SUNTRUST BANKS INC
Form FWP
February 01, 2011
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February 1, 2011
ISSUER FREE WRITING PROSPECTUS
(To Prospectus dated September 3, 2009,

Prospectus Supplement dated September 10, 2010,

Product Supplement No. CCN-2 dated October 7, 2010 and

Index Supplement No. 1 dated September 13, 2010)

SunTrust Banks, Inc.

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Fixed to Contingent Coupon Notes Linked to the S&P 500® Index due February 23, 2016

- **5 year maturity**
- **Return of principal if held to maturity, subject to the credit risk of SunTrust Banks, Inc.**
- **Years 1 & 2: Semi-annual interest payments of 3.00% per annum**
- **Years 3 through 5: Semi-annual interest payments at a minimum of 1.00% per annum, but a contingent coupon of 5.00% per annum will be paid instead if the closing level of the S&P 500® Index (or SPX) on the related semi-annual observation date is at least equal to the strike level; the strike level will be an amount 5% to 10% greater than the initial level of the SPX on the pricing date. The actual strike level will be determined on the pricing date.**

The Fixed to Contingent Coupon Notes Linked to the S&P 500® Index due February 23, 2016 (the notes or, each a note) are senior, unsecured obligations of SunTrust Banks, Inc. (SunTrust). The notes are not deposit liabilities or other obligations of SunTrust Bank or any other bank and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency of the United States or any other jurisdiction and are subject to investment risks, including possible loss of the principal amount invested due to the credit risk of SunTrust Banks, Inc.

Key Dates

Trade Date:	On or about February 18, 2011
Pricing Date:	On or about February 18, 2011
Settlement Date:	On or about February 25, 2011
Maturity Date:	February 23, 2016*

In the first two years of the note, interest will be paid at a rate equal to 3.00% per annum regardless of the performance of the SPX. Thereafter, on each interest payment date, a minimum coupon of 1.00% per annum will be paid unless the closing level of the SPX on the related observation date equals or exceeds the initial level of the SPX by 5% to 10% (defined herein as the strike level). In this case, on the immediately following interest payment date, you will receive the contingent coupon of 5.00% per annum instead of the minimum coupon. With respect to the maturity date, in addition to the applicable interest payment contingent on the performance of the SPX, you will also receive the principal amount of your notes.

The notes will not be listed on any U.S. securities exchange or automated quotation system.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or passed upon the accuracy or the adequacy of this document, the accompanying index supplement no. 1, prospectus, prospectus supplement or product supplement no. CCN-2. Any representation to the contrary is a criminal offense. We have appointed SunTrust Robinson Humphrey, Inc. (STRH), one of our affiliates, as the agent for the sale of the notes. See Supplemental Plan of Distribution (Conflicts of Interest) in this free writing prospectus.

Investment in the notes involves certain risks. You should refer to the section entitled Risk Factors in this free writing prospectus and in each of the accompanying prospectus supplement, product supplement no. CCN-2 and index supplement no. 1.

	Original Offering Price	Agent Discount[(1)]	Proceeds to SunTrust
Per Note	100.00%	2.00%	98.00%
Total			

[1] In addition to the agent discount, the original offering price specified above includes structuring and development costs. If the notes were priced today, the agent discount and structuring and development costs would total approximately $27.50 per $1,000 note. The actual agent discount and structuring and development costs will be set forth in the final pricing supplement when the final terms of the notes are determined. In no event will the agent discount and structuring and development costs exceed $60.00 per $1,000 note. See Plan of Distribution and Use of Proceeds and Hedging in the accompanying prospectus supplement for further information.

* Subject to postponement in the event of a market disruption event or certain other circumstances as described in the accompanying product supplement.

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WHO ARE THE NOTES DESIGNED FOR?

The notes are designed for investors who believe that after two years, the closing level of the SPX on each semi-annual observation date will be greater than the strike level (at least 5% to 10% higher than the initial level of the SPX on the pricing date). Investors in the notes should be willing to accept a minimum coupon of 1.00% per annum after the first two years if on any or all semi-annual observation dates, the closing level of the SPX has not appreciated at least 5% to 10% from the initial level.

If you hold your notes to the maturity date, you will receive the principal amount of your notes.

INVESTOR SUITABILITY

The notes may be suitable for you if:	The notes may not be suitable for you if:
You seek a potential return greater than that of conventional debt securities with comparable maturities issued by SunTrust or another issuer with a similar credit rating.	You prefer the lower risk of conventional debt securities.
You believe that the SPX on each semi-annual observation date will be greater than or equal to the strike level, but understand that your return will not be greater than the contingent coupon rate of 5.00% per annum.	You prefer to invest in the SPX outright without any upside limitations.
You are willing to accept an interest payment based on 3.00% per annum in the first two years and then 1.00% per annum thereafter on any or all interest payment dates if the closing level of the SPX on the related observation date is not greater than or equal to the strike level.	You are unwilling to accept the minimum coupon rate after the first two years.
You are willing to forego dividends or other distributions paid to holders of stocks comprising the SPX.	You prefer to receive the dividends or other distributions paid on stocks comprising the SPX.
You do not seek an investment for which there is an active secondary market.	You seek an investment for which there will be an active secondary market.
You are willing to hold the notes to maturity.	You are unable or unwilling to hold the notes to maturity.
You are comfortable with the creditworthiness of SunTrust Banks, Inc., as issuer of the notes, and are willing and able to assume our credit risk.	You are not willing or are unable to assume the credit risk associated with SunTrust, as issuer of the notes.

The suitability considerations identified above are not exhaustive. Whether or not the notes are a suitable investment for you will depend on your individual circumstances, and you should reach an investment decision only after you and your financial, legal, tax, accounting and other advisors have carefully considered the suitability of an investment in the notes in light of your particular circumstances. You should also review carefully Risk Factors in this free writing prospectus and the accompanying index supplement no. 1, product supplement no. CCN-2 and prospectus supplement for a description of certain risks related to an investment in the notes.

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PAYOFF EXAMPLE

The table below shows a hypothetical example illustrating the interest payments per $1,000 principal amount note assuming an initial level of the Reference Asset equal to 1,290 and a strike level of 1,419, representing a 10% appreciation level. In addition to the interest payments below, you will receive the principal amount of your notes if you hold the notes until maturity.

Initial Level	1,290.00
Strike Level	1,419.00

		Interest Payments		
Observation Dates	Closing Level	Initial Coupon	Minimum Coupon	Contingent Coupon
6 Month	N/A	3.00% p.a	N/A	N/A
1 Year	N/A	3.00% p.a	N/A	N/A
1.5 Years	N/A	3.00% p.a	N/A	N/A
2 Years	N/A	3.00% p.a	N/A	N/A
2.5 Years	1,410	N/A	1.00% p.a.	N/A
3 Years	1,415	N/A	1.00% p.a.	N/A
3.5 Years	1,430	N/A	No	5.00% p.a.
4 Years	1,450	N/A	No	5.00% p.a.
4.5 Years	1,445	N/A	No	5.00% p.a.
5 Years	1,465	N/A	No	5.00% p.a.

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TERMS OF THE NOTES

The notes will have the terms described in this free writing prospectus and the accompanying prospectus, prospectus supplement, product supplement no. CCN-2, and index supplement no. 1.

This free writing prospectus relates to an offering of notes linked to the performance of the S&P 500® Index. We refer to the S&P 500® Index in this free writing prospectus as the Reference Asset or the SPX . The purchaser of a note will acquire a senior, unsecured debt security of SunTrust Banks, Inc. linked to the Reference Asset as described below. The following are key terms relating to the notes:

Issuer:	SunTrust Banks, Inc.
Principal Amount:	$1,000 per note
Term:	5 years
Reference Asset:	The S&P 500® Index (Ticker: SPX)
Trade Date:	On or about February 18, 2011
Pricing Date:	On or about February 18, 2011
Settlement Date:	On or about February 25, 2011
Maturity Date:	February 23, 2016. The maturity date is subject to adjustment as described under Additional Terms of the Notes in the accompanying product supplement no. CCN-2.
Payment at Maturity:	On the maturity date, for each note, we will pay you the outstanding principal amount of your note plus an interest payment as described below.
Initial Level:	The closing level of the SPX on the pricing date.
Strike Level:	105% to 110% of the Initial Level. The actual strike level will be determined on the pricing date, but the strike level will not be greater than 110% of the initial level.
Closing Level:	With respect to the pricing date and any semi-annual observation date, the closing level of the Reference Asset on such date as determined by the calculation agent based upon the value displayed on Bloomberg Professional® service page SPX<Index> , or on any successor page on Bloomberg Professional® service or any successor service, as applicable.
Interest Payments:	**<u>Years 1 & 2:</u>** (from and including the settlement date to but excluding February 22, 2013) 3.00% per annum (computed on the basis of a year of 360 days and two 180-day semi-annual periods) payable on the interest payment dates described below. **<u>Years 3 through 5:</u>** (from and including February 22, 2013 to but excluding the maturity date) 1.00% per annum minimum coupon, but a contingent coupon of 5.00% per annum is paid instead if the following condition is satisfied (either rate is computed on the basis of a year of 360 days and two 180-day semi-annual periods):

If the closing level of the Reference Asset on any semi-annual observation date detailed below is equal to or greater than the Strike Level, then on the immediately following interest payment date, we will pay you an interest payment equal to the outstanding principal amount of your note multiplied by the contingent coupon rate of 5.00% per annum.

Observation Dates	Interest Payment Dates
N/A	August 23, 2011
N/A	February 24, 2012
N/A	August 23, 2012
N/A	February 22, 2013
August 19, 2013	August 22, 2013
February 18, 2014	February 21, 2014
August 18, 2014	August 21, 2014
February 18, 2015	February 23, 2015
August 18, 2015	August 21, 2015
February 18, 2016	February 23, 2016

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	If any semi-annual observation date is not a business day (as defined in the prospectus supplement), the closing level of the Reference Asset on the immediately following business day shall be used. Observation dates and the related interest payment dates are subject to postponement due to market disruption events as described under Additional Terms of the Notes in the accompanying product supplement no. CCN-2. If any Interest Payment Date is not a business day, that interest payment will be made on the next immediately following business day and no adjustment will be made to any interest payment made on that succeeding business day.
Form of notes:	Book-Entry
CUSIP:	86802WAD0
Calculation Agent:	SunTrust Bank, our affiliate.
Listing:	The notes will not be listed on any U.S. securities exchange or quotation system.
Agent:	SunTrust Robinson Humphrey, Inc., our affiliate.

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ILLUSTRATIVE EXAMPLES

The following examples are provided for illustrative purposes only and are hypothetical. They do not purport to be representative of every possible scenario concerning the levels of the Reference Asset on each observation date. We cannot predict the closing level of the Reference Asset on any observation date. The assumptions we have made in connection with the illustrations set forth below may not reflect actual events, and the hypothetical initial level and hypothetical strike level used in the table and examples below are not the actual initial level or actual strike level of the Reference Asset. You should not take these examples as an indication or assurance of the expected performance of the Reference Asset or return on the notes. Your return on the notes may be less than the amount that you would have received from a conventional debt security with the same stated maturity, including those issued by SunTrust. The numbers appearing in the table below and following examples have been rounded for ease of analysis.

The tables below illustrate the interest payments on a $1,000 investment in the notes based on a hypothetical performance of the Reference Asset. The results in the examples are based solely on the assumptions outlined below. The interest payments shown in the examples assume that the notes are held to maturity. You should consider carefully whether the notes are suitable to your investment goals.

Example 1: The closing level of the Reference Asset does not equal or exceed the strike level of the Reference Asset on any observation date during the term of the notes

Principal Amount:	$1,000
Hypothetical Initial Level:	1,290 (the actual initial level of the Reference Asset will be determined on the pricing date)
Hypothetical Strike Level:	1,419 (the actual strike level will equal 105% to 110% of the initial level and will be determined on the pricing date)

		Interest Payments		
Observation Dates	**Closing Level**	**Initial Coupon**	**Minimum Coupon**	**Contingent Coupon**
6 Month	N/A	3.00% p.a.	N/A	N/A
1 Year	N/A	3.00% p.a.	N/A	N/A
1.5 Years	N/A	3.00% p.a.	N/A	N/A
2 Years	N/A	3.00% p.a.	N/A	N/A
2.5 Years	1,300	N/A	1.00% p.a	No
3 Years	1,326	N/A	1.00% p.a	No
3.5 Years	1,336	N/A	1.00% p.a	No
4 Years	1,326	N/A	1.00% p.a	No
4.5 Years	1,336	N/A	1.00% p.a	No
5 Years	1,363	N/A	1.00% p.a	No

In this hypothetical example, the closing level of the Reference Asset did not equal or exceed the strike level on any observation date, so only the minimum coupon of 1.00% per annum is paid after the first two years.

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Example 2: The closing level of the Reference Asset exceeds the strike level of the Reference Asset on several observation dates during the term of the notes

Principal Amount:	$1,000
Hypothetical Initial Level:	1,290 (the actual initial level of the Reference Asset will be determined on the pricing date)
Hypothetical Strike Level:	1,419 (the actual strike level will equal 105% to 110% of the initial level and will be determined on the pricing date)

		Interest Payments		
Observation Dates	**Closing Level**	**Initial Coupon**	**Minimum Coupon**	**Contingent Coupon**
6 Month	N/A	3.00% p.a.	N/A	N/A
1 Year	N/A	3.00% p.a.	N/A	N/A
1.5 Years	N/A	3.00% p.a.	N/A	N/A
2 Years	N/A	3.00% p.a.	N/A	N/A
2.5 Years	1,300	N/A	1.00% p.a	No
3 Years	1,326	N/A	1.00% p.a	No
3.5 Years	1,336	N/A	1.00% p.a	No
4 Years	1,349	N/A	1.00% p.a	No
4.5 Years	1,449	N/A	No	5.00% p.a.
5 Years	1,459	N/A	No	5.00% p.a.

In this hypothetical example, the closing level of the Reference Asset exceeded the strike level of the Reference Asset on several observation dates, so both the minimum and the contingent coupons were paid.

Example 3: The closing level of the Reference Asset exceeds the strike level of the Reference Asset on each observation date during the term of the notes

Principal Amount:	$1,000
Hypothetical Initial Level:	1,290 (the actual initial level of the Reference Asset will be determined on the pricing date)
Hypothetical Strike Level:	1,419 (the actual strike level will equal 105% to 110% of the initial level and will be determined on the pricing date)