Normal PPS and then deliver the Stripped PPS and Capital PPS to you.

Exchanging Stripped PPS and Capital PPS for Normal PPS and Qualifying Treasury Securities

If you hold Stripped PPS and Capital PPS you will have the right, at any time during an Exchange Period, to exchange them for Normal PPS and Qualifying Treasury Securities by transferring your Stripped PPS and Capital PPS to the Transfer Agent and delivering the notice specified below. The Collateral Agent will substitute a principal amount of Junior Subordinated Notes equal to the liquidation amount of the Stripped PPS so exchanged for the same principal amount of Qualifying Treasury Securities pledged to secure the Trust's obligations under the Stock Purchase Contracts and deliver these Qualifying Treasury Securities to you, unencumbered by the security interest created under the Collateral Agreement, after which you will own the Qualifying Treasury Securities separately from the Normal PPS.

To exchange Stripped PPS and Capital PPS for Normal PPS and Qualifying Treasury Securities, you must transfer to the Transfer Agent Stripped PPS and Capital PPS having the same liquidation amount, accompanied by a notice to the Transfer Agent, which you must also deliver to the Collateral

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Agent, stating that you are transferring the Stripped PPS and Capital PPS in connection with the exchange of Stripped PPS and Capital PPS for Normal PPS and Qualifying Treasury Securities, requesting the release to you of pledged Qualifying Treasury Securities having a principal amount equal to the liquidation amount of Stripped PPS and Capital PPS so exchanged and requesting the delivery to you of Normal PPS. You must purchase the Stripped PPS or the Capital PPS at your expense unless you otherwise own them.

Upon the transfer of Stripped PPS and Capital PPS together with the notice and request, the Collateral Agent will release the corresponding Qualifying Treasury Securities from the pledge under the Collateral Agreement, free and clear of our security interest, and deliver them to you. The Transfer Agent will then cancel the exchanged Stripped PPS and Capital PPS and deliver the Normal PPS to you.

The Junior Subordinated Notes corresponding to the Capital PPS you delivered will be pledged to us through the Collateral Agent to secure the Trust's obligation to purchase Preferred Stock under the Stock Purchase Contracts related to the Normal PPS.

If you elect to exchange Normal PPS and Qualifying Treasury Securities for Stripped PPS and Capital PPS or vice versa, you will be responsible for any fees or expenses payable in connection with the exchange.

Current Payments

The Trust must make distributions on each class of PPS on the relevant Distribution Dates to the extent that it has funds available therefor. The Trust's funds available for distribution to you as a holder of any class of PPS will be limited to payments received from us on the assets held by the Trust corresponding to that class. We will guarantee the payment of distributions on the PPS out of moneys held by the Trust to the extent of available Trust funds, as described under Description of the Guarantee. Our obligation to pay Contract Payments will be subordinate and junior in right of payment to all our senior and subordinated indebtedness, to the same extent as our obligations under our Junior Subordinated Notes, as described under Description of the Junior Subordinated Notes. Our obligations under the Junior Subordinated Notes are similarly subordinate and junior in right of payment to all our senior and subordinated indebtedness.

The distribution dates for Normal PPS and Stripped PPS, which we call *Regular Distribution Dates*, are:

each June 15 and December 15 occurring prior to and including the later of December 15, 2011 and the Stock Purchase Date, commencing June 15, 2007 (or in the case of Stripped PPS, the first such date on which Stripped PPS are outstanding);

after the later of December 15, 2011 and the Stock Purchase Date, each March 15, June 15, September 15 and December 15, or if any such date is not a business day, the next business day; and

the Stock Purchase Date if not otherwise a Regular Distribution Date;
provided that the last Regular Distribution Date for the Stripped PPS shall be the Stock Purchase Date.

The distribution dates for Capital PPS, which we call *Capital PPS Distribution Dates*, are:

each June 15 and December 15, commencing on the later of the first such date on which Capital PPS are outstanding and June 15, 2007 and continuing through and including the last such date to occur prior to the Remarketing Settlement Date; and

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thereafter for so long as Capital PPS remain outstanding, each day that is an interest payment date for the Junior Subordinated Notes.

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Also, prior to the Stock Purchase Date, the Trust will make additional distributions on the Stripped PPS relating to the Qualifying Treasury Securities quarterly on each March 15, June 15, September 15 and December 15, or if any such date is not a business day, the next business day, which dates we call *Additional Distribution Dates*, or as promptly thereafter as the Collateral Agent and the paying agent determine to be practicable, commencing on the later of the first such day after Stripped PPS are outstanding and March 15, 2007.

We use the term *Distribution Date* to mean a Regular Distribution Date, a Capital PPS Distribution Date or an Additional Distribution Date. A *Distribution Period* is (i) with respect to Normal PPS, Stripped PPS and Trust Common Securities, each period of time beginning on a Regular Distribution Date (or the date of original issuance in the case of the Distribution Period ending in June 2007) and continuing to but not including the next succeeding Regular Distribution Date for such class; and (ii) with respect to Capital PPS, each period of time beginning on a Capital PPS Distribution Date (or the date of original issuance of the PPS in the case of the Distribution Period ending in June 2007) and continuing to but not including the next succeeding Capital PPS Distribution Date. When a Distribution Date is not a business day, the Trust will make the distribution on the next business day without interest. The term *distribution* includes any interest payable on unpaid distributions unless otherwise stated.

Distributions made for periods prior to the later of December 15, 2011 and the Stock Purchase Date will be calculated on the basis of a 360-day year consisting of twelve 30-day months, and distributions for periods beginning on or after such date will be calculated on the basis of a 360-day year and the number of days actually elapsed.

Distributions on the PPS will be payable to holders as they appear in the security register of the Trust on the relevant record dates. The record dates will be the last day of the month immediately preceding the month in which the Distribution Date falls. Distributions will be paid through the Property Trustee or paying agent, who will hold amounts received in respect of the Junior Subordinated Notes, the Stock Purchase Contracts and the Preferred Stock for the benefit of the holders of the PPS. Subject to any applicable laws and regulations and the provisions of the Declaration of Trust, each distribution will be made as described in the section entitled *Book-Entry System*.

Normal PPS. Subject to the deferral provisions described below, through the later of December 15, 2011 and the Stock Purchase Date holders of Normal PPS will be entitled to receive cash distributions semi-annually on each Regular Distribution Date at the rate of $\frac{\quad}{\quad}\%$ *per annum* of the liquidation amount, corresponding to (i) interest on the Junior Subordinated Notes accruing for each Distribution Period ending prior to that date at the rate of $\frac{\quad}{\quad}\%$ *per annum* and Contract Payments accruing for each Distribution Period ending prior to that date at the rate of $\frac{\quad}{\quad}\%$ *per annum* on the liquidation amount of \$1,000 per Normal PPS or (ii) if the Stock Purchase Date occurs prior to December 15, 2011, dividends on the Preferred Stock accruing for each Distribution Period ending prior to that date.

Subject to the deferral provisions described below, holders of Normal PPS will also receive on the Stock Purchase Date, without duplication of the above payments, an amount equal to accrued and unpaid Contract Payments and interest on the Junior Subordinated Notes, whether or not the Junior Subordinated Notes have been successfully remarketed. A portion of the net proceeds of any successful Remarketing will be placed in the interest-bearing deposit with SunTrust Bank in an amount equal to the amount of interest that would have been payable to the Trust on the Junior Subordinated Notes had they not been sold in the Remarketing and the interest rate not been reset. Holders of Normal PPS making the election described under *Remarketing of the Junior Subordinated Notes* Normal PPS will not be entitled to this additional cash payment due to other holders of Normal PPS if the Remarketing is successful since their Normal PPS will automatically become Stripped PPS and

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Capital PPS on the Remarketing Settlement Date. In the case of a Failed Remarketing, the Stock Purchase Date will be an interest payment date on the Junior Subordinated Notes.

After the Stock Purchase Date, holders of Normal PPS will be entitled to receive distributions corresponding to dividends on the Preferred Stock held by the Trust. These cash dividends, which will be non-cumulative after the effective date of an amendment to SunTrust's articles of incorporation permitting preferred stock dividends to be cumulative, non-cumulative or partially cumulative, will be payable if, as and when declared by our board of directors, on the Dividend Payment Dates, which are:

if the Preferred Stock is issued prior to December 15, 2011, semi-annually in arrears on each June 15 and December 15 through December 15, 2011; and

from and including the later of December 15, 2011 and the date of issuance, quarterly in arrears on each March 15, June 15, September 15 and December 15 (or if such day is not a business day, the next business day).

Dividends on each share of Preferred Stock will be calculated on the liquidation preference of \$100,000 per share (i) to but not including the Dividend Payment Date in December 15, 2011 at a rate *per annum* equal to %, and (ii) thereafter for each related Dividend Period at a rate *per annum* equal to the greater of (x) Three-Month LIBOR plus % and (y) %.

For more information about dividends on the Preferred Stock, see Description of the Preferred Stock Dividends.

Stripped PPS. Subject to the deferral provisions described below, holders of Stripped PPS will be entitled to receive cash distributions on each Regular Distribution Date corresponding to Contract Payments payable by us through the Stock Purchase Date, at the rate of % *per annum* on the liquidation amount of \$1,000 per Stripped PPS, accruing for each Stripped PPS from the Regular Distribution Date immediately preceding its issuance. Not later than each Additional Distribution Date on which any Stripped PPS are outstanding, the Collateral Agent will reinvest the proceeds of maturing Qualifying Treasury Securities on behalf of the Trust in securities that are Qualifying Treasury Securities as of such date, in each case having the same principal amount at maturity as the maturing Qualifying Treasury Securities. The Collateral Agent will invest the excess of the proceeds over the cost of the replacement securities in cash equivalents, and deliver to the Trust for distribution to the holders of Stripped PPS, on each Additional Distribution Date (or as promptly thereafter as the Collateral Agent and the paying agent determine to be practicable), an amount, or *Excess Proceeds Distribution*, equal to the excess of \$1,000 per Stripped PPS over the cost of such replacement Qualifying Treasury Securities plus any interest earned on those cash equivalents from the maturity date until the Additional Distribution Date. Since the principal amount of the Qualifying Treasury Securities will be used to pay the purchase price under the Stock Purchase Contracts on the Stock Purchase Date, the Excess Proceeds Distribution on the Stock Purchase Date will consist only of interest earned from the maturity date of the Qualifying Treasury Securities through the Stock Purchase Date, if any.

For as long as they hold the Capital PPS, the holders of the Stripped PPS will continue to receive the scheduled distributions on the Capital PPS that were delivered to them when the Stripped PPS were created, subject to our right to defer interest payments on the Junior Subordinated Notes. Each Stripped PPS will automatically, without any action by holders being necessary, be and become a Normal PPS on the business day following the Stock Purchase Date and be entitled to receive the same current payments as each Normal PPS after the Stock Purchase Date; *provided* that if after a Failed Remarketing we have issued Additional Subordinated Notes to the Trust in respect of deferred interest on the Junior Subordinated Notes, the Stripped PPS will only be and become Normal PPS on the business day after such Additional Subordinated Notes have been paid in full. In this case, the

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Stripped PPS will not become Normal PPS until we have paid all amounts due on these Additional Subordinated Notes, and until then the holders of Stripped PPS will be entitled to receive on each Regular Distribution Date distributions corresponding to the dividends on the Preferred Stock.

Capital PPS. Subject to the deferral provisions described below, holders of Capital PPS will be entitled to receive cumulative cash distributions semi-annually on each June 15 and December 15, commencing on the later of the first such date on which Capital PPS are outstanding and June 15, 2007, corresponding to interest on the Junior Subordinated Notes accruing for each Distribution Period ending on such date at the rate of *% per annum* on the liquidation amount of \$1,000 per Capital PPS. If the Stock Purchase Date occurs on a date that is not a semi-annual distribution date and the Junior Subordinated Notes have not been successfully remarketed, that date will also be an interest payment date on the Junior Subordinated Notes and, accordingly, subject to the deferral provisions described below, holders of Capital PPS will receive a distribution on that date corresponding to interest on the Junior Subordinated Notes.

The distributions paid on any Capital PPS Distribution Date will include any additional amounts or deferred interest amounts received by the Trust on the Junior Subordinated Notes that are corresponding assets for the Capital PPS, as well as payments of interest on and principal of any Additional Subordinated Notes we issue to the Trust on the Stock Purchase Date in respect of deferred interest on the Junior Subordinated Notes, if any.

Upon a successful Remarketing, we may elect to change the rate of interest on the Junior Subordinated Notes from and after the Remarketing Settlement Date, as described below under *Description of the Junior Subordinated Notes Remarketing*. Accordingly, distributions will accrue on the Capital PPS that are not disposed of in connection with the Remarketing from and including the Remarketing Settlement Date to but excluding the date on which they are redeemed in exchanged for Junior Subordinated Notes at the rate established in the Remarketing.

Deferral of Contract Payments and Interest Payments. We may at our option, and will if so directed by the Federal Reserve, defer the Contract Payments until no later than the Stock Purchase Date as described under *Description of the Stock Purchase Contracts Option to Defer Contract Payments*. As a consequence, the Trust will defer corresponding distributions on the Normal PPS and the Stripped PPS during the deferral period. Deferred Contract Payments will accrue interest until paid, compounded on each Regular Distribution Date, at the interest rate *per annum* originally applicable to the Junior Subordinated Notes. If we elect to defer the payment of Contract Payments until the Stock Purchase Date, then we will pay the Trust the deferred Contract Payments in additional junior subordinated notes, or *Additional Subordinated Notes*, that have a principal amount equal to the aggregate amount of deferred Contract Payments as of the Stock Purchase Date, mature on the later of December 15, 2014 and five years after commencement of the related deferral period, bear interest at the rate *per annum* originally applicable to the Junior Subordinated Notes, are subordinate and rank junior in right of payment to all of our senior and subordinated debt on the same basis as the Contract Payments, permit us to optionally defer interest on the same basis as the Junior Subordinated Notes and are redeemable by us at any time prior to their stated maturity. The notes will be issued as a new series of notes under our junior subordinated indenture described in this prospectus supplement under *Description of the Junior Subordinated Notes*.

Also, we may at our option, and will if so directed by the Federal Reserve, defer cash payments of interest on the Junior Subordinated Notes that are owned by the Trust for up to 14 consecutive interest payment dates (*i.e.*, seven years), or the equivalent thereof if interest payments on the Junior Subordinated Notes are not then semi-annual, in which case the deferred amounts will accrue additional interest at the applicable rate then borne by the Junior Subordinated Notes. As a consequence, the Trust will defer corresponding distributions on the Normal PPS (prior to the Stock

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Purchase Date, or if earlier, the Remarketing Settlement Date) and on the Capital PPS during the deferral period. Deferred distributions to which you are entitled will accrue interest, from the relevant Distribution Date during any deferral period, at the rate originally applicable to the Junior Subordinated Notes compounded on each interest payment date with respect to the Junior Subordinated Notes, to the extent permitted by applicable law. Subject to certain exceptions in the Indenture under which we are issuing the Junior Subordinated Notes, as described under *Description of the Junior Subordinated Notes Alternative Payment Mechanism*, we covenant that, if we defer interest on any interest payment date on or prior to the Stock Purchase Date, commencing with the date two years after the beginning of an interest deferral period:

we will pay that deferred interest only out of the net proceeds of shares of common stock or non-cumulative perpetual preferred stock that is subject to a replacement capital covenant similar to the Replacement Capital Covenant applicable to the Normal PPS and the Preferred Stock received by us during the 180 days prior to the date of payment of such deferred interest; and

after notice to the Federal Reserve and except to the extent the Federal Reserve shall have disapproved, we will continuously use our Commercially Reasonable Efforts to sell shares of our common stock or non-cumulative perpetual preferred stock in an amount that will generate net proceeds in an amount sufficient to pay such deferred amounts and shall apply the proceeds of such sale to such deferred amounts.

During any period that we are deferring Contract Payments or interest on the Junior Subordinated Notes (and, accordingly, the Trust is deferring distributions on the PPS) or have issued but not yet repaid in full Additional Subordinated Notes in respect of deferred interest or deferred Contract Payments, we will be restricted, subject to certain exceptions, from making certain payments, including declaring or paying any dividends or making any distributions on, or redeeming, purchasing, acquiring or making a liquidation payment with respect to, shares of our capital stock as described under *Description of the Junior Subordinated Notes Restrictions on Certain Payments, Including on Deferral of Interest*. If we have elected to defer interest on the Junior Subordinated Notes and there is a Failed Remarketing, then we will pay the Trust the deferred interest in Additional Subordinated Notes. If we issue any Additional Subordinated Notes, the foregoing covenant will also apply to the payment of interest on and principal of these notes except that the reference to termination of the deferral period shall instead be to the maturity date of the notes.

Agreed Tax Treatment of the PPS

As a beneficial owner of PPS, by acceptance of the beneficial interest therein, you will be deemed to have agreed, for all U.S. federal income tax purposes:

to treat yourself as the owner of:

for each Normal PPS or Stripped PPS, a 1/100th interest in a Stock Purchase Contract;

for each Normal PPS or Capital PPS, \$1,000 principal amount of Junior Subordinated Notes;

for each Stripped PPS, \$1,000 principal amount of Qualifying Treasury Securities; and

for each Normal PPS participating in the Remarketing, its *pro rata* portion of the interest-bearing deposit with SunTrust Bank;

to treat the Trust as one or more grantor trusts or agency arrangements;

to treat the fair market value of the \$1,000 principal amount of Junior Subordinated Notes corresponding to one Normal PPS as \$1,000 and the fair market value of a 1/100th fractional

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interest in a Stock Purchase Contract corresponding to one Normal PPS as \$0 at the time of initial purchase;

to treat the Junior Subordinated Notes as our indebtedness; and

to treat stated interest on the Junior Subordinated Notes as ordinary interest income that is includible in your gross income at the time the interest is paid or accrued in accordance with your regular method of tax accounting, and otherwise to treat the Junior Subordinated Notes as described in Certain U.S. Federal Income Tax Consequences Taxation of the Junior Subordinated Notes.

Remarketing of the Junior Subordinated Notes

The Trust will attempt to remarket the Junior Subordinated Notes in order to fund the purchase of the Preferred Stock on the Stock Purchase Date under the Stock Purchase Contracts in a process we call *Remarketing*. If a Remarketing is successful, the interest rate on and certain other terms of the Junior Subordinated Notes may be changed, as a result of which the distribution rate, distribution dates and other terms of the Capital PPS may also change. We describe the timing of the Remarketing and how the Remarketing will be conducted under Description of the Junior Subordinated Notes Remarketing and Early Remarketing. In this section we describe choices that you may make in connection with Remarketings as a holder of Normal PPS or Capital PPS.

Normal PPS. If you hold Normal PPS, you may decide that, in the event a Remarketing is successful, you would prefer to exchange your Normal PPS for Stripped PPS and Capital PPS instead of continuing to hold your Normal PPS. You may make a contingent exchange election by transferring your Normal PPS to the Transfer Agent and the notice of contingent exchange election in the form set forth on the reverse side of the Normal PPS certificate executed and completed as indicated during the period that commences on the tenth business day immediately preceding the beginning of any Remarketing Period and ending at 3:00 P.M., New York City time, on the second business day before the beginning of that Remarketing Period and depositing Qualifying Treasury Securities having a principal amount equal to the liquidation amount of your Normal PPS on the date of deposit with the Collateral Agent on or prior to 3:00 P.M., New York City time, on the second business day before the beginning of that Remarketing Period.

If the Junior Subordinated Notes are successfully remarketed during that Remarketing Period and you have made an effective election, your Normal PPS will be cancelled and you will receive Stripped PPS and Capital PPS having the same liquidation amount on or promptly after the Remarketing Settlement Date. As with any other exchange of Normal PPS and Qualifying Treasury Securities for Stripped PPS and Capital PPS, you will be able to trade the Stripped PPS and Capital PPS separately. As a result of the successful Remarketing, the Stock Purchase Date will occur on the March 15, June 15, September 15 and December 15 next following the Remarketing Settlement Date, or if such date is not a business day, the next business day, and on the business day following the Stock Purchase Date each Stripped PPS will automatically be and become a Normal PPS, corresponding to 1/100th of a share of Preferred Stock held by the Trust. Each Capital PPS you receive will correspond to \$1,000 principal amount of Junior Subordinated Notes beneficially owned by the Trust and the Trust will redeem the Capital PPS promptly after the Remarketing Settlement Date in exchange for the corresponding Junior Subordinated Notes.

If you have given notice of a contingent exchange election but fail to deliver the Qualifying Treasury Securities to the Collateral Agent by 3:00 P.M., New York City time, on the second business day before the beginning of the applicable Remarketing Period, the notice will be void and your Normal PPS will be returned to you promptly after the end of that Remarketing Period.

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If you have given notice of a contingent exchange election and delivered the Qualifying Treasury Securities but the Remarketing is unsuccessful, your Qualifying Treasury Securities will be promptly returned to you by the Collateral Agent and your Normal PPS certificates will be promptly returned to you by the Transfer Agent.

Capital PPS. If you hold Capital PPS, you may decide that, in the event a Remarketing is successful, you would prefer to dispose of your Capital PPS and receive the net cash proceeds of the Remarketing of the Junior Subordinated Notes. You may make a contingent disposition election by transferring your Capital PPS to the Transfer Agent and the notice of contingent disposition election in the form set forth on the reverse side of the Capital PPS certificate executed and completed as indicated during the period that commences on the tenth business day immediately preceding the beginning of a Remarketing Period and ending at 3:00 P.M., New York City time, on the second business day immediately preceding the beginning of any Remarketing Period. If the Junior Subordinated Notes are successfully remarketed during that Remarketing Period and you have made an effective election, on or promptly after the Remarketing Settlement Date, your Capital PPS will be cancelled and you will receive an amount in cash equal to the net proceeds of the sale of \$1,000 principal amount of Junior Subordinated Notes in the Remarketing for each \$1,000 liquidation amount of Capital PPS with respect to which you made your election.

If you have given notice of a contingent disposition election but the Remarketing is unsuccessful, your Capital PPS will remain outstanding and the certificates will be promptly returned to you by the Transfer Agent.

Stripped PPS. The timing and success or failure of any Remarketing affects the timing of the Stock Purchase Date, and thus the date upon which holders of Stripped PPS cease to receive distributions corresponding to Contract Payments and Additional Distributions and begin to receive distributions corresponding to the dividends on the Preferred Stock, which will be non-cumulative after the effective date of an amendment to SunTrust's articles of incorporation permitting preferred stock dividends to be cumulative, non-cumulative or partially cumulative. Unless there has been a Failed Remarketing and we have issued Additional Subordinated Notes in respect of deferred interest on the Junior Subordinated Notes, each Stripped PPS automatically, without any action by holders being necessary, will be and become a Normal PPS on the business day after the Stock Purchase Date. Otherwise, each Stripped PPS automatically, without any action by holders being necessary, will be and become a Normal PPS on the business day after we have paid all amounts due on the Additional Subordinated Notes.

Mandatory Redemption of Normal PPS upon Redemption of Preferred Stock

The Normal PPS have no stated maturity but must be redeemed on the date we redeem the Preferred Stock, and the Property Trustee or paying agent will apply the proceeds from such repayment or redemption to redeem a like amount, as defined below, of the Normal PPS. The Preferred Stock is perpetual but we may redeem it on any Dividend Payment Date occurring on or after the later of December 15, 2011 and the Stock Purchase Date, subject to certain limitations. See Description of the Preferred Stock Redemption and Description of the Preferred Stock Redemption or Repurchase Subject to Restrictions. The redemption price per Normal PPS will equal the redemption price of the corresponding assets. See Description of the Preferred Stock Redemption. If notice of redemption of any Preferred Stock has been given and if the funds necessary for the redemption have been set aside by us for the benefit of the holders of any shares of Preferred Stock so called for redemption, then, from and after the redemption date, those shares shall no longer be deemed outstanding and all rights of the holders of those shares (including the right to receive any dividends) will terminate, except the right to receive the redemption price.

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If less than all of the shares of Preferred Stock held by the Trust are to be redeemed on a redemption date, then the proceeds from such redemption will be allocated *pro rata* to the redemption of the Normal PPS and the Trust Common Securities, except as set forth below under Ranking of Trust Common Securities.

The term *like amount* as used above means Normal PPS having a liquidation amount equal to that portion of the liquidation amount of the Preferred Stock to be contemporaneously redeemed, the proceeds of which will be used to pay the redemption price of such Normal PPS.

Mandatory Redemption of Capital PPS upon Maturity of the Junior Subordinated Notes

The Capital PPS have no stated maturity but must be redeemed, if they remain outstanding, in cash upon the date the Junior Subordinated Notes mature or are redeemed. On each date the Capital PPS must be redeemed, or *Capital PPS Mandatory Redemption Date*, the Property Trustee or paying agent will apply the proceeds from the repayment or redemption of Junior Subordinated Notes to redeem a like amount, as defined below, of the Capital PPS. The initial stated maturity of the Junior Subordinated Notes is December 15, 2042 and the Junior Subordinated Notes are redeemable at our option at any time on or after December 15, 2015, but we may move up the stated maturity of the Junior Subordinated Notes and, accordingly, the Capital PPS Mandatory Redemption Date, to any date on or after the Stock Purchase Date in connection with a Remarketing; *provided* that if we are deferring interest on the Junior Subordinated Notes at the time of the Remarketing, any new stated maturity date and Capital PPS Mandatory Redemption Date may not be earlier than seven years after commencement of the deferral period. The redemption price per Capital PPS will equal the liquidation amount per Capital PPS plus accumulated and unpaid distributions to but excluding the redemption date. Changes we may make to the stated maturity or early redemption provisions of the Junior Subordinated Notes in connection with a successful Remarketing will not affect the redemption of the Capital PPS since the Trust will redeem them for Junior Subordinated Notes upon a successful Remarketing.

The term *like amount* as used above means Capital PPS having a liquidation amount equal to that portion of the principal amount of Junior Subordinated Notes to be contemporaneously redeemed in accordance with the Indenture, the proceeds of which will be used to pay the redemption price of such Capital PPS.

Redemption of Capital PPS for Junior Subordinated Notes in Connection with Remarketing

If the Junior Subordinated Notes are successfully remarketed, the Trust must redeem in kind the Capital PPS in whole but not in part in exchange for a principal amount of Junior Subordinated Notes equal to the liquidation amount of each Capital PPS so redeemed promptly after the Remarketing Settlement Date. On the redemption date, the Capital PPS will be cancelled and you will receive Junior Subordinated Notes.

If a Failed Remarketing occurs but on the Stock Purchase Date there is no deferred interest amount outstanding on the Junior Subordinated Notes, then promptly after the Stock Purchase Date the Trust must redeem the Capital PPS, in whole but not in part, in kind in exchange for a like amount of Junior Subordinated Notes. If a Failed Remarketing occurs and there is a deferred interest amount outstanding on the Stock Purchase Date, or if the Stock Purchase Contracts are terminated before the Stock Purchase Date, then we may instruct the Trust at any time thereafter when there is no deferred interest amount outstanding to redeem the Capital PPS, in whole but not in part, in kind in exchange for a like amount of Junior Subordinated Notes.

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Redemption Procedures

Notice of any redemption will be mailed at least 30 days (or at least 20 days for a redemption in kind after a successful Remarketing) but not more than 60 days before the redemption date to the registered address of each holder of PPS to be redeemed.

If (i) the Trust gives an irrevocable notice of redemption of any class of PPS for cash and (ii) we have paid to the Property Trustee a sufficient amount of cash in connection with the related redemption or maturity of the Junior Subordinated Notes or Preferred Stock, then on the redemption date, the Property Trustee will irrevocably deposit with DTC funds sufficient to pay the redemption price for the class of PPS being redeemed. See Book-Entry System. The Trust will also give DTC irrevocable instructions and authority to pay the redemption amount in immediately available funds to the beneficial owners of the global securities representing the PPS or in the case of a redemption of Capital PPS in exchange for Junior Subordinated Notes after the Remarketing Settlement Date, to credit Junior Subordinated Notes having a principal amount equal to the liquidation amount of the Capital PPS to the beneficial owners of the global securities representing the Capital PPS. Distributions to be paid on or before the redemption date for any PPS called for redemption will be payable to the holders as of the record dates for the related dates of distribution. If the PPS called for redemption are no longer in book-entry form, the Property Trustee, to the extent funds are available, will irrevocably deposit with the paying agent for the PPS funds sufficient to pay the applicable redemption price and will give such paying agent irrevocable instructions and authority to pay the redemption price to the holders thereof upon surrender of their certificates evidencing the PPS.

If notice of redemption shall have been given and funds deposited as required, then upon the date of such deposit:

all rights of the holders of such PPS called for redemption will cease, except the right of the holders of such PPS to receive the redemption price and any distribution payable in respect of the PPS on or prior to the redemption date, but without interest on such redemption price, or in the case of a redemption of Capital PPS in exchange for Junior Subordinated Notes after the Remarketing Settlement Date, the right to receive the Junior Subordinated Notes; and

the PPS called for redemption will cease to be outstanding.

If any redemption date is not a business day, then the redemption amount will be payable on the next business day (and without any interest or other payment in respect of any such delay). However, if payment on the next business day causes payment of the redemption amount to be in the next calendar month, then payment will be on the preceding business day.

If payment of the redemption amount for any Junior Subordinated Notes or shares of Preferred Stock called for redemption is improperly withheld or refused and accordingly the redemption amount of the relevant class of PPS is not paid either by the Trust or by us under the Guarantee, then interest on the Junior Subordinated Notes, or dividends on the Preferred Stock, as the case may be, will continue to accrue and distributions on such class of PPS called for redemption will continue to accumulate at the applicable rate then borne by such PPS from the original redemption date scheduled to the actual date of payment. In this case, the actual payment date will be considered the redemption date for purposes of calculating the redemption amount.

Redemptions of the PPS will require prior approval of the Federal Reserve.

If less than all of the outstanding shares of Preferred Stock are to be redeemed on a redemption date, then the aggregate liquidation amount of Normal PPS and Trust Common Securities to be redeemed shall be allocated *pro rata* to the Normal PPS and Trust Common Securities based upon the

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relative liquidation amounts of such classes, except as set forth below under **Ranking of Trust Common Securities**. The Property Trustee will select the particular Normal PPS to be redeemed on a *pro rata* basis not more than 60 days before the redemption date from the outstanding Normal PPS not previously called for redemption by any method the Property Trustee deems fair and appropriate, or if the Normal PPS are in book-entry only form, in accordance with the procedures of DTC. The Property Trustee shall promptly notify the Transfer Agent in writing of the Normal PPS selected for redemption and, in the case of any Normal PPS selected for redemption in part, the liquidation amount to be redeemed.

If less than all of the outstanding Capital PPS are to be redeemed on a redemption date, then the Property Trustee will select the particular Capital PPS to be redeemed on a *pro rata* basis based upon their respective liquidation amounts not more than 60 days before the redemption date from the outstanding Capital PPS not previously called for redemption by any method the Property Trustee deems fair and appropriate, or if the Capital PPS are in book-entry only form, in accordance with the procedures of DTC. The Property Trustee shall promptly notify the Transfer Agent in writing of the Capital PPS selected for redemption and, in the case of any Capital PPS selected for partial redemption, the liquidation amount to be redeemed.

For all purposes of the Declaration of Trust, unless the context otherwise requires, all provisions relating to the redemption of PPS shall relate, in the case of any PPS redeemed or to be redeemed only in part, to the portion of the aggregate liquidation amount of PPS that has been or is to be redeemed. If less than all of the Normal PPS or Capital PPS are redeemed, the Normal PPS or Capital PPS held through the facilities of DTC will be redeemed *pro rata* in accordance with DTC's internal procedures. See **Book-Entry System**.

Subject to applicable law, including, without limitation, U.S. federal securities laws and the Replacement Capital Covenant, and subject to the Federal Reserve's risk-based capital guidelines applicable to bank holding companies, we or our affiliates may at any time and from time to time purchase outstanding PPS of any class by tender, in the open market or by private agreement.

Liquidation Distribution upon Dissolution

Pursuant to the Declaration of Trust, the Trust shall dissolve on the first to occur of:

certain events of bankruptcy, dissolution or liquidation of SunTrust;

redemption of all of the PPS as described above; and

the entry of an order for the dissolution of the Trust by a court of competent jurisdiction.