SUNTRUST BANKS INC
Form DEF 14A
March 05, 2010
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

SunTrust Banks, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

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¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To the Shareholders of

SunTrust Banks, Inc.

The Annual Meeting of Shareholders of SunTrust Banks, Inc. will be held in Suite 105 on the 1st floor of SunTrust Plaza Garden Offices, 303 Peachtree Center Avenue, Atlanta, Georgia, on Tuesday, April 27, 2010, at 9:30 a.m. local time, for the following purposes:

1. To elect 16 directors nominated by the Board of Directors to serve until the next annual meeting of shareholders and until their respective successors have been elected.

2. To approve the performance goals under the Management Incentive Plan.

3. To ratify the appointment of Ernst & Young LLP as independent auditor for 2010.

4. To consider and approve the following advisory (non-binding) proposal:

RESOLVED, that the holders of common stock of SunTrust Banks, Inc. approve the compensation of the Company s executives as described in the Summary Compensation Table as well as in the Compensation Discussion and Analysis and the other executive compensation tables and related discussion;

5. To vote on a proposal submitted by a shareholder; and

6. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

Only shareholders of record at the close of business on February 17, 2010 will be entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on April 27, 2010. The 2010 Proxy Statement and the Annual Report to Shareholders for the year ended December 31, 2009 are also available at *www.proxydocs.com/sti*.

For your convenience, we will offer an audio webcast of the meeting. If you choose to listen to the webcast, go to Investor Relations located under About SunTrust at *www.suntrust.com* shortly before the meeting time and follow the instructions provided. If you miss the meeting, you may listen to a replay of the webcast on our website beginning the afternoon of April 27. Please note that you will not be able to vote your shares via the webcast. If you plan to listen to the webcast, please submit your vote using one of the methods described below prior to the meeting.

We direct your attention to the attached Proxy Statement for more complete information regarding the matters to be acted upon at the Annual Meeting.

By Order of the Board of Directors

March 5, 2010.

Raymond D. Fortin,
Corporate Secretary

IMPORTANT NOTICE

Whether or not you plan to attend the Annual Meeting, please vote your shares by: (1) a toll-free telephone call, (2) the Internet, or (3) completing, signing, dating and returning the enclosed proxy as soon as possible in the postage paid envelope provided. If you hold shares of common stock through a broker or other nominee, your broker or other nominee will vote your shares for you if you provide instructions on how to vote your shares. In the absence of instructions, your broker can only vote your shares on certain limited matters, but will not be able to vote your shares on other matters (including the election of directors). It is important that you provide voting instructions because beginning this year, brokers and other nominees no longer have the authority to vote your shares for the election of directors without instructions from you.

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SUNTRUST BANKS, INC.

303 PEACHTREE STREET, N.E.

ATLANTA, GEORGIA 30308

PROXY STATEMENT

The enclosed proxy is solicited on behalf of the Board of Directors of SunTrust Banks, Inc. in connection with the Annual Meeting of Shareholders of SunTrust to be held in Suite 105 on the 1st floor of SunTrust Plaza Garden Offices, 303 Peachtree Center Avenue, Atlanta, Georgia, on Tuesday, April 27, 2010, at 9:30 a.m. local time. We are first mailing this Proxy Statement and the enclosed proxy to our shareholders on or about March 5, 2010.

Voting your shares. The enclosed proxy is for use if you are unable to attend the Annual Meeting in person or wish to have your shares voted by proxy even if you attend the Annual Meeting. Whether or not you plan to attend the Annual Meeting, please vote your shares by: (1) a toll-free telephone call, (2) the Internet, or (3) completing, signing, dating and returning the enclosed proxy as soon as possible in the postage paid envelope provided. You may revoke the proxy at any time before it is exercised by notice to the Corporate Secretary of SunTrust, by submitting a proxy having a later date, or by appearing at the Annual Meeting and voting in person. All shares represented by valid proxies received pursuant to this solicitation and not revoked before they are exercised will be voted in the manner specified therein. If you do not specify, then the proxies for the proposals described below will be voted as recommended by the Board of Directors, which we refer to as the Board.

Method of Voting. You can simplify your voting and reduce our costs by voting your shares via telephone or the Internet. We have designed the telephone and Internet voting procedures to allow shareholders to vote their shares and to confirm that their instructions have been properly recorded. If you hold your shares in the name of a bank or broker, the availability of telephone and Internet voting will depend on the voting processes of the applicable bank or broker. Therefore, we recommend that you follow the voting instructions on the form you receive from your bank or broker. If you do not choose to vote by telephone or the Internet, please complete, date, sign and return the proxy card.

Webcast of Annual Meeting. We are pleased to offer an audio webcast of the 2010 Annual Meeting. If you choose to listen to the webcast, go to Investor Relations located under About SunTrust at *www.suntrust.com* shortly before the meeting time and follow the instructions provided. If you miss the meeting, you may listen to a replay of the webcast on our website beginning the afternoon of April 27 and available until May 27, 2010. The webcast will allow you to listen to the meeting. Please note that you will not be able to vote your shares or otherwise participate in the meeting via the webcast. If you plan to listen to the webcast, please submit your vote using one of the methods described above prior to the meeting.

Record Date and Shares Outstanding. Each common shareholder of record at the close of business on February 17, 2010 the record date is entitled to notice of and to vote at the Annual Meeting or any adjournments thereof. Each share of SunTrust common stock entitles the holder to one vote on any matter coming before a meeting of our shareholders. Our Perpetual Preferred Stock, Series A; Perpetual Preferred Stock, Series B; Fixed Rate Cumulative Preferred Stock, Series C; Fixed Rate Cumulative Preferred Stock, Series D generally are not entitled to vote. On February 17, 2010, the record date for the Annual Meeting, there were 502,130,352 shares of SunTrust common stock outstanding.

Other Matters

The Annual Meeting will be open to the public. However, consistent with past years, only persons who can demonstrate that they were shareholders of record on the record date (February 17, 2010) and their proxies will be entitled to vote at or ask questions at the Annual Meeting. If your shares are held in a brokerage account or by another nominee, you must obtain and bring to the Annual Meeting a proxy or other evidence of ownership from your broker or nominee giving you the right to vote such shares if you wish to ask a question.

If any other item or proposal may properly come before the meeting, including voting on a proposal omitted from this Proxy Statement pursuant to the rules of the SEC or incident to the conduct of the meeting, then the proxies will be voted in accordance with the discretion of the proxy holders.

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ELECTION OF DIRECTORS

Director Selection Process

We maintain a standing Governance & Nominating Committee, which we refer to in this section as the Committee, comprised solely of independent directors who are responsible for identifying individuals qualified to become Board members and recommending director nominees to the Board. The Committee periodically reviews the size and composition of the Board and determines whether to add or replace directors. Under our Corporate Governance Guidelines, the Committee also periodically reviews with the Board the appropriate skills and characteristics required of Board members. You may access the Committee s charter on our website at *www.suntrust.com* under the headings About SunTrust and Corporate Governance.

Nominees for director will be selected based on the following criteria: (i) integrity (ii) outstanding achievement in their careers; (iii) broad experience; (iv) independence; (v) financial expertise; (vi) ability to make independent, analytical inquiries; (vii) understanding of the business environment; and (viii) willingness to devote adequate time to Board duties. The Board believes that each director should have, and expects the nominees to have, the capacity to obtain a basic understanding of: (i) our principal operational and financial objectives, plans and strategies; (ii) our results of operations and financial condition and of any significant subsidiaries or business segments; and (iii) our relative standing and our business segments in relation to our competitors. The Committee considers it essential that the Audit Committee have at least one member who qualifies as an audit committee financial expert. The Committee seeks to nominate candidates who bring diverse experiences and perspectives to our Board. In evaluating candidates, the Committee s practice is to consider, among other things, diverse business experiences, the candidate s range of experiences with public companies, and racial and gender diversity. The Committee has not formalized this practice into a written policy. Evaluations of potential candidates generally involve a review of the candidate s background and credentials by the Committee, interviews with members of the Committee, the Committee as a whole, or one or more other Board members, and discussions of the Committee and the Board. The Committee then recommends candidates to the full Board which, in turn, selects candidates to be nominated for election by the shareholders or to be elected by the Board to fill a vacancy.

The Committee and the Board consider a variety of sources in evaluating candidates as potential Board members. The Committee used a search firm solely to identify additional qualified nominees this year.

The Committee will consider candidates for director nominees put forward by shareholders. Please refer to the section below entitled, *Shareholder Nominations for Election to the Board* for a discussion of the requirements of a shareholder-nomination. The nomination should state how the proposed candidate meets the criteria described above and the shareholder must comply with the other requirements described in that section. The Committee will consider candidates proposed by shareholders by evaluating such candidates in the same manner and using the criteria described above. The Committee will also adhere to all applicable laws and regulations.

Shareholder Nominations for Election to the Board

Any shareholder entitled to vote for the election of directors may nominate persons for election to the Board. In accordance with our Bylaws, nominations must be made in writing and must be delivered to or mailed to and received by our Corporate Secretary not less than 120 days prior to the first anniversary of the date on which we first mailed our proxy materials for the preceding year s annual meeting of shareholders. This Proxy Statement and the enclosed proxy are being first mailed to our shareholders on or about March 5, 2010. Therefore, shareholder nominations for election at next year s annual meeting must be received no later than the close of business on November 5, 2010. Presently, our Bylaws require that nominations include the following information: (i) the name, age, business address and residence address of the proposed nominee; (ii) the principal occupation or employment of the proposed nominee and an explanation of how the proposed nominee meets the criteria used by us for the selection of directors as set forth in the subsection Director Selection Process ;

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(iii) the total number of shares of our common stock that, to your knowledge, will be voted for the proposed nominee; (iv) the total number of shares of our common stock that, to your knowledge, are owned by the proposed nominee; (v) the signed consent of the proposed nominee to serve, if elected; (vi) your name and residence address; (vii) the number of shares of our common stock owned by you; and (viii) any other information relating to the proposed nominee that is required to be disclosed in solicitations for proxies for the election of directors under Regulation 14A of the Securities Exchange Act of 1934, as amended.

Majority Voting

Our Bylaws provide for the annual election of directors. The Bylaws also provide that the number of directors will be determined by the Board, which has set the number at 16 effective at the 2010 Annual Meeting of shareholders. The Bylaws further provide that, in an election of directors in which the only nominees for election are persons nominated by the Board (an uncontested election), in order to be elected each nominee must receive more votes cast for such nominee s election than against such nominee s election. If the director election is not an uncontested election, then directors are elected by a plurality of the votes cast. In connection with uncontested director elections, votes cast exclude abstentions with respect to a director s election.

If a nominee who currently serves as a director does not receive the required vote for re-election in an uncontested election, Georgia law provides that such director will continue to serve on the Board as a holdover director. However, our Corporate Governance Guidelines require such a director to tender his or her written resignation to the Chairman of the Board for consideration by the Corporate Governance Committee (the Committee) within five days following certification of the shareholder vote. The Committee will then consider the resignation and, within 45 days following the shareholders meeting at which the election occurred, make a recommendation to the Board concerning whether to accept or reject the resignation. In determining its recommendation, the Committee will consider all factors deemed relevant by the Committee members including, without limitation, the stated reason or reasons why shareholders did not vote for the director s re-election, the qualifications of the director (including, for example, whether the director serves on the Audit Committee as an audit committee financial expert and whether there are one or more other directors qualified, eligible and available to serve on the Audit Committee in such capacity), and whether the director s resignation from the Board would be in the best interest of SunTrust and our shareholders.

The Committee also will consider a range of possible alternatives concerning the director s tendered resignation as the members of the Committee deem appropriate, including, without limitation, acceptance of the resignation, rejection of the resignation, or rejection of the resignation coupled with a commitment to seek to address and cure the underlying reasons reasonably believed by the Committee to have substantially resulted in the failure of the director to receive the necessary votes for re-election. The Board will take formal action on the Committee s recommendation no later than 75 days following the shareholders meeting at which the election occurred. In considering the Committee s recommendation, the Board will consider the information, factors and alternatives considered by the Committee and such additional information, factors and alternatives as the Board deems relevant. We will publicly disclose, in a Form 8-K filed with the Securities and Exchange Commission, the Board s decision, together with an explanation of the process by which the Board made its decision and, if applicable, the Board s reason or reasons for rejecting the tendered resignation within four business days after the Board makes its decision.

No director who is required to tender his or her resignation may participate in the Committee s deliberations or recommendation, and the Corporate Governance Guidelines contain provisions addressing how the determination of whether to accept or reject a resignation is made if a majority of the members of the Committee fails to receive the necessary vote for re-election. Generally, in such case, the determination will be made by independent directors who received the necessary vote for election or re-election and directors who were not standing for election. If a director s resignation is accepted by the Board, any resulting vacancy may be filled by the Board in accordance with the Bylaws, or the Board in its discretion may decrease the size of the Board pursuant to the Bylaws.

Corporate Governance and Director Independence

The Board has determined that all of our directors, except one, are independent. Specifically, it determined that the following directors are independent after applying the guidelines described below: Robert M. Beall, II, Alston D. Correll, Jeffrey C. Crowe, Patricia C. Frist, Blake P. Garrett, Jr., David H. Hughes, M. Douglas Ivester, J. Hicks Lanier, G. Gilmer Minor, III, Larry L. Prince, Frank S. Royal, M.D., Karen Hastie Williams, and Phail Wynn, Jr. Each member of the Compensation Committee, the Governance & Nominating Committee, and the Audit Committee is independent. There are no family relationships between any director, executive officer, or person nominated or chosen by us to become a director or executive officer. Additionally, the Company has determined that the new nominees, William A Linnenbringer and Thomas R. Watjen, are independent. If elected by the shareholders, the Board will make a determination as to these nominees independence before assigning them to any committees.

We include our independence standards in our Corporate Governance Guidelines. You can view these on our website, www.suntrust.com, under the headings About SunTrust and Corporate Governance. An independent director is free of any relationship with SunTrust or its management that may impair the director s ability to make independent judgments. In determining director independence, the Board broadly considers all relevant facts and circumstances, including the rules of the New York Stock Exchange. The Board considers the issue not merely from the standpoint of a director, but also from that of persons or organizations with which the director has an affiliation. The Board pays particular attention to whether a director is independent from management and to any credit relationships that may exist with a director or a related interest.

In addition, we do not consider independent any director to whom we have extended credit, or who is also an executive officer of a company to which we have extended credit, unless such credit meets the substantive requirements of Regulation O. Regulation O requires that us, when making loans to our executive officers and directors, to do so on substantially the same terms, including interest rates and collateral, and following credit-underwriting procedures that are no less stringent than those prevailing at the time for comparable transactions by SunTrust with other persons not related to the lender. Such loans also may not involve more than the normal risk of collectability or present other unfavorable features. Additionally, no event of default may have occurred (that is, such loans are not disclosed as non-accrual, past due, restructured, or potential problems). Our Board must review any credit to a director or his or her related interests that has become criticized in order to determine the impact that such classification has on the director s independence.

We also do not consider independent any director who is an executive officer of a company that makes payments to, or receives payments from us, for property or services in an amount which, in any year, is greater than 2% of such director s company s consolidated gross revenues.

The Board conducts a self-assessment annually, which our Governance & Nominating Committee reviews and discusses with the Board. In addition, the Governance & Nominating Committee, the Compensation Committee, the Audit Committee and the Risk Committee also undergo an annual assessment of their performance. The non-management directors of the Board meet in executive session at regularly scheduled meetings, and such meetings are presided over by a Lead Director selected by a majority of independent directors. Mr. Ivester currently serves as the Lead Director.

In 2009, each of our directors attended at least eight hours of continuing director education that was accredited by Risk Metrics Group.

We have a policy requiring directors who change the job responsibility they held when they were elected to the Board to submit a letter of resignation to the Board. We also have a policy requiring directors to retire from the Board upon the annual meeting first following their 72nd birthday (65th birthday for employee-directors). If the director desires to continue to serve after his or her resignation is tendered pursuant to such policies, he or she may do so only after the Board, through its Governance & Nominating Committee, has made a determination that continued Board membership is appropriate.

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We have a Senior Financial Officers Code of Ethical Conduct that applies to our senior financial officers, including our principal executive officer, principal financial officer and controller. We also have a Code of Conduct that applies to all employees, and a Code of Business Conduct and Ethics for members of the Board. These three Codes of Conduct, as well as our Corporate Governance Guidelines, and the charters for the Executive Committee, the Audit Committee, the Governance & Nominating Committee, the Compensation Committee and the Risk Committee, can be found by clicking the heading About SunTrust on our website at *www.suntrust.com* and then clicking on Corporate Governance. The Board intends that non-management directors make decisions on matters of corporate governance. As additional corporate governance standards are adopted, they will be disclosed on an ongoing basis on SunTrust s website.

Board Leadership Structure

Our Board is led by a Chairman selected by the Board from time to time. Presently, Mr. Wells, our CEO, is also Chairman of the Board. All of our other directors are independent. The Board has determined that selecting our CEO as Chairman is in the Company s best interests because it promotes unity of vision for the leadership of the Company and avoids potential conflict among directors. The Board is aware of the potential conflicts that may arise when an insider chairs the Board, but believes these are offset by existing safeguards which include the designation of a lead director, regular meetings of the independent directors in executive session without the presence of insiders, the Board s succession plan for incumbent management, the fact that management compensation is determined by a committee of independent directors who make extensive use of peer benchmarking, and the fact that much of our operations are highly regulated.

In November, 2009, the Board established the position of Lead Director to replace the position of Presiding Director. The Board selected M. Douglas Ivester as Lead Director. The role of Lead Director is intended to expand the role played by the Presiding Director and the independence of the Board. The responsibilities and duties of the Lead Director include (i) presiding at meetings of the Board in the absence of the Chairman, including the executive sessions of the non-management members of the Board; (ii) serving as a liaison between the non-management directors and the Chairman of the Board; (iii) advising the Chairman as to an appropriate schedule of Board meetings and on the agenda and meeting schedules for meetings of the Board and its committees; and (iv) calling meetings of the non-employee directors and developing the agendas for and serving as Chairman of the executive sessions of the Board s non-employee directors. A more complete description of this role is included in our Corporate Governance Principles, which we provide on our website under the tabs About SunTrust and Corporate Governance. The Lead Director is appointed by a majority vote of the non-management directors for a one-year term, subject to renewal for a maximum of two additional twelve-month periods and shall serve until the expiration of the term or until such Lead Director s earlier resignation or retirement from the Board.

In addition, the Board has created several standing and ad hoc committees. These committees allow regular monitoring and deeper analysis of various matters. The committee structure also allows committees to be comprised exclusively of independent directors to address certain matters. The membership of the committees is reviewed from time to time. Specific committee assignments are proposed by the Governance & Nominating Committee in consultation with the chair of each committee and with the consent of the member, and then submitted to the full Board for approval.

Board s Role in the Risk Management Process

The Board s role in the risk management process is to oversee and monitor the Company s risk management processes. The Board Risk Committee outlines our risk principles and management framework, and sets high level strategy and risk tolerances. Our risk profile is managed by our Chief Risk Officer. The Chief Risk Officer is an executive officer appointed by and reporting to the CEO. The Chief Risk Officer meets at least quarterly with the Risk Committee of the Board. The chair of the Risk Committee makes a full report of each Risk Committee meeting to the full Board at each Board meeting. In addition, the Chief Risk Officer also meets with the full Board at each meeting. The Board also meets regularly in executive session without management to discuss a variety of topics, including risk. In these ways, the full Board is able to monitor our risk profile and risk management activities on an on-going basis. Additionally, the Company has other risk-monitoring processes. For example, certain financial risks are also monitored by officers who report to the Chief Financial Officer. In turn, the Chief Financial Officer and appropriate financial risk personnel attend the meetings of the Audit Committee of the Board. As with the Risk Committee, the Chair of the Audit Committee makes a full report of each Audit Committee meeting to the full Board at each Board meeting and, when circumstances warrant, the Chief Financial Officer and other financial risk personnel meet with the full Board.

Shareholder Communications with Directors

The Board has adopted a process to facilitate written communications by shareholders or other interested parties to the Board. Persons wishing to write to the Board of SunTrust or a specified director, including the Lead Director, the non-management directors as a group, or a committee of the Board, should send correspondence to the Corporate Secretary at SunTrust Banks, Inc., P.O. Box 4418, Mail Code 643, Atlanta, Georgia 30302. All communications so received from shareholders or other interested parties will be forwarded to the members of the Board or to the applicable director or directors if so designated by such person. Anyone who wishes to communicate with a specific Board member, only the non-management directors, or a committee should send instructions asking that the material be forwarded to the applicable director, group of directors or to the appropriate committee chairman.

NOMINEES FOR DIRECTORSHIP

(ITEM 1)

The Board nominated the following persons for election as directors at the Annual Meeting in 2010 for terms expiring in 2011 upon the recommendation of its Governance & Nominating Committee: Robert M. Beall, II, Alston D. Correll, Jeffrey C. Crowe, Patricia C. Frist, Blake P. Garrett, Jr., David H. Hughes, M. Douglas Ivester, J. Hicks Lanier, William A. Linnenbringer, G. Gilmer Minor, III, Larry L. Prince, Frank S. Royal, M.D., Thomas R. Watjen, James M. Wells III, Karen Hastie Williams, and Phail Wynn, Jr. Each of the 16 directors expected to be elected at this year s Annual Meeting of Shareholders will serve until next year s annual meeting of shareholders and until their successor is elected and qualified. If, at the time of the Annual Meeting, any of the nominees named in the enclosed proxy should be unable or decline to serve as a director, the proxies are authorized to be voted for such substitute nominee or nominees as the Board recommends. The Board has no reason to believe that any nominee will be unable or decline to serve as a director.

The following table sets forth for each nominee and each director whose term continues after the meeting, the year in which the person first became a director of SunTrust, and the director s age. Except for Mr. Wells, none of the nominees or directors is employed by SunTrust or any entity that is an affiliate of SunTrust.

Name	Director Since	Age	Positions with SunTrust
Robert M. Beall, II	2004	66	Director
Alston D. Correll	1997	68	Director
Jeffrey C. Crowe	2004	63	Director
Patricia C. Frist	2000	70	Director
Blake P. Garrett, Jr.	2004	69	Director
David H. Hughes	1984	66	Director
M. Douglas Ivester	1998	63	Lead Director
J. Hicks Lanier	2003	69	Director
William A. Linnenbringer		61	Nominee
G. Gilmer Minor, III	1998	69	Director
Larry L. Prince	1996	71	Director
Frank S. Royal, M.D.	1998	70	Director
Thomas R. Watjen		55	Nominee
James M. Wells III	2006	63	Chairman of the Board and Chief Executive Officer
Karen Hastie Williams	2002	65	Director
Phail Wynn, Jr.	2004	62	Director

Nominees for Terms Expiring in 2011

Robert M. Beall, II is Chairman of Beall s, Inc., the parent company of Beall s Department Stores, Inc. and Beall s Outlet Stores, Inc., a primarily family-owned company which operates retail stores located from Florida to California. Until August 2006, he was also the Chief Executive Officer of Beall s, Inc. He is also a director of FPL Group, Inc. Mr. Beall helped guide the rapid growth of Beall s Department Stores, Inc. from $6 million in revenue in 1970 to over $1 billion today. We believe that Mr. Beall s executive and management experience well qualify him to serve on our Board.

Alston D. Correll is the retired Chairman of the Board of Georgia-Pacific Corporation, a $30+ billion manufacturer and distributor of pulp, paper and building products. He presently serves as Chairman of Atlanta Equity Investors, LLC, a private equity firm. Until December 2005, Mr. Correll also served as Chief Executive Officer of Georgia-Pacific Corporation and as a director of Georgia-Pacific until 2006. He is also a director of Mirant Corporation and Norfolk Southern Corp. During Mr. Correll s 39-year career in the pulp and paper industry, he held a number of senior management positions, including 13 years experience as CEO. His career culminated when he negotiated the sale of Georgia-Pacific. At the time, Georgia-Pacific had approximately 55,000 employees. We believe that Mr. Correll s long and varied business career, including service as Chairman and CEO of a large, publicly-traded company, well qualify him to serve on our Board.

Jeffrey C. Crowe is the former Chairman of the Board of Landstar System, Inc. He continues to serve on its board as Chairman Emeritus. Landstar System, Inc. and its affiliates provide transportation services to customers throughout North America. Mr. Crowe began his career with Landstar in 1989 as President and CEO, and served as CEO until July 2004. Mr. Crowe was instrumental in the development of Landstar from a company with approximately $500 million in revenues to one with revenues exceeding $2 billion at the end of 2009. Mr. Crowe was also Chairman of the U.S. Chamber of Commerce from June 2003 until June 2004. From June 2002 to June 2003, he served as Vice Chairman of the U.S. Chamber of Commerce. From October 1993 to October 2003, he served as Chairman of the National Defense Transportation Association. He is also a director of Silgan Holdings, Inc. and PSS World Medical, Inc. We believe that Mr. Crowe s executive and management experience well qualify him to serve on our Board.

Patricia C. Frist is a philanthropist, community volunteer, and self-employed investor. She is a partner in Frist Capital Partners, which invests in equities, real estate and venture capital, and President of Frisco, Inc., an investment corporation. Mrs. Frist holds a number of leadership posts, including service on the boards of Second Harvest Food Bank of Middle Tennessee, Ensworth School and the Frist Foundation (a charitable foundation which disperses approximately $7 million annually). She is a former board member of the Tennessee Performing Arts Center, the Tennessee Performing Arts Center Foundation, and the Community Foundation of Middle Tennessee. Mrs. Frist has broad investment, governance, and compensation experience from her service with a variety of organizations. We believe SunTrust and our board benefits from her perspective as a community volunteer and civic leader and someone who is involved day to day with issues as they affect our communities. We believe that Mrs. Frist s long and varied involvement in leadership roles in the community and as a private investor well qualify her to serve on our Board.

Blake P. Garrett, Jr. is a partner in Garrett and Garrett Construction and related companies (commercial real estate development), and has done so since March 1966. Mr. Garrett has over 30 years experience serving on the boards of various financial institutions, including United Federal Savings and Loan, American Federal FSB, CCB Financial Corporation, and National Commerce Financial Corporation. Mr. Garrett s long experience with our industry and the real estate industry, including during prior periods of financial dislocation, well qualifies him to serve on our Board.

David H. Hughes presently serves as a director of Darden Restaurants, Inc. Previously, Mr. Hughes served as Chairman of the Board of Hughes Supply, Inc., a publicly-traded, Fortune 500 distributor of construction materials until April 1, 2006, when the company was acquired by The Home Depot. He also served as Hughes Supply s President and then its Chief Executive Officer, beginning in 1972. During his tenure leading Hughes

Supply, he completed more than 100 acquisitions and also grew the company through de novo expansions. At the time of the company s sale, it had 10,000 employees, 550 outlets located in 35 states and annual sales of $5.5 billion. He previously served on the boards of Southern Airways and Republic Airways, Courier Dispatch, Lanier Business Products, and Brown & Brown, Inc. We believe that Mr. Hughes long and varied business career, including service as Chairman and CEO of a large, publicly-traded company, well qualifies him to serve on our Board.

M. Douglas Ivester is President of Deer Run Investments, LLC. He retired as Chairman of the Board and Chief Executive Officer of The Coca-Cola Company in February 2000. He served as President and Chief Operating Officer of The Coca-Cola Company from July 1994 until elected Chairman of the Board and Chief Executive Officer in October 1997. He is also a director of S1 Corporation and is Chairman of the Board of the Woodruff Health Sciences Center, Inc. During the previous five years, he also served as a director of Georgia-Pacific Corporation. Since November 2009, Mr. Ivester has served as the Lead Director of our Board. We believe that Mr. Ivester s long and varied business career, including service as Chairman and CEO of a large, publicly-traded company, well qualifies him to serve on our Board.

J. Hicks Lanier is Chairman of the Board and Chief Executive Officer of Oxford Industries, Inc., a business engaged in the design, manufacture, marketing and sale of consumer apparel products. Mr. Lanier serves as the lead director of Genuine Parts. Mr. Lanier is also a director of Crawford and Company, although he has informed us that he intends to not stand for reelection to the board of Crawford and Company after his term expires in May of this year. Mr. Lanier has served as CEO of an NYSE-listed public company since 1981 and has served on the boards of six publicly traded companies over the last 30 years. We believe that Mr. Lanier s long and varied business career, including service as Chairman and CEO of a large, publicly-traded company, and his service as a lead director of another public company, well qualifies him to serve on our Board.

William A. Linnenbringer is a nominee for director. In his 32-year career with PricewaterhouseCoopers LLP, Mr. Linnenbringer held numerous leadership positions, including Managing Partner for the U.S. banking and financial services industry practice, Chairman of the global financial services industry practice, and member of the firm s policy board and world council of partners. Mr. Linnenbringer retired as a partner of PricewaterhouseCoopers LLP in 2002. He also serves as a director of TeleTech, and chairs its audit committee. We believe that Mr. Linnenbringer s long and varied business career, including his extensive accounting experience in our industry, well qualifies him to serve on our Board.

G. Gilmer Minor, III is Chairman of the Board of Owens and Minor, Inc., an $8 billion, Fortune 300 national distributor of medical and surgical supplies. Owens & Minor serves hospitals, integrated healthcare systems, alternate care locations, group purchasing organizations, the federal government, and consumers. The company operates over 50 distribution centers across the United States. Mr. Minor retired as Chairman and Chief Executive Officer of Owens & Minor in 2005 but continues as the non-executive Chairman of the Board of Directors. He served in various sales, operations, and management capacities of increasing responsibility before becoming President in 1981 and Chief Executive Officer in 1984. He was elected Chairman of the Board in May, 1994. We believe that Mr. Minor s long and varied business career, including service as Chairman and CEO of a large, publicly-traded company, well qualify him to serve on our Board.

Larry L. Prince is Chairman of the Executive Committee of the Board of Genuine Parts Company, a publicly-traded company engaged in the distribution of automotive replacement parts, industrial replacement parts and office products. Until April 2005, Mr. Prince was Chairman of the Board and until August 2004, he was also Chairman of the Board and Chief Executive Officer, of Genuine Parts Company. Prior to that, he served as Chief Operating Officer of Genuine Parts. Mr. Prince is also a director of Rollins, Inc.; Marine Products Corp., Inc.; and RPC, Inc. During the previous five years, he also served as a director of Equifax Inc., Crawford & Company, and John H. Harland Company. Mr. Prince served as the Presiding Director of the non-management members of our Board from 2004 to 2009. We believe that Mr. Prince s extensive management and executive experience well qualifies him to serve on our Board.

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Frank S. Royal, M.D. is President and a member of Frank S. Royal, M.D., P.C. (family medicine). Presently, Dr. Royal is also a director of Dominion Resources, Inc., Smithfield Foods, Inc., (each a public company), and is the former Chairman of the Board and former member of the board of the Richmond Community Hospital Foundation. He also previously served on the boards of HCA, CSX, Chesapeake Co., and Virginia Electric and Power Company. This experience includes more than 25 years service as a director of public corporations, including having served as lead director of Dominion Resources and Smithfield Foods, Inc. Dr. Royal is also Chairman Emeritus of the Board of Meharry Medical College and Chairman of the Board of Virginia Union University. He is the past President of the National Medical Association and a former medical school professor. We believe that Dr. Royal s long and varied business and academic career, especially his extensive experience on a number of other boards and his experience as a lead director, well qualify him to serve on our Board.

Thomas R. Watjen is a nominee for director. Mr. Watjen is the President and Chief Executive Officer of Unum Group. He also serves on the board of Unum Group. He has been employed by Unum or its predecessors since 1994, initially as chief financial officer. We believe that Mr. Watjen s experience as a director and chief executive officer of a publicly-traded corporation and experience in the financial services industry well qualify him to serve on our Board.

James M. Wells III has been Chairman of the Board of SunTrust since April 29, 2009 and Chief Executive Officer of SunTrust since January 1, 2007. From December 9, 2004 until December 31, 2006, Mr. Wells was President and Chief Operating Officer of SunTrust. From August 2000 until December 9, 2004, Mr. Wells was a Vice Chairman of SunTrust with responsibility for oversight of our commercial, retail, mortgage and wealth and investment management lines of business, as well as senior executive responsibility for SunTrust s marketing and corporate strategy units. Mr. Wells has been a banker since 1968. Mr. Wells has served on many non-profit and educational institution boards, and is currently a director of the Federal Reserve Bank of Atlanta, the Georgia Research Alliance, and the Chairman of the Atlanta Committee for Progress. We believe that Mr. Wells long banking career well qualifies him to serve on our Board.

Karen Hastie Williams is a retired partner in the Washington, D.C. law firm of Crowell and Moring LLP. Ms. William s law practice was focused on legislative and government contracting matters. Prior to joining Crowell & Moring, she worked on Capitol Hill (including as chief counsel to the U.S. Senate Committee on the Budget), and as part of the Carter administration (Administrator of the Office of Federal Procurement Policy in the Office of Management and Budget). Ms. Williams is a former law clerk to a United States Supreme Court Justice. Presently, she is also a director of Chubb Corporation, Continental Airlines, Inc., Gannett Company, Inc. and WGL Holdings, Inc., and serves as the lead director for Gannett. We believe that Ms. William s long and varied career, especially her government experience, experience with a number of other boards and her experience as a lead director, well qualifies her to serve on our Board.

Phail Wynn, Jr. is the Vice President for Regional Affairs for Duke University since January 2008. Previously, he served as the President of Durham Technical Community College from 1980 to 2007. Dr. Wynn has served continuously on bank boards since 1992. Dr. Wynn is also a director of North Carolina Mutual Life Insurance Company. Dr. Wynn holds a Ph.D and an M.B.A. degree. We believe that Dr. Wynn s varied business and academic experiences, including his long service on the boards of financial institutions, well qualify him to serve on our Board.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL NOMINEES.

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Board Committees

The Board has established five standing committees. Membership of these committees is as follows:

Committee and Members	*Functions of Committee*
Audit M. Douglas Ivester, *Chair* Robert M. Beall J. Hicks Lanier Dr. Frank S. Royal Karen Hastie Williams Number of Meetings held in 2009: 13	The Audit Committee appoints, compensates, retains, and directly oversees the work of our independent auditor (subject to shareholder ratification if applicable). It is charged with monitoring: the integrity of our financial statements; the independence and qualifications of our independent auditor; our system of internal controls; the performance of our internal audit process and independent auditor; and our compliance with laws, regulations and the codes of conduct. The Audit Committee also resolves any disagreements between management and the auditors regarding financial reporting. It pre-approves all audit services and permitted non-audit services provided to SunTrust by its independent auditor. It also performs other related duties as defined in its written charter. Our Audit Committee has only members that are independent under our Corporate Governance Guidelines, the Securities Exchange Act of 1934 and applicable rules, and the rules of the New York Stock Exchange. Our Board has determined that Mr. Ivester meets the definition of audit committee financial expert as defined by the Securities and Exchange Commission s rules and regulations. Our Board has also determined that Ms. Williams service on the Audit Committees of three other companies will not impair her ability to serve on our Audit Committee.
Compensation	The Compensation Committee is responsible for our stated compensation strategies, goals and purposes; ensuring that there is a strong link between the economic interests of management and shareholders; ensuring that members of management are rewarded appropriately for their contributions to company growth and profitability; and that the executive compensation strategy supports organization

Alston D. Correll, *Chair*

Patricia C. Frist

David H. Hughes

G. Gilmer Minor, III

Dr. Frank S. Royal

objectives and shareholder interests. The Committee must provide clear direction to management to ensure that its policies and procedures are carried out in a manner that achieves balance and is consistent with safety and soundness. It must ensure that the compensation system including performance measures and targets for business units and individual employees that can expose us to large amounts of risk, is designed and operated in a manner that achieved balance. It approves any material exceptions or adjustments to the incentive compensation arrangements established for senior executives,

Committee and Members	*Functions of Committee*
Number of Meetings held in 2009: 10	and carefully considers and monitors the effects of any approved exceptions or adjustments. It receives and reviews, on an annual or more frequent basis, an assessment by management, with appropriate input from risk-management personnel, of the effectiveness of the design and operation of the organization s incentive compensation system in providing appropriate risk-taking incentives. It also reviews periodic reports of incentive compensation awards and payments relative to risk outcomes on a backward-looking basis. It monitors the sensitivity of incentive compensation to risk outcomes, including applicability of recoupment. It ensures that the incentive compensation arrangements for the Company do not encourage employees to take risks that are beyond our ability to manage effectively. It also performs other related duties as defined in its written charter. Our Compensation Committee has only members that are independent under our Corporate Governance Guidelines and the rules of the New York Stock Exchange.
Executive James M. Wells, *Chair* Alston D. Correll Jeffrey C. Crowe M. Douglas Ivester G. Gilmer Minor, III Number of Meetings held in 2009: 7	The Executive Committee may exercise the authority of the full Board except that it may not: approve or propose to shareholders any action that must lawfully be approved by shareholders; fill vacancies on the Board or any committee; amend the Articles of Incorporation; adopt, amend or repeal the Bylaws; or approve a dissolution or merger or the sale of all or substantially all our assets.
Governance & Nominating G. Gilmer Minor, III, *Chair* Robert M. Beall Alston D. Correll	The Governance & Nominating Committee is responsible for making recommendations to the Board regarding the size and composition of the Board, reviewing the qualifications of candidates to the Board, and recommending nominees to the Board. It is also responsible for: taking a leadership role in shaping our corporate governance;

Jeffrey C. Crowe

Patricia C. Frist

Blake P. Garrett, Jr.

M. Douglas Ivester

Larry L. Prince

Karen Hastie Williams

Dr. Phail Wynn, Jr.

Number of Meetings held in 2009: 4

developing and recommending to the Board a set of corporate governance guidelines, and periodically reviewing and reassessing the adequacy of those principles and recommending any proposed changes to the Board for approval;

leading the Board in its annual review of the Board s performance; and

addressing committee structure and operations, committee reporting to the Board, committee member qualifications and committee member appointment and removal.

It has sole authority for retaining or terminating any search firm used to identify director candidates and determining such firm s fees. Our Governance & Nominating Committee also performs other related duties as defined in its written charter. It has only members that are independent under our Corporate Governance Guidelines and the rules of the New York Stock Exchange.

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Committee and Members	*Functions of Committee*
Risk Jeffrey C. Crowe, *Chair* Blake P. Garrett, Jr. David H. Hughes J. Hicks Lanier Larry L. Prince Dr. Phail Wynn, Jr. Number of Meetings held in 2009: 12	The Risk Committee is responsible for assisting the Board in overseeing and reviewing our enterprise risk management framework, including the significant policies, procedures and practices employed to manage credit risk, market risk and operational risk. It is also responsible for overseeing our implementation plan to the Federal Reserve Board for qualification of advanced capital adequacy approaches, including approval of our credit framework, operational risk framework, and capital disclosure policies and controls. It also reviews and discusses with various members of senior management matters related to credit risk, market risk, operational risk, legal, regulatory and compliance risk and enterprise risk management.

Attendance

Regular meetings of the Board are held quarterly. During 2009, the Board held 12 regular and special meetings, and various standing committees of the Board met 46 times. All incumbent directors attended at least 75% of the aggregate number of Board meetings and meetings of the committees on which they served. We expect, but do not require, directors to attend the annual meeting of shareholders. All but two of our incumbent directors attended last year s annual meeting of shareholders.

Director Compensation

The Governance & Nominating Committee determines the amount and form of director compensation. Its procedures for determining director compensation are similar to those used by the Compensation Committee for executive compensation, described under the caption Compensation Committee Processes and Procedures.

The following table provides information concerning the compensation of directors for our most recently completed fiscal year. Except as noted below, all of our non-employee directors are paid at the same rate. We pay each non-employee director an annual retainer of $45,000, paid in four installments. The Chairs of each of the Governance & Nominating Committee, Compensation Committee, Risk Committee, and Audit Committee also received an additional retainer of $10,000. The Lead Director is paid an additional annual cash retainer of $15,000 in quarterly installments. In addition, we paid each non-employee director a fee of $1,500 for each Board or committee meeting attended. Non-employee directors serving on the Board immediately after our annual meeting of shareholders in April 2009 also received a grant of either 1,200 shares of restricted stock or 1,200 restricted stock units, at their election. The grant vests after one year. The differences among directors in the table below are a function of additional compensation for chairing a committee, varying numbers of meetings attended and corresponding payments of meeting fees, and payments for service on local bank advisory boards (reported in the All Other Compensation column if applicable).

Directors may defer either or both of their meeting and retainer fees under our Directors Deferred Compensation Plan. We determine the return on deferred amounts as if the funds had been invested in our common stock or at a floating interest rate equal to the prime interest rate in effect at SunTrust Bank computed on the last day of each quarter, at the election of the director. Pursuant to SEC regulations, we report only above-market or preferential earnings on nonqualified deferred compensation, including earnings on nonqualified defined contribution plans, if any, in the column Change in Pension Value and NQDC Earnings. Our non-employee directors do not participate in our employee benefits programs that provide non-equity incentive compensation or retirement benefits.

Directors who are also our employees are not compensated for their service as directors. In 2009, one of our directors was also an employee. James M. Wells III served as Chairman of the Board and CEO, and we discuss his compensation beginning under the caption, Executive

Compensation.

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2009 DIRECTOR COMPENSATION

Name(1)	Fees Earned or Paid in Cash	Stock Awards(2)	NQDC Earnings(3)	All Other Compensation(4)	Total
Robert M. Beall, II	$90,000	$16,452			$106,452
Alston D. Correll	$101,500	$16,452			$117,952
Jeffrey C. Crowe	$107,500	$16,452		$2,500	$126,452
Patricia M. Frist	$84,000	$16,452		$5,500	$105,952
Blake P. Garrett, Jr.	$87,000	$16,452			$103,452
David H. Hughes	$91,500	$16,452			$107,952
M. Douglas Ivester	$116,500	$16,452		$4,000	$136,952
J. Hicks Lanier	$99,000	$16,452		$4,000	$119,452
G. Gilmer Minor, III	$106,000	$16,452			$122,452
Larry L. Prince	$87,000	$16,452		$6,000	$109,452
Frank S. Royal, M.D.	$99,000	$16,452	$5,270		$120,722
Karen Hastie Williams	$79,500	$16,452	$2,062		$98,014
Phail Wynn, Jr.	$82,500	$16,452			$98,952

(1) Does not include employee directors. We report amounts paid to James M. Wells III in the Summary Compensation Table.

(2) In accordance with SEC regulations, we report in this column the aggregate grant date fair value of stock awards computed in accordance with FASB ASC Topic 718, but (pursuant to SEC regulations) without reduction for estimated forfeitures. Please refer to note 16 to our financial statements in our annual report for the year ended December 31, 2009 for a discussion of the assumptions related to the calculation of such value. As of December 31, 2009, each director named in the table above held 1,200 shares of unvested restricted stock or 1,200 unvested restricted stock units. As of December 31, 2009, our directors held the following number of unexercised options (vested and unvested): Messrs. Correll, Hughes, Ivester, and Prince, Mrs. Frist, and Dr. Royal: 6,000; Ms. Williams: 2,000; and Messrs. Beall, Crowe, Garrett, Lanier, and Minor, and Dr. Wynn: 0.

(3) Our non-employee directors do not participate in our employee benefits programs that provide non-equity incentive compensation or retirement benefits. We report earnings on nonqualified deferred compensation only to the extent such earnings are preferential or above market. Dr. Royal and Ms. Williams previously deferred fees for service on Crestar s board under the Crestar Directors Deferred Compensation Plan. Amounts shown represent earnings to the extent earnings under such plan exceed 120% of the applicable federal long-term rate.

(4) Reflects fees (if any) for service on local advisory boards of our subsidiaries. No director received perquisites or personal benefits in 2009 in excess of $10,000.

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EXECUTIVE OFFICERS

The Board elects executive officers annually following the Annual Meeting of Shareholders to serve until the meeting of the Board following the next annual meeting. The following table sets forth the name of each executive officer and the principal positions and offices he or she holds with SunTrust. Unless otherwise indicated, each of these officers has served as an executive officer of SunTrust or a principal subsidiary for at least five years.

Name	Age	Officers
James M. Wells III	63	Chairman of the Board and Chief Executive Officer
Frances L. Breeden	59	Corporate Executive Vice President and Human Resources Director
Mark A. Chancy	45	Corporate Executive Vice President and Chief Financial Officer
David F. Dierker	52	Corporate Executive Vice President and Chief Administrative Officer
Thomas E. Freeman	58	Corporate Executive Vice President and Chief Risk Officer
Raymond D. Fortin	57	Corporate Executive Vice President, General Counsel and Corporate Secretary
C. T. Hill	59	Corporate Executive Vice President
Thomas G. Kuntz	53	Corporate Executive Vice President
William H. Rogers, Jr.	52	President
Timothy E. Sullivan	59	Corporate Executive Vice President and Chief Information Officer
E. Jenner Wood, III	58	Corporate Executive Vice President

James M. Wells III. Chairman of the Board since April 29, 2008. Chief Executive Officer of SunTrust since January 1, 2007. From December 9, 2004 until December 31, 2006, Mr. Wells was President and Chief Operating Officer of SunTrust. From August 2000 until December 9, 2004, Mr. Wells was a Vice Chairman of SunTrust with responsibility for oversight our commercial, retail, mortgage and wealth and investment management lines of business, as well as senior executive responsibility for SunTrust s marketing and corporate strategy units.

Frances L. Breeden. Corporate Executive Vice President and Human Resources Director since 2006. Prior to 2006, Ms. Breeden had responsibility for the Private Wealth Management line of business and from 2002 to 2005 she had responsibility for the Institutional Trust line of business.

Mark A. Chancy. Corporate Executive Vice President and Chief Financial Officer of SunTrust since August 10, 2004. In December 2008, Mr. Chancy assumed expanded accountability for the corporate and investment banking business, and also our Chief Administrative Officer organization which continues under the direction of David F. Dierker. In 2006, Mr. Chancy assumed additional responsibility for SunTrust s merger and acquisition activities. From July 2001 until August 10, 2004, he was Senior Vice President and Treasurer of SunTrust.

David F. Dierker. Corporate Executive Vice President and Chief Administrative Officer of SunTrust since December 9, 2004. From January 2000 to November 2004, Mr. Dierker served as Strategic Financial Officer of SunTrust.

Thomas E. Freeman. Corporate Executive Vice President and Chief Risk Officer of SunTrust since August 14, 2007. Mr. Freeman also served as Chief Credit Officer from January 19, 2006 until April, 2009. Prior to joining SunTrust, Mr. Freeman was a Principal at KPMG where he was responsible for providing credit risk and other advisory services to a variety of clients including larger commercial banks. He joined KPMG in 2004 after a 14-year career at Fleet Boston Financial and its predecessors, where he held a series of increasingly responsible positions including: managing director, corporate strategy and development; consumer lending executive credit officer; director of portfolio management; and corporate vice president, commercial real estate.

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Raymond D. Fortin. Corporate Executive Vice President and General Counsel. Mr. Fortin is responsible for legal affairs, serves as Corporate Secretary, and has administrative responsibility for internal audit.

C.T. Hill. Corporate Executive Vice President since August 2000. Mr. Hill has headed our Mid-Atlantic Banking Group since 2000. In December 2008, he assumed responsibility for the Retail Line of Business.

Thomas G. Kuntz. Corporate Executive Vice President since December 2004. Mr. Kuntz has headed our Florida Banking Group since December 2004. In December 2008, he assumed responsibility for the Commercial Line of Business.

William H. Rogers, Jr. President since December 12, 2008, with responsibility for geographic banking organization; the retail, commercial, mortgage, and wealth and investment management businesses; and corporate marketing. Mr. Rogers has had responsibility for the wealth and investment management line of business since October 2000. In December 2004, Mr. Rogers assumed responsibility for our mortgage and commercial lines of business. From November 2006 to December 2008, Mr. Rogers had responsibility for our corporate and investment banking lines of business.

Timothy E. Sullivan. Corporate Executive Vice President and Chief Information Officer since January 2003, with responsibility for technology and operations. In November 2006, Mr. Sullivan assumed expanded responsibility for our payments strategy. In December 2008, Mr. Sullivan assumed additional responsibilities related to call centers, commercial lending operations, and shared services.

E. Jenner Wood, III. Corporate Executive Vice President since July 2005. Mr. Wood has headed our Central Banking Group since June 2002. In December 2008, he assumed additional responsibilities regarding efficiency and productivity initiatives within the geographic banking organization.

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OTHER DIRECTOR AND EXECUTIVE OFFICER INFORMATION

Compensation Committee Interlocks and Insider Participation

We have no compensation committee interlocks. Messrs. Correll, Hughes, Minor, Mrs. Frist and Dr. Royal constitute all of the directors who served on our Compensation Committee at any time during 2009. Each of them is an independent, outside director. None of them is a current or former officer or employee of SunTrust.

During 2009, our bank subsidiary engaged in customary banking transactions and had outstanding loans to certain of our directors, executive officers, members of the immediate families of certain directors and executive officers, and their associates. These loans were made in the ordinary course of business and were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with persons not related to the lender. In the opinion of management, these loans do not involve more than the normal risk of collectability or present other unfavorable features.

Policies and Procedures for Approval of Related Party Transactions

We recognize that related party transactions can present potential or actual conflicts of interest and create the appearance that Company decisions are based on considerations other than the best interests of the Company and our shareholders. Therefore, our Board has adopted a formal, written policy with respect to related party transactions.

For the purpose of the policy, a related party transaction is a transaction in which we participate and in which any related party has a direct or indirect material interest, other than (1) transactions available to all employees or customers generally, (2) transactions involving less than $120,000 when aggregated with all similar transactions, or (3) loans made by SunTrust Bank in the ordinary course of business, made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to the lender, and not involving more than the normal risk of collectability or presenting other unfavorable features.

Under the policy, any related party transaction must be reported to the General Counsel and may be consummated or may continue only (i) if the Governance & Nominating Committee approves or ratifies such transaction and if the transaction is on terms comparable to those that could be obtained in arm s-length dealings with an unrelated third party, (ii) if the transaction involves compensation that has been approved by our Compensation Committee, or (iii) if the transaction has been approved by the disinterested members of the Board. The Governance & Nominating Committee may approve or ratify the related party transaction only if the Committee determines that, under all of the circumstances, the transaction is in the best interests of SunTrust.

Transactions with Related Persons, Promoters, and Certain Control Persons

We generally consider credit relationships with directors and/or their affiliates to be immaterial and as not impairing the director s independence so long as the terms of the credit relationship are similar to other comparable borrowers. We use the following guidelines to determine the impact of a credit relationship on a director s independence. We presume that extensions of credit which comply with Federal Reserve Regulation O to be consistent with director independence. In other words, we do not consider normal, arm s-length credit relationships entered into in the ordinary course of business to negate a director s independence.

Regulation O requires such loans to be made on substantially the same terms, including interest rates and collateral, and following credit-underwriting procedures that are no less stringent than those prevailing at the time for comparable transactions by SunTrust with other persons not related to the lender. Such loans also may not involve more than the normal risk of repayment or present other unfavorable features. Additionally, no event of default may have occurred (that is, such loans are not disclosed as non-accrual, past due, restructured, or potential problems). Our Board must review any credit to a director or his or her related interests that has become criticized in order to determine the impact that such classification has on the director s independence.

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In addition, we do not consider as independent any director who is also an executive officer of a company to which we have extended credit unless such credit meets the substantive requirements of Regulation O. We also do not consider independent any director who is an executive officer of a company that makes payments to, or receives payments from us, for property or services in an amount which, in any fiscal year, is greater than 2% of such director s company s consolidated gross revenues.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers and any persons who own more than 10% of our common stock to file reports of ownership and changes in ownership with the Securities and Exchange Commission. To our knowledge, based solely on a review of the reports furnished to us and written representations from reporting persons that all reportable transaction were reported, we believe that during the fiscal year ended December 31, 2009 our officers, directors and greater than 10% owners timely filed all reports they were required to file under Section 16(a); except for a single late report of a stock purchase by Mr. Beall.

Compensation Policies that Affect Risk Management

We use incentive compensation plans for a large number of employees in addition to our executive officers. In this section, we describe some of our policies regarding our use and management of our incentive compensation plans.

We use incentives differently based on job type. We have two primary short-term incentive plans. Our executives and certain managers participate in the Management Incentive Plan (MIP). These persons are those employees with broader, company-wide and/or strategic responsibilities. This includes headquarters executives and well as leaders in various functions, such as Finance, Accounting, and Human Resources. MIP provides an annual payout if performance exceeds pre-established corporate and/or pre-established divisional and personal goals are achieved. For our senior executives, these awards are 100% based on corporate performance. Awards for other employees generally are based 30% on corporate performance and 70% on divisional and personal goals. Presently, we use return on equity and net income available to common shareholders as the goals for corporate performance. We describe how MIP operates more thoroughly in Item 2 below.

Other individual executives and groups of employees participate in short-term incentive plans designed to support the business objectives for the performance period of the line of business in which they reside. We refer to these as functional incentive plans (FIPs). The primary purpose of a FIP is to drive employee behavior in a direction consistent with the business objects of the unit, line of business, and the Company. These incentive plans are used to create a strong sales culture and are a focal point for setting and measuring performance.

We create different incentive plans for different jobs. We use FIPs to link employee compensation to the successful achievement of the goals. We try to structure FIPs to drive behaviors that directly affect revenue or productivity, and use FIPs as the method for determining payouts to individuals based on qualified performance data. Therefore, FIP is not a single plan but will be approximately 110 different plans for 2010. While our FIPs have many common features and plan terms, generally they are either a commission plan, incentive plan or a bonus plan. Commission plans pay based on production less a monthly draw. Incentive plans pay based on formulas tied to new sales and revenue growth above a threshold. Bonus plans are annual discretionary awards from a pool of dollars funded through business unit profit and/or revenue performance.

How we Manage Risks Arising From Incentive Compensation. We manage risks that may arise from our incentive compensation in several ways:

Balanced Risk-Taking Incentives. We balance incentive compensation arrangements with our financial results. We review our incentive plans regularly to ensure that they do not provide incentives to take excessive or unnecessary risks.

Controls and Risk Management. We use risk-management processes and internal controls to reinforce and support the development and maintenance of our incentive compensation arrangements.

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Strong Corporate Governance. We reinforce our compensation practices with strong corporate governance. We describe the active role of the Compensation Committee of our Board in the Compensation Discussion and Analysis section of this Proxy Statement. Additionally, senior leaders (President, Chief Financial Officer, Chief Risk Officer, Director of Human Resources, and Director of Compensation) regularly review the effectiveness of our incentive plans. Further, the involvement of our Controller and Internal Audit functions in the accounting, administration and testing of our plans provide additional critical controls.

Use of Performance Measures that Include or Adjust for Risk. We assess the effect of risk on our incentives in several ways. Under MIP, we use performance metrics which are closely correlated to shareholder return. These implicitly include an important risk focus. Under our FIPs, we use a variety of measures. We recently expanded the use of risk-adjusted performance measures, such as risk-adjusted return on capital (RAROC), within the design of some of our FIPs.

Management of Risk Realization. We also utilize a variety of techniques to address risks that we may ultimately realize. We recently increased our use of these techniques, and expect to expand the use of them further subject to competitive considerations.

Clawbacks and Forfeitures. We expanded our clawback and forfeiture provisions for all 2010 incentive compensation plans.

Deferred Compensation. We standardized long-term mandatory deferred cash compensation arrangements subject to new forfeiture provisions. Work is continuing on the application of more deferred compensation which is linked to the time horizons of products and services.

Qualified Production. Our incentive plans include language that reinforces our compliance and control policies. Examples include the exclusion of certain types of transactions or sales from commission calculations due to exceptions, the reduction in qualified production for certain types of higher risk products, and the potential to forfeit awards as a result of realized losses.

Other Recent Changes. We recently made several changes to our incentive compensation plans. We did this for three reasons. First, we participated in the U.S. Department of Treasury Capital Purchase Program (CPP) in 2008 by selling preferred stock and common stock purchase warrants to Treasury. As a result, we became subject to certain executive compensation requirements under the Emergency Economic Stabilization Act of 2008 (EESA). Those requirements apply to certain of our executives who are classified by the U.S. Treasury as our Senior Executive Officers (SEOs) and the next 20 most highly-compensated employees. We describe the changes required under EESA more thoroughly in the Compensation Discussion and Analysis section of this Proxy Statement. Second, we recently conducted a comprehensive review of all of our incentive compensation plans with an emphasis on risk-adjusted pay for performance. This review confirmed the soundness of the design of our incentive plans for the most part but did identify some areas for improvement. Third, the Federal Reserve published Proposed Guidance on Sound Incentive Compensation Policies on October 22, 2009. The guidance was immediately effective when published because it was promulgated based on the Federal Reserve s existing power to supervise safety and soundness of financial institutions. The most significant of these changes were:

Reducing Sensitivity to Short-Term Performance. We de-leveraged total compensation in select positions by increasing base pay and reducing short-term incentives.

Senior Management Differentiation. We created a focus to distinguish senior leaders responsibility for profitability and influence on risk-taking, rather than on new production.

Expanded Use of Plan Limits. We expanded our use of plan features to limit compensation that otherwise might be paid in inappropriate situations. These include the increased use of clawback and forfeiture provisions for all 2010 incentive compensation plans, mandatory long-term deferrals, and limiting payouts to qualified production.

Please also refer to the Compensation Committee Report which follows the Compensation Discussion and Analysis in which the Committee also discusses our recent and future risk reviews of our compensation plans.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

We welcome the opportunity to share this Compensation Discussion and Analysis (CD&A) with our shareholders. We understand that investors have a strong interest in executive compensation, with a specific focus on our Named Executive Officers (NEOs). The NEOs for 2009 included our CEO, CFO, and three other most-highly compensated executive officers:

James M. Wells III, Chairman and Chief Executive Officer,

William H. Rogers, Jr., President,

Mark A. Chancy, Chief Financial Officer,

Thomas M. Freeman, Chief Risk Officer, and

David F. Dierker, Chief Administrative Officer.

This section discusses, with respect to the compensation paid to our NEOs:

- Our compensation process and Compensation Committee procedures.
- Our executive compensation programs.
- The objectives of our executive compensation programs.
- Our recent decisions regarding compensation.
- Recent legislation and regulation related to compensation.

Overall Compensation Philosophy and Objectives

The Committee has designed a compensation framework to drive financial performance and increase shareholder value. The principles of this framework include:

- Pay should be competitive with the market.
- A substantial portion of pay should align with performance.
- A substantial portion of pay should be at risk to align with risk taken by our shareholders.
- Compensation must comply with legal and regulatory limits.

The Committee designed our compensation programs to accomplish the following objectives:

- Attract talented and experienced executives.
- Retain the executive management required to lead us.
- Encourage improvement in individual and business performance.
- Recognize the importance of improving shareholder value.

Executive Compensation Determinations and Committee Procedures

The Compensation Committee of the Board, which we refer to in this section as the Committee, makes decisions regarding the compensation of our executives. Specifically, the Committee has strategic and administrative responsibility for a broad range of issues. These include ensuring that we compensate key management employees effectively and in a manner consistent with our stated compensation strategy and the requirements of the appropriate regulatory bodies. The Committee also oversees the administration of executive compensation plans, including the design, performance measures, and award opportunities for the executive incentive programs, and certain employee benefits. The Board appoints each member of the Committee and has determined that each is an independent director.

The Committee reviews executive officer compensation at least annually to ensure that senior management compensation is consistent with our compensation philosophies, company and personal performance, changes in market practices, and changes in an individual s responsibilities. At the Committee s first regular meeting each year, which it typically holds in February, the Committee makes a more specific review which focuses on performance and awards for the most recently-completed fiscal year. This review considers corporate and individual performance, changes in an NEO s responsibilities, data regarding peer practices, and other factors.

To assist in its efforts to meet the objectives outlined above, the Committee has retained Towers Perrin, a nationally known executive compensation and benefits consulting firm, to advise it on a regular basis on the executive compensation and benefit programs. The Committee engaged the consultant to provide general executive compensation consulting services and to respond to any Committee member s questions and to management s need for advice and counsel. In addition, the consultant performs special executive compensation projects and consulting services from time to time as directed by the Committee. The consultant reports to the Committee Chairman. Pursuant to the Committee s charter, the Committee has the power to hire and fire such consultant and engage other advisors.

We use a number of consultants for a variety of human resources and employee benefits projects. In 2009, we regularly used the Committee s consultant, Towers Perrin, for benefits consulting work. Management, with the approval of the Committee, selected Towers Perrin for this work because of their experience with our benefits plans. To minimize the potential for conflicts of interest, our policy is to limit our use of Towers Perrin to only executive compensation and benefits matters. We also regularly report to the Committee the amount of fees paid to consultants and the types of matters consulted. In 2009, we paid Towers Perrin $327,086 for executive compensation consulting, and $2,187,267 for all other services.

The Committee reviews and approves the amount of each element of total compensation paid to the CEO and NEOs. They also review the individual elements of total compensation for the executives holding the title of Corporate Executive Vice President or higher. The Committee reviews the performance and compensation of the Chairman of the Board and the CEO, the President, and other CEO direct reports, who include most of the executive officers named in this Proxy Statement. The CEO and members of our Human Resources department assist in the reviews of such direct reports. The consultant supports such reviews by providing data regarding market practices and making specific recommendations for changes to plan designs and policies consistent with our philosophies and objectives discussed below. The CEO determines the compensation of other senior officers based in part on market data provided by the compensation consultant, and the Committee annually reviews the general elements of such compensation.

In determining the amount of NEO compensation each year, the Committee reviews competitive market data from the banking industry as a whole and the peer group specifically, described below. It makes specific compensation decisions and awards based on such data, company performance, and individual performance and circumstances. With regard to formula-based incentives, the Committee develops performance targets using management s internal business plan, industry and market conditions, and other factors.

As stated above, the Committee reviews and approves all components of the CEO and the other NEOs compensation, including base salary, annual bonus, and long-term incentives. Members of our Human Resources department periodically make available to the Committee information regarding the value of prior grants and participation in our plans. This information includes (i) accumulated gains, both realized and unrealized, under restricted stock, stock option, and other equity grants, (ii) projected payments under our retirement plans, and (iii) aggregate amounts deferred under our nonqualified deferred compensation plans. Additionally, we provide the Committee with information regarding potential payments to our executive officers under various termination events, including retirement, termination for cause and not for cause, and upon our change in control. We provide the Committee with both the dollar value of benefits that are enhanced as a result of the termination event and the total accumulated benefit. We provide similar information in the Potential Payments Upon Termination or Change in Control Table below, except that in that table we report only the amount that is enhanced as a result of the termination event in order to not double-count compensation that we reported in previous years. By having this information, the Committee is informed of possible scenarios that involve compensation.

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The Compensation Committee has, over the last three years, among other things, taken the following actions:

1. Oversaw a comprehensive review of all company incentive plans. This review is described in greater detail under the caption, 2009 Risk Adjusted Pay for Performance Review in the Compensation Committee Report which follows this CD&A.

2. Revised the form of compensation for a number of executive officers and other senior employees in order to comply with regulatory requirements applicable to TARP recipients. Specific changes for these individuals included:

   - the elimination of bonuses (except those required under existing contracts)
   - payment of a portion of salary in stock
   - the elimination of golden parachute payments and other severance payments
   - the elimination of tax gross ups

3. Adopted a firm-wide policy prohibiting luxury expenditures.

4. Adopted, and then later strengthened, a recoupment policy covering incentive compensation paid to executives. Please refer to the related discussion below under the caption, Other Guidelines and Procedures Affecting Executive Compensation Adjustments to Incentive Compensation as a Result of Financial Statement Restatements.

5. Eliminated most perquisites effective January 1, 2008. Please refer to our discussion of benefits, below.

6. Established share ownership and retention guidelines for executive officers and directors.

7. Tied the vesting of approximately half of our restricted stock grants to NEOs to our performance relative to peers.

8. Made no bonus payments to any NEO based on our 2008 and 2009 performance.

9. In 2009, implemented strong controls on compensation company-wide, including the elimination of annual merit-based salary increases for 2009 for approximately 4,000 top managers (except in cases of promotion). We also reduced the average wage increase for other employees by a third.

10. Adopted financial metrics and targets to be used in connection with our annual incentive, including return on equity and net income available to common shareholders.

11. Subject to shareholder approval at this meeting, revised and adopted new financial metrics to be used in connection with the management incentive plan.

12. Implemented changes to various compensation plans to comply with the requirements of Section 409A of the Internal Revenue Code, which regulates non-qualified deferred compensation.

Separately, our Board took the following actions over the last three years to improve our corporate governance:

1. De-staggered the terms of our Board;

2. Implemented a majority voting standard for the election of directors;

3. Designated a Lead Director and annually reviewed the independence of each Board member; and

4. Each director attended ISS-accredited director education session.

As we discuss elsewhere in this Proxy Statement, recent legislation and regulation likely will be a determining factor in the future regarding the compensation of our NEOs. Consequently, our executive compensation program has undergone change and prior actions of the Committee may not be predictive of future action. One significant result of the new legislation and regulation is that the Committee now has less flexibility with future compensation decisions regarding the NEOs.

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Effect of the Emergency Economic Stabilization Act of 2008 and America Reinvestment and Recovery Act of 2009

On October 14, 2008, the U.S. Department of Treasury announced a program under the Emergency Economic Stabilization Act of 2008 (EESA). Pursuant to this program, Treasury would make preferred stock investments in participating financial institutions (the Capital Purchase Program or CPP).

We participated in the Capital Purchase Program in 2008 by selling preferred stock and common stock purchase warrants to the U.S. Treasury. As a result, we became subject to certain executive compensation requirements under EESA, Treasury Department regulations, and the contract pursuant to which we sold such preferred stock. Those requirements apply to what the U.S. Treasury refers to as our Senior Executive Officers (SEOs).

On February 17, 2009, President Obama signed into law the America Reinvestment and Recovery Act of 2009 (ARRA) which amended EESA. ARRA continued all the same compensation and governance restrictions in EESA and added substantially to the restrictions in several areas. Treasury then published regulations on June 15, 2009 implementing various provisions of EESA (as amended by ARRA). Throughout this Proxy Statement, we refer to EESA to mean EESA as amended by ARRA and as implemented by the Treasury regulations.

We have fully complied with the requirements of EESA. Those requirements are:

Prohibition on Certain Types of Compensation. EESA prohibits us from providing incentive compensation arrangements that encourage our SEOs to take unnecessary and excessive risks that threaten the value of the financial institution. It also prohibits us from implementing any compensation plan that would encourage manipulation of the reported earnings in order to enhance the compensation of any of its employees.

Risk Review. EESA requires the Committee to meet with our senior risk officer at least semiannually to discuss and evaluate employee compensation plans in light of an assessment of any risk to us posed by such plans. The review is intended to better inform the Committee of the risks posed by the plans, ways to limit such risks. The Committee has performed this review, and its conclusions are included in its report which appears at the end of this CD&A. Specifically, the Committee s report includes its certifications that the plans do not encourage our SEOs to take unnecessary and excessive risks that threaten the our value of the Company, and that the plans do not encourage manipulation of the reported earnings in order to enhance the compensation of any of our employees.

Bonus Prohibition. EESA prohibits the payment of any bonus, retention award, or incentive compensation to our five SEOs and the next 20 most highly-compensated employees. The prohibition includes several limited exceptions, including payments under enforceable agreements that were in existence as of February 11, 2009 and limited amounts of long-term restricted stock, discussed below. We have performed an extensive review of our compensation arrangements and have complied with all requirements of EESA for 2009.

Limited Amount of Long Term Restricted Stock Excluded from Bonus Prohibition. EESA permits us to pay a limited amount of long-term restricted stock. The amount is limited to one-third of the total annual compensation of the employee. EESA requires such stock to have a minimum 2-year vesting requirement, and to not fully vest until we have repaid all CPP-related obligations.

Golden Parachutes. EESA prohibits *any* severance payment to a senior executive officer or any of the next five most highly-compensated employees upon termination of employment for any reason. EESA provides an exception for amounts that were earned or accrued prior to termination, such as normal retirement benefits.

Clawback. EESA requires us to recover any bonus or other incentive payment paid to a senior executive officer on the basis of materially inaccurate financial or other performance criteria. This requirement applies to the five NEOs and the next 20 most highly compensated employees. We already had a similar policy, but strengthened it to conform to the details of EESA.

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Limit on Tax Deduction. We contractually agreed to abide by a provision of EESA and Treasury Department regulations which limits our tax deduction for compensation paid to any SEO to $500,000 annually. This provision amended the Internal Revenue Code by adding a new Section 162(m)(5), which imposes a $500,000 deduction limit. In addition, prior to the amendment, certain performance based compensation paid under shareholder approved plans did not count toward such deduction limit. EESA and Section 162(m)(5) eliminate that exclusion for us. We discuss the effect of this provision in greater detail under the heading, Tax Considerations.

Shareholder Say-on-Pay Vote Required. EESA requires us to include a non-binding shareholder vote to approve the compensation of executives as disclosed in this Proxy Statement. We have included such a say-on-pay proposal as Item 4 in this Proxy Statement.

Policy on Luxury Expenditures. EESA required us to implement a company-wide policy regarding excessive or luxury expenditures, including excessive expenditures on entertainment or events, office and facility renovations, aviation or other transportation services.

Reporting and Certification. EESA requires our CEO and CFO to provide a written certification of compliance with the executive compensation restrictions in EESA in our annual report. EESA also requires certain disclosures and certifications by the Committee, which it makes in its report which is provided at the end of this CD&A.

Other Regulation

On October 22, 2009, the Federal Reserve issued proposed guidance on incentive compensation. The guidance includes three principles:

Incentive compensation arrangements should balance risk and financial results in a manner that does not provide employees incentives to take excessive risks on behalf of the banking organization.

A banking organization s risk-management processes and internal controls should reinforce and support the development and maintenance of balanced incentive compensation arrangements.

Banking organizations should have strong and effective corporate governance to help ensure sound compensation practices.

The guidance is immediately effective under the Federal Reserve s power to regulate the safety and soundness of financial institutions. The Federal Reserve will apply the guidance to all U.S. financial institutions. We expect to better understand how this guidance will affect us in the coming months.

Decisions Regarding Composition of Total Compensation

Total direct compensation for each NEO is a mix of cash and long-term incentives. Historically, total cash included salary and the annual incentive plan (which we call MIP). However, EESA prohibits the use of our annual incentive. Our implementation of EESA requirements while maintaining a competitive balance has resulted in a movement toward guaranteed pay. Historically, long-term incentives included restricted stock and stock options. However, EESA prohibits stock options and limits the amount of restricted stock to one-third of total compensation. Salary is the only portion of compensation that is not at risk. Historically, we attempted to provide a majority of total direct compensation paid to our NEOs as non-cash and to tie more than 70% of total direct compensation to our performance. We do this so that shareholder returns, along with corporate, business unit and individual performance, both short and long-term, determine the largest portion of executive pay. The Committee uses long-term restricted stock to motivate executives to align the executives interests with shareholders interests and to focus on the long-term performance of the business. Our emphasis on compensation elements other than salary subjects our executives to downside risk related to our performance, and this significantly affects their overall compensation.

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Effect of EESA on Components of Executive Compensation

EESA affects the relative proportion of different types of compensation that we may pay. The proportion of salary to total direct compensation will increase as a result of the payment of additional salary in stock, the elimination of the annual cash incentive and stock options, and the limits on the amount of restricted stock that may be granted. The impact of EESA is summarized below:

Compensation Element	Prior to EESA	After EESA
Salary	cash only	Cash
	generally less than 30% of total direct compensation	Stock (salary shares)
		2/3s of total direct compensation
Annual Incentive	cash	not allowed
Long-Term Incentive	stock options	limited to long-term restricted stock
	restricted stock	limited in amount to 1/3 of total direct compensation

Corporate and Individual Performance Measures

For our NEOs, we tie formula-driven compensation almost entirely to corporate performance, although individual performance also affects pay. For example, each year the Committee considers merit adjustments to base pay tied to individual performance. Also, the Committee considers individual performance, long-term potential, and the other individual factors when determining the size of long-term incentive compensation grants. Among the elements of individual performance considered by the Committee are leadership, talent management, risk management, and individual contributions to our improvement in financial performance, including growing the business, efficiency and productivity.

Market Competitiveness

To ensure that we continue to offer competitive total compensation to our NEOs, annually the Committee reviews the marketplace in which we compete directly for executive talent. The Committee looks at the market in two ways: as a select group of peer companies and as a broader financial services industry. From this review, we generally target total compensation salary, short-term incentives, long-term incentives, and benefits at peer median, with minor deviations to reflect individual circumstances. Each such element of total compensation is benchmarked separately, and also as total compensation. As a result of the turmoil in the financial services industry, it has become difficult to obtain timely and meaningful peer information, although we have increased our efforts to obtain such information through regular discussions with external sources.

Our primary market focus is our select group of peer companies. The Committee chose these companies based on generally similar attributes of size, number of employees, product offerings, and geographic scope. For 2009, our peer group remained unchanged and consisted of the following companies:

Bank of America Corporation.	PNC Financial Services Group Incorporated.
BB&T Corporation.	Regions Financial Corporation.
Fifth Third Bancorp.	US Bancorp.
KeyCorp.	Wells Fargo and Company.

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Recently, certain events occurred which prompted the Committee to reconsider the composition of our peer group. First, two members of the prior peer group (Wachovia Corporation and National City Corporation) were acquired by other peer banks. Second, as a result of acquisitions, larger banks such as JPMorgan Chase, Bank of America, and Wells Fargo, as well as BB&T and Fifth Third, have either become our direct competitors or have increased the number of locations from which they compete directly with us. Each of these developments affects how we attract, retain, and motivate our executive talent. Although our peer group remained the same throughout 2009, we continually monitored compensation actions occurring within our industry.

We sometimes review financial services industry compensation data from published surveys of financial services companies of approximately the same asset size. Specifically, the Committee uses this data, in addition to the peer group data, largely in the review of base salaries, but the Committee also uses it when making short-term and long-term incentive decisions. We do this because in some cases, the availability of relevant peer information is limited for some specific executive positions. We also do this because we may compete for the same executive talent with all financial services companies. Additionally, we believe that the integrity of our executive compensation decisions improve with additional information.

We believe that our market review assists us in making executive compensation decisions that are consistent with our objectives, especially those of attracting, retaining and motivating our executive officers. Also, because the current marketplace is the most relevant, when making annual executive compensation decisions, the Committee does not take into account an individual s accumulated value from past compensation grants.

Executive Compensation Program Overview

Our executive compensation program has four parts:

- Salary.
- Short-Term (Annual) Incentives.
- Long-Term Incentives.
- Benefits.

1. Salary

We pay salaries to attract and retain talented executives. The level of salaries we pay depends mostly on each executive s experience, duties, and scope of responsibility. We target the level of salary at peer median to be competitive. Salary affects the level of benefits, such as the amount of pension benefits and the potential payment under our change in control agreements, discussed below. Salary also affects the amount of restricted stock level EESA allows us to pay.

The Committee generally determines annual increases to base salary after considering an individual s performance and/or changed responsibilities. For 2009, the Committee eliminated base salary increases for all of our senior leaders, including each NEO, except for Mr. Rogers. The decision to eliminate base salary increases was based on the Company s poor financial results for the 2008 performance period.

In the case of Mr. Rogers, he was promoted to President in December 2008 and received a 10.6% base salary promotional increase effective January 1, 2009. Additionally, effective January 1, 2010, Mr. Rogers received a 12% base salary increase due to his assumption of a large number of new corporate-wide responsibilities since his promotion to President in December 2008.

An important new compensation development that had the characteristics of both base salary and equity emerged as part of the U.S. Treasury s Interim Final Rule on TARP Standards for Compensation and Corporate Governance. This compensation development became known as Salary Shares. Specifically, the Interim Rule prohibits the payment of short-term incentives (annual bonus) and stock options to the Senior Executive Officers

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(shown in our Proxy statement) and to the next 20 most highly compensated employees. Effective January 1, 2010, we have chosen to use the salary share concept because it is specifically authorized by EESA to address the constraints on the annual cash bonus and equity awards; and we believe it is necessary that we use this approach to remain competitive and to minimize the risk of talent flight to other companies with whom we compete. Specifically, we will pay additional base salary amounts in the form of stock (salary shares) to the NEOs and other employees who are among the next 20 most highly-compensated employees. We will do this each pay period in the form of stock units under the SunTrust Banks, Inc. 2009 Stock Plan. The stock units will not include any rights to receive dividends or dividend equivalents. As required by EESA, each salary share will be non-forfeitable upon grant but may not be sold or transferred until the expiration of a holding period. As a result, the NEO is at risk for the value of our stock price until the stock unit is settled. The stock units will be settled in cash one half on March 31, 2011 and one half on March 31, 2012, unless settled earlier due to the executive s death. The amount to be paid on settlement of the stock units will be equal to the value of a share of SunTrust common stock on the settlement date. Benefit plan determinations and limits were established to ensure that the salary shares were accounted for equitably within relevant benefit plans.

2. Short-Term (Annual) Incentives

The Management Incentive Plan (MIP) is our short-term cash incentive program which rewards the achievement of annual performance goals, primarily annual financial goals. We designed the MIP to:

- Support our strategic business objectives.
- Promote the attainment of specific financial goals.
- Reward achievement of specific performance objectives.
- Encourage teamwork.

EESA prohibited us in 2009 from paying MIP to the NEOs or any of our next 20 most highly compensated employees who participate in MIP. In addition, as in 2008, the NEO s still would not have received a MIP payout for 2009 due to our poor financial results, even if such payments had been permitted by EESA.

3. Long-Term Incentives

We attempt to reward effective long-term management decision-making through our long-term incentives. These incentives focus attention on long-range objectives and future returns to shareholders.

Since 2008, the long-term incentives for NEOs have been entirely in equity with no cash component.

In 2009, we made grants of stock options and restricted stock at our February 9, 2009 Committee meeting. The February meeting is when the grant decisions are made every year, and the date was selected well in advance of the meeting. EESA became effective on February 17, 2009, so it did not fully apply to us in 2009. However, EESA applied to us for the remainder of 2009. It will prohibit the grant of stock options to our NEOs in 2010 and limit the form and amount of restricted stock we can pay in 2010.

When not restricted by EESA, we determine the amount of long-term incentive (both stock options and restricted stock) to award to each NEO by reference to the median of peer practice. We determine this amount separately for each NEO. While the amount of each award is determined by market and competitive considerations, the ultimate value of the incentive depends on company performance. The Committee has intentionally tied the value of the long-term incentives for this group entirely to corporate performance rather than to individual performance because of the role these executives play in the company.

Historically, we delivered the long-term incentive in roughly equal amounts of stock options and restricted stock. In 2009, we more directly tied approximately half of certain NEOs long-term incentives to our performance relative to a peer group. We discuss this below under the heading, Performance Stock.

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A. Stock Options.

Stock options generally have a ten-year term and vest (100%) three years after the date of grant. Stock options align compensation with shareholder return since the executive receives a benefit if and only to the extent our stock price appreciates. Options are not transferable.

The Committee favors stock options in part because they align the executive s incentives with the interests of shareholders. We continued to grant stock options to our senior executives in 2009 because we believe stock options provide a long-term linkage between the interest of the executives and our shareholders.

In 2009, as in past years, the Committee determined a target amount of long-term incentive compensation for each NEO set at the median of peer practice. The Committee then awarded such amount via roughly equal amounts of stock options and restricted stock. Due to the extreme volatility of our stock price at that time, the Committee determined the grant size of each award by basing the value on the average stock price over the preceding 30 days, rather than our stock price on the date of grant. The number of options granted in 2009 was substantially higher than in 2008 because of our lower stock price and the resulting lower value per stock option.

The Committee does not intend to grant stock options in 2010 to any of the SEO s and the next 20 most highly-compensated employees, including our NEOs, because EESA prohibits this.

B. Restricted Stock.

The Committee delivered approximately half of the long-term incentive via restricted stock. Shares of restricted stock will vest (100%) three years after the date of grant.

Restricted stock, like stock options, aligns compensation with shareholder return since the executive receives a benefit to the extent our stock price appreciates. However, restricted stock provides less leverage to corporate performance, which is an advantage in terms of risk. On the other hand, because restricted stock delivers some value regardless of corporate performance, it to some extent represents a guaranteed payment. The Committee believes an approximately equal split of restricted stock and stock options allows it to obtain most of the benefits of both forms of long-term incentive.

In 2009, as in past years, the Committee determined a target amount of long-term incentive compensation for each NEO set at the median of peer practice. The Committee then awarded such value via roughly equal amounts of stock options and restricted stock. Due to the extreme volatility of our stock price at that time, the Committee determined the size of each award by basing the value on the average stock price over the preceding 30 days, rather than our stock price on the date of grant. The number of shares granted in 2009 was substantially higher than in 2008 because of our lower stock price and, therefore, the resulting lower value per share of restricted stock.

EESA permits long-term restricted stock, but only to the extent the value of the stock does not exceed one-third of the total amount of annual compensation of the employee receiving the stock. To comply with EESA, such grants must have a minimum service requirement of at least two years and must not fully vest until after we repay all CPP-related obligations.

For 2010, the Committee made long-term incentive awards to the Named Executive Officers. The Committee continued its practice of tying the vesting of a significant portion of its long-term awards to our performance. We discuss these below in the section Performance Vesting of Incentives.

C. Performance Vesting of Long-Term Incentives. In 2009, we began tying the vesting of certain of our equity grants to our performance relative to a comparison group. In 2009, at least half of the restricted stock that we granted to our NEOs was performance vested, except for Messrs. Freeman and Dierker, who were not then NEOs, and two-thirds of the equity granted to our CEO was performance vested. In addition, approximately half of the stock options that we granted to Messrs. Wells, Rogers and Chancy was performance vested.

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Performance-vested restricted stock is granted by the Committee. At the end of the three-year performance period, the final vested number of shares will be adjusted up or down based on our relative performance. Performance will be measured based on total shareholder return (TSR). TSR is our stock price gains plus the value of dividends reinvested in our common stock. Our TSR will be compared to a comparison group made up of the 25 largest bank holding companies by asset size. We will measure performance over three years. For example, for the first grant made in 2009, the measurement period will be January 1, 2009 through December 31, 2011. We will calculate beginning and ending TSR values based on a 20-trading day average stock price to reduce the effect of volatile industry stock prices. The final number of shares will be determined as follows:

Our TSR	Payout
less than 25^{th} percentile	no payout
at 25^{th} percentile	50% of initial shares (minimum payout)
at 50^{th} percentile	100% of initial shares (target payout)
at or above 75^{th} percentile	150% of initial shares (maximum payout)

We will use straight-line interpolation to determine final awards when our performance falls between the 25^{th} and 75^{th} percentiles. This means that we determine actual payouts by formula and that payouts are directly proportional to actual performance. Each 1% of actual performance above or below target affects the payout by 2%. For example, if actual performance were determined to be at the 47^{th} percentile relative to the comparison group, or 3% below target, then the payout would be 94% of target. Similarly, if actual performance were determined to be at the 53^{rd} percentile relative to the comparison group, or 3% above target, then the payout would be 106% of target.

Earned shares will be paid out at the end of the three-year performance period. We will not pay dividends on shares until the shares are earned. Any regular or extraordinary dividends paid during the performance period will be reinvested into additional notional shares. These reinvested shares will be added to the final payment of earned shares.

Performance vested stock options will vest similarly, with one major limitation. We capped the number of stock options that may be finally awarded to Messrs. Wells, Rogers and Chancy. The total number of stock options will not exceed the initial number of stock options granted, even if our TSR exceeds the 50th percentile.

For 2010, the Committee approved changes to the long-term incentive structure for the Named Executive Officers and additional executives. The Committee continued its practice of tying a significant portion of its long-term awards to the Company s performance, and increased from 50% to 100% the portion of such awards which will be tied to corporate performance. For 2010, performance will be based half on relative total shareholder return (TSR) on an annual basis and the remainder on net income available to common shareholders, return on equity (ROE), and the level of charge-offs.

The Committee has established threshold, target, and maximum performance levels for each of the performance metrics for fiscal 2010. Accomplishment of these performance levels will determine a number of shares of restricted stock which the Committee potentially will award to each executive before the end of 2010. However, the actual number of shares to be awarded will be subject to the Committee s negative discretion (can only reduce the number of shares that may be awarded). Further, in no case shall the maximum number of shares awarded exceed the compensation limits under EESA of one-third of the executive s total annual compensation.

The Committee will measure achievement of the performance metrics in late December, 2010 and, after considering whether to exercise negative discretion, will make long-term restricted stock grants to the executives at that time. In accordance with the requirements of EESA, such grants will vest (100%) only after two years and after the Company s repayment of TARP.

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4. Benefits

A. 401(k) Plan and 401(k) Excess Plan Matching Contributions.

We offer a qualified 401(k) Plan and a nonqualified 401(k) Excess Plan to provide tax-advantaged savings vehicles. We make matching contributions to the 401(k) Plan and the 401(k) Excess Plan to encourage employees to save money for their retirement. These plans, and our contributions to them, enhance the range of benefits we offer to executives and enhance our ability to attract and retain employees.

Under the terms of the qualified 401(k) Plan, employees may defer from 1% to 20% of their eligible pay, and we match the first 5% on a dollar-for-dollar basis, for a total match of 5% of eligible pay for each participant who defers 5% or more of his or her eligible pay. Matching contributions are deposited into investment funds, including company stock, based on Plan participants directions.

We also maintain a nonqualified 401(k) Excess Plan to provide benefits that would have otherwise been provided under the qualified 401(k) Plan to certain participants but for certain maximum statutory limits imposed on qualified plan benefits (for example, annual limits on eligible pay and contributions). Generally, members of senior management whose eligible pay exceeds the qualified plan compensation limit are eligible for the 401(k) Excess Plan. Because the 401(k) Excess Plan is unfunded, we account for all participants deferrals plus our matching contributions in phantom investment units. Participants investment choices in the 401(k) Excess Plan are generally the investment options allowed in the 401(k) Plan.

We determine our matching contributions to both plans in part by the level of participation by the executive. We cap our matching contributions at specific amounts (except in the 401(k) Excess Plan, where we do not subject the NEOs and other executive leadership to the matching limit). We established the maximum limits on our matching contributions by reference to market and peer practices.

At the end of 2009, we merged the 401(k) Excess Plan with our Deferred Compensation Plan in order to simplify its administration and facilitate participation. This is not expected to affect the NEOs compensation.

B. Perquisites and Other Benefits. We eliminated most perquisites and personal benefits on January 1, 2008. Certain usage of our corporate aircraft may constitute a personal benefit, and we disclose this benefit when the cost of providing this benefit, together with the cost of all other perquisites and personal benefits, is at least $10,000.

C. Post-Termination Compensation

Retirement Plans. We maintain both qualified and nonqualified defined benefit retirement plans that we have designed to work together to provide retirement pay to our senior executives. We pay the entire cost of benefits under these plans, which are in addition to our defined contribution plans, such as the 401(k) Plan and the Deferred Compensation Plan, all of which encourage participants to set aside part of their current earnings to provide for their retirement.

The SunTrust Retirement Plan is a tax-qualified plan available to almost all employees. It provides monthly benefit payments for a participant s lifetime, usually beginning at age 65, although benefits may begin as early as age 55 with five years of service, and some participants also have an option to receive lump sum payments. In addition to the SunTrust Retirement Plan, we also maintain three nonqualified defined benefit type plans the ERISA Excess Plan, the SunTrust Supplemental Executive Retirement Plan (SERP), and the Crestar SERP. These nonqualified plans coordinate with the SunTrust Retirement Plan to provide an overall targeted level of retirement benefits.

All of the nonqualified deferred compensation plans are considered our unfunded general contractual obligations and are subject to the claims of our creditors. If we were ever to become insolvent, participants would be considered our general unsecured creditors. This status with respect to these benefits should help ensure that the interests of the officer-participants are aligned with our long-term interests of those of our shareholders.

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We provide pension benefits to attract and retain executives. Each plan s benefit formula determines the amount payable under the plan to each NEO. We describe the formulas in the narrative preceding the Pension Benefits Table below. The amount of benefits varies based upon the plan, the executive s years of service with us, and the executive s compensation (primarily cash salary and MIP). The total retirement benefit is determined by the SERP.

Change in Control Agreements. We have change in control (CIC) agreements with members of senior management, including each of our NEOs. Except for these CIC agreements and our broad-based severance policy, none of our NEOs has an employment agreement which requires us to pay their salary or severance for any period of time. We entered into the CIC agreements because the financial services industry has been consolidating for a number of years and we do not want our executives distracted by a rumored or actual change in control. Further, if a change in control should occur, we want our executives to be focused on the business of the organization and the interests of shareholders. We think it is important that our executives can react neutrally to a potential change in control and not be influenced by personal financial concerns.

We believe that CIC agreements should compensate executives who are displaced by a change in control and not serve as an incentive to increase an executive s personal wealth. Therefore, our CIC agreements require that there be both a change in control and an involuntary termination without cause or a voluntary termination for good reason. This is often referred to as a double-trigger. It ensures that we will become obligated to make payments under the CIC agreements only if the executive s employment actually terminates as a result of the change in control. The CIC agreements provide these same protections to our executives whom we terminate without cause or who terminate for good reason in anticipation of a change in control if such termination occurs during the period beginning with shareholder approval of a change in control and ending on the date the change in control actually occurs. Our stock option agreements and other long-term incentive compensation arrangements (other than performance stock grants made prior to 1998) also have a double trigger prior to accelerated-vesting in connection with a change in control.

We believe our CIC agreements are consistent with market practice and assist us in retaining our executive talent. We set the level of benefits by reference to peer practices for similar positions in order to remain competitive with the banking industry as a whole and specifically with our peer group. We condition all payments under the CIC agreements on an executive agreeing to confidentiality, non-solicitation and non-disparagement provisions.

However, EESA prohibits us from paying severance or other post-termination payments to the NEOs and the next five most highly-compensated employees.

Other Guidelines and Procedures Affecting Executive Compensation

Grants of Stock-Based Compensation. The Committee approves all grants of stock-based compensation to the CEO and the President and all other persons reporting to the CEO. The Committee also approves the size of the pool of stock-based awards to be granted to other employees and delegates to the CEO the authority to make and approve specific awards to employees other than those who report directly to the CEO. The Committee reviews such grants and oversees the administration of the program.

Stock-Based Compensation Procedures Regarding Timing and Pricing of Awards. Our policy is to make grants of equity-based compensation only at current market prices. We set the exercise price of stock options at the closing stock price on the date of grant, and do not grant in-the-money options or options with exercise prices below market value on the date of grant. Absent special circumstances, it is our policy to make the majority of such grants at the February meeting of our Board. However, we make a small percentage of grants at other times throughout the year, mostly on the date of regularly-scheduled meetings of the full Board in connection with exceptional circumstances, such as the hiring or promotion of an executive officer, special retention circumstances, or merger and acquisition activity.

We try to make stock award and stock option grants at times when they will not be influenced by scheduled releases of information. We do not otherwise time or plan the release of material, non-public information for the purpose of affecting the value of executive compensation. Similarly, we do not set the grant date of stock options to new executives in coordination with the release of material non-public information and, instead, these grants primarily have grant dates corresponding to the date of the February Board meeting or the next pre-selected off-cycle grant date.

We chose the February meeting of our Board because it is the first meeting of the Board after we have publicly announced financial results for the completed year. This date also allows time for performance reviews following the determination of corporate financial performance for the previous year. This allows us to make grants at a time when our financial results have already become public, and when there is little potential for abuse of material non-public information in connection with stock or option grants. We believe we minimize the influence of our disclosures of non-public information on the exercise price of these long-term incentives by selecting dates well in advance and which fall several days or weeks after we report our financial results, and by setting the vesting period at one year or longer. We follow the same procedures regarding the timing of grants to our executive officers as we do for all other participants.

Adjustments to Incentive Compensation as a Result of Financial Statement Restatements. The Committee s practice has been to consider adjusting future awards or recovering past awards in the event of a material restatement of our financial results. As a result of the passage of EESA and our participation in the CPP, the Committee strengthened this recoupment policy. EESA requires us to recover any bonus or incentive compensation paid to an NEO or any of the next 20 most highly-compensated employees based on statements of earnings, gains, or other criteria which prove to be materially inaccurate. The Committee recently amended the 2009 Stock Plan to include a provision which contractually implements this.

Share Ownership and Share Retention Guidelines. Although our directors and executive officers already have a significant equity stake in our company (as reflected in the beneficial ownership information contained in this Proxy Statement), we have adopted a share ownership and retention policy for directors and for senior management to formalize these important principles of share ownership and share retention. We recently modified this policy in connection with our change to a total equity-based long-term incentive program for executives.

We require our CEO to own SunTrust common stock worth at least five times his cash salary. We require his direct reports and other specified executive officers, who include all of the NEOs, to own stock equal to three times their cash salary. We allow these officers five years to meet this ownership requirement, measured from the later of the date of adoption of this policy and the date they became subject to the policy. We count unvested restricted stock and our common stock or its equivalent held in the 401(k) Plan and phantom shares in nonqualified plans but do not count shares to the extent that the risk of ownership has been hedged. We also require our CEO to retain all of the shares acquired upon exercise of an option (net of income taxes and exercise price) for at least one year. Similarly, we require the CEO s direct reports to retain 75%, and other specified executive officers to retain 50% of the net shares acquired upon exercise of an option for at least one year.

We require non-employee members of our Board to own at least 4,000 shares of our common stock. We count restricted stock, restricted stock units, and deferred or phantom stock towards this requirement. We allow members of the Board five years in which to meet this requirement, measured from the later of the date we adopted this policy or from their election to the Board. All Board members currently meet this ownership requirement.

Tax Considerations

We consider the tax treatment of various forms of compensation and the potential for excise taxes to be imposed on our NEOs which might have the effect of frustrating the purpose of such compensation. We consider several provisions of the Internal Revenue Code.

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Section 162(m). Prior to amendments enacted by EESA, Section 162(m) provided that we may not deduct for federal income tax purposes compensation expense we incur in excess of $1 million for any year for our CEO, CFO and the three other highest paid executive officers at the end of such year (covered employees). An exception existed for performance-based compensation paid under a plan when the material terms of the performance goals have been approved by our shareholders within the last five years. Our shareholders approved the material terms of the performance goals under the 2009 Stock Plan at last year s annual meeting and for MIP at our annual meeting of shareholders held in 2005. We will ask our shareholders to re-approve the performance goals under MIP at this year s Annual Meeting. We are also asking our shareholders to approve an expanded list of performance goals under MIP. Refer to Item 2 in this Proxy Statement.

Effect of EESA on Section 162(m). In 2008, we participated in the U.S. Treasury Department s Capital Purchase Program by selling preferred stock and common stock purchase warrants to the U.S. Treasury. As a result, we became subject to certain executive compensation requirements under EESA. Among those was our agreement to not deduct for federal income tax purposes compensation paid to any NEO in excess of $500,000. In addition, we are prohibited from deducting certain performance based compensation we pay under shareholder approved plans.

Section 409A. Section 409A generally governs the form and timing of nonqualified deferred compensation payments. Section 409A imposes sanctions on participants in nonqualified deferred compensation plans that fail to comply with Section 409A rules, including accelerated income inclusion, an additional 20% income tax (in addition to ordinary income tax) and an interest penalty. We have amended our nonqualified deferred compensation plans to comply with Section 409A or to qualify for an exemption from Section 409A.

Compensation Committee Report

Compensation Discussion and Analysis

The Compensation Committee reviewed and discussed the Compensation Discussion and Analysis included in this Proxy Statement with management. Based on such review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Risk Review

The Committee has also reviewed the Company s extensive review of the risks implicated by both the plans in which our Senior Executive Officers (SEOs) participate, and all other compensation plans, including those in which SEOs do not participate.

2008-2009 Risk Review

In late 2008 and early 2009, the Committee met with the Chief Risk Officer and discussed and reviewed the SEO incentive plans. That review focused on the incentive plans in which the SEOs participated the Management Incentive Plan (MIP) and the 2004 Stock Plan. The Committee also discussed and reviewed with the Chief Risk Officer the relationship between our risk management policies and practices and the SEO incentive compensation arrangements. The Committee concluded that our incentive compensation arrangements did not encourage our SEOs to take unnecessary and excessive risks that threaten the value of the financial institution, because:

- our cash incentive plan imposes a specific dollar maximum amount for each participant.
- our equity incentive plan provides annual grant limits that apply on an individual basis.
- the fact that the Committee targets the median of peer practice effectively limits the size of awards.

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2009 Risk Adjusted Pay for Performance (RAPP) Review

In June 2009, the Treasury published an interim final rule that applies additional risk review requirements to companies that participated in the Treasury s Capital Purchase Program (CPP) and which have not repaid TARP. In anticipation of those requirements, the Company commenced a broad review of its incentive plans. This review analyzed each job and compensation plan on two dimensions compensation risk and business risk.

We assessed compensation risk in several ways. First, we looked at the performance metrics used in the plan, and considered whether they incorporated or adjusted for risk and whether the plan payouts were tied to corporate performance. Next, we looked at the pay mix for the job, including the mix of fixed and variable pay and the mix of short- and long-term pay. Then we looked at the methods used with the incentives, including how payouts are calculated, the use of thresholds and caps, frequency of payment, clawbacks, and the ability to exercise discretion to reduce payouts. Finally, we looked at actual plan design, including the magnitude of the upside pay potential (leverage) and how the plans are actual administered.

We also assessed business risk for each job and plan. We did this because it is particularly important to scrutinize incentive compensation when the job or function generates risk for the Company in order to ensure that pay is risk-adjusted. We specifically looked at market risk, credit risk, operational risk, and the overall time horizon of the business and pay to consider whether the payout is tied to the likely realization of business risks. Our business risk review also looked at the existing control environment, possible improvements, and best practices.

2010 Risk Review

Building on our RAPP review, in early 2010, within six months after the effective date of the Treasury s new regulations, the Committee met with the Chief Risk Officer and discussed and reviewed all of the Company s compensation plans. The primary plans that were reviewed were:

SunTrust Banks, Inc. Management Incentive Plan (MIP)

MIP is an annual cash incentive plan designed to support the Company s strategic business objectives, promote the attainment of our financial plan, reward the achievement of business unit and individual performance objectives, and promote teamwork. Most managers, key teammates in corporate functions such as human resources or accounting, and other key contributors (who are not participating in a Functional Incentive Plan) with broader, company-wide and/or strategic responsibilities, participate in the MIP.

Funding of an award is based on two components a corporate component and an individual/divisional component. The corporate component is based on corporate financial results 75% on net income available for common shareholders, and 25% on return on equity. The division/individual component is funded based on performance relative to pre-established division and individual goals. For most participants, MIP is weighted 30% on corporate performance and 70% on division/individual performance. For our CEO and his direct reports, MIP is weighted 100% on corporate performance.

The primary risk under MIP is that payouts might not be in proportion to corporate or personal performance. MIP addresses this risk by:

- targeting the MIP value at median by referencing external salary surveys and other market data appropriate for particular jobs;
- tying payouts to corporate goals in addition to individual and divisional goals;
- setting threshold, target, and maximum performance targets; and
- imposing a maximum limit on the payout.

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The Committee believes that, because of these design elements, the MIP does not encourage:

- unnecessary and excessive risks that threaten the value of the Company;
- behavior focused on short-term results rather than long-term value creation;
- the manipulation of reported earnings of the Company to enhance the compensation of any of the Company s employees.

SunTrust Banks, Inc. Functional Incentive Plans (FIP)

Most revenue generating employees participate in a FIP instead of MIP. We use FIPs to link employee compensation to the successful achievement of their business objectives. We try to structure FIPs to drive behaviors that directly affect revenue or productivity. Therefore, FIP is not a single plan, but will be approximately 110 plans for 2010.

While our FIPs have many common features and plan terms, they generally fall into one of three categories: commission plans, incentive plans, and bonus plans. Commission plans pay based on production less a monthly draw. Incentive plans mostly pay based on formulas tied to new sales and revenue growth above a threshold. Bonus plans are annual discretionary awards from a pool of dollars funded through business unit profit and/or revenue performance.

The review of our functional incentive plans, through a risk lens, was intense during the last half of 2009 and will continue into 2010. We have made good progress in strengthening the balance between safety and soundness of the Company, risk management, and incentive compensation. We will continue to approach our work by applying the following principles:

- Balance incentive compensation arrangements with our financial results. We will review our incentive plans regularly to ensure that they do not provide incentives to take excessive and unnecessary risks.
- Use risk-management processes and internal controls to reinforce and support the development and maintenance of our incentive compensation arrangements.
- Reinforce our compensation practices with strong corporate governance.
- Use performance measures that include or adjust for risk.

The Committee believes that, as a result of existing limits and practices, and the enhancements made to the 2010 FIPs, the FIPs do not encourage:

- unnecessary and excessive risks that threaten the value of the Company;
- behavior focused on short-term results rather than long-term value creation;
- the manipulation of reported earnings of the Company to enhance the compensation of any of the Company s employees.

SunTrust Banks, Inc. 2009 Stock Plan (2009 Stock Plan)

The 2009 Stock Plan authorizes equity awards that can be granted to our employees. We award restricted stock to senior leaders, senior managers and other key teammates. Typically, these awards vest after three years. For the SEOs, we may tie the vesting of a substantial portion of such awards to our performance. We discuss our practices with respect to performance-vesting of our equity awards in the Compensation, Discussion and Analysis section, above. In addition, when not restricted by EESA, we usually grant stock options to the CEO and his direct reports, and other senior leaders.

The primary risk under the 2009 Stock Plan is that awards will inappropriately incent risk-taking since the value of awards is leveraged to the Company s future performance. The 2009 Stock Plan limits this risk by:

targeting the value at median by referencing external, annual salary surveys and other market data appropriate for particular jobs;

imposing an annual limit on the number of shares that may be granted to any single individual;

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- requiring stock options to have an exercise price of fair market value on the date of grant;
- tying vesting to either 3 year cliff vesting or to our performance over 3 years; and
- including appropriate clawback provisions.

The Committee believes that, as a result of these design elements, the 2009 Stock Plan does not encourage:

- unnecessary and excessive risks that threaten the value of the Company;
- behavior focused on short-term results rather than long-term value creation;
- the manipulation of reported earnings of the Company to enhance the compensation of any of the Company s employees.

SunTrust Banks, Inc. Long-Term Incentive Cash Plan (LTI Cash Plan)

Under the LTI Cash Plan we make cash awards to senior managers and other key teammates below the senior management level. The award does not change over the three-year period. It does not increase due to interest or changes in market value, and it does not decrease.

The LTI Cash Plan award characteristics are:

- target value is set at median by referencing external, annual salary surveys and other market data appropriate for particular jobs;
- is fixed when awarded, and does not vary with performance; and
- is paid only if the employee continues to be employed by the Company when the award cliff vests after three years.

The Committee believes that, as a result of these design elements, the LTI Cash Plan does not encourage:

- unnecessary and excessive risks that threaten the value of the Company;
- behavior focused on short-term results rather than long-term value creation;
- the manipulation of reported earnings of the Company to enhance the compensation of any of the Company s employees.

Conclusions of 2010 Risk Review

As a result of the work that preceded the 2010 Risk Review, the Company made a number of amendments to improve the design of certain 2010 FIP plans. As a result of these amendments and based upon the Committee s review, the Committee is able to certify that:

1. The Committee has reviewed with the Chief Risk Officer the SEO compensation plans and the Committee has made all reasonable efforts to ensure that these plans do not encourage SEOs to take unnecessary and excessive risks that threaten the value of SunTrust;

2. The Committee has reviewed with the Chief Risk Officer the employee compensation plans and has made all reasonable efforts to limit any unnecessary risks these plans pose to SunTrust; and

3. The Committee has reviewed the employee compensation plans to eliminate any features of these plans that would encourage the manipulation of reported earnings of SunTrust to enhance the compensation of any employee.

Submitted by the Compensation Committee of the Board of Directors.

Alston D. Correll, *Chairman*

Patricia C. Frist

David. H. Hughes

G. Gilmer Minor, III

Frank S. Royal, M.D.

Executive Compensation Tables

The following tables provide information about the compensation we paid for the year ended December 31, 2009 to the NEOs. We report compensation in accordance with SEC regulations. Those regulations require us in some tables to report: (i) amounts paid in previous years; (ii) amounts that may be paid in future years, including amounts that will be paid only upon the occurrence of certain events, such as a change in control of SunTrust; (iii) amounts we paid to the NEOs which might not typically be considered compensation (for example, distributions of deferred compensation earned in prior years, and interest on such amounts); (iv) an assumed value for share-based compensation under accounting rules, even though the actual realization of cash from the award may depend on whether our stock price appreciates above its price on the date of grant and whether the executive continues his employment with us; and (v) the increase in present value of future pension obligations, even though such increase is not currently paid and even though any pension benefits will depend upon a number of factors, including when the executive retires, his compensation at retirement, and in some cases the number of years the executive lives following his retirement.

Therefore, we encourage you to read the following tables closely. The narratives preceding the tables and the footnotes accompanying each table are important parts of each table. Also, we encourage you to read this section in conjunction with the Compensation Discussion and Analysis, above.

2009 SUMMARY COMPENSATION TABLE

Salary. In this column, we disclose the amount of base salary paid to the NEOs during the year. This includes salary amounts voluntarily deferred by the NEO.

Stock Awards and Option Awards. In the columns Stock Awards and Option Awards, SEC regulations require us to disclose an amount equal to the fair value of the grant on the grant date computed in accordance with FASB ASC Topic 718. For restricted stock, the grant date fair value per share is equal to the closing price of our stock on the date of grant or, for performance vested restricted stock, our estimate of the probable outcome as of the date of grant. For stock options, we base the fair value per share on certain assumptions. Please refer to note 16 to our financial statements in our annual reports for the years ended December 31, 2009, 2008, and 2007. We disclose the full fair value of the award in the year in which it was granted but without reduction for estimated forfeitures (as we do for financial reporting purposes).

In 2008, we began issuing restricted stock to the NEOs as part of their long-term incentive package. We did not make grants of restricted stock to the NEOs in 2006 or 2007. Restricted stock typically cliff vests three years from the date of grant. We condition awards on the participant s continued employment with us, but the stock awards may have additional restrictions, including performance conditions. In 2009, we conditioned the vesting of a portion of the restricted stock granted to some of the NEOs on Company performance. For these awards, we disclose in the following table the estimated or target amount of compensation on the grant date.

Non-Equity Incentive Plan Compensation. In this column, we disclose the dollar value of all earnings based upon achievement of incentive performance measures unless required to be disclosed in the Bonus column because of the exercise of discretion. We include an award in a particular year based on whether the relevant performance measurement period for the award ended during the year. For example, we make annual payments under our MIP based upon our financial results measured as of December 31 of each year. Accordingly, the amount we report for MIP corresponds to the year for which the NEO earned the award even though we do not pay the award until after the end of such year.

Change in Pension Value and Nonqualified Deferred Compensation Earnings. In this column, we disclose the sum of the dollar value of (1) the aggregate change in the actuarial present value of each NEO s benefit under all defined benefit and actuarial pension plans (including supplemental plans) in the year, if positive; and (2) any above-market or preferential earnings on nonqualified deferred compensation, including benefits in defined contribution plans.

All Other Compensation. In this column, we disclose the sum of the dollar value of perquisites and other personal benefits and all other compensation, if any.

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2009 SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary	Bonus[1]	Stock[2] Awards	Option[2] [3] Awards	Non-Equity[4] Incentive Plan Compensation	Change in[5] Pension Value and Nonqualified Deferred Compensation Earnings	All Other[6] Compensation	Total
James M. Wells III	2009	$1,077,300	$0	$1,365,395	$3,263,250	$0	$1,842,920	$123,957	$7,672,822
Chairman and Chief	2008	$1,077,300	$0	$4,721,150	$2,120,000	$0	$49,612	$123,825	$8,091,887
	2007	$1,000,000	$0	$0	$2,730,250	$600,000	$49,658	$169,944	$4,549,852
Executive Officer									
William H. Rogers, Jr.	2009	$500,000	$0	$458,232	$2,635,589	$0	$612,738	$32,508	$4,239,067
President	2008	$452,090	$0	$1,593,668	$1,189,114	$0	$0	$45,345	$3,280,217
	2007	$434,968	$0	$0	$586,250	$210,000	$0	$53,956	$1,285,174
Mark A. Chancy	2009	$560,000	$0	$404,064	$2,245,478	$0	$110,270	$34,634	$3,354,446
Corporate	2008	$555,333	$0	$2,290,618	$1,411,290	$0	$22,583	$53,647	$4,333,471
Executive Vice President and Chief Financial Officer	2007	$491,667	$245,833	$0	$703,500	$405,000	$47,798	$48,520	$1,942,318
Thomas E. Freeman Corporate Executive Vice President and Chief Risk Officer	2009	$475,000	$0	$340,656	$1,300,679	$0	$35,448	$26,599	$2,178,382
David F. Dierker Corporate Executive Vice President and Chief Administrative Officer	2009	$420,000	$0	$295,356	$1,126,794	$0	$153,683	$84,732	$2,080,565

(1) No MIP payment was made to any NEO for 2008 or 2009. Amounts reported for 2007 reflect payments under the MIP. In most years, we report payments under MIP in the non-equity incentive plan column.

(2) In accordance with the SEC s changed reporting requirements, we report all equity awards at full grant date fair value of each award calculated in accordance with FASB ASC Topic 718. Previously, we allocated the fair value of equity awards to reporting years in proportion to the awards vesting period. Prior years equity compensation data have been recalculated in accordance with the new rule.

Restricted stock awards are valued in this table at $9.06 for 2009 time-vested awards, $5.58 for February, 2009 performance vested awards, $12.63 for April, 2009 performance vested awards, $64.58 for February, 2008 awards, and $56.23 for April, 2008 awards. Please refer to note 16 to our financial statements in our annual reports for the years ended December 31, 2009, 2008, and 2007, respectively, for a discussion of the assumptions related to the calculation of such values.

For awards that are subject to performance conditions, we report the value at grant date based upon the probable outcome of such conditions consistent with our estimate of aggregate compensation cost to be recognized over the service period determined under FASB ASC Topic 718, excluding the effect of estimated forfeitures. SEC regulations require us to also disclose the value of all 2009 restricted stock awards, assuming that the highest level of performance conditions would be achieved, calculated in accordance with FASB ASC Topic 718: Mr. Wells, $5,048,842; Mr. Rogers, $3,181,148; Mr. Chancy, $2,726,546; Mr. Freeman, $1,641,335; and Mr. Dierker, $1,422,150.

Prior to 2008, the vehicles used to deliver long-term incentives to the NEOs consisted of stock options and performance units under the Performance Unit Plan (PUP). In 2008, we terminated PUP and cancelled all outstanding awards. We replaced outstanding performance units under the discontinued PUP with a one-time grant of restricted stock in 2008. We now use stock options and restricted stock as long-term incentives for the NEOs.

(3) Option awards have exercise prices of $9.06 for 2009, $65.48 for February, 2008 and $29.54 for December, 2008, and $85.06 for 2007. In accordance with FASB ASC Topic 718, such grants were valued at $4.725, $8.48, and $16.75 per share for grants made in 2009,

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2008, and 2007, respectively. Performance stock options granted on February 10, 2009 had an exercise price of $9.06 and were valued at $6.94 per share in accordance with FASB ASC Topic 718. For awards that are subject to performance conditions, we report the value at grant date based upon the probable outcome of such conditions consistent with our estimate of aggregate compensation cost to be recognized over the service period determined under FASB ASC Topic 718, excluding the effect of estimated forfeitures. For the options we granted in 2009, performance at the maximum award level would not result in an award greater than what is disclosed in the table above.

(4) No MIP payment was made to any NEO for 2008 or 2009. In past years, we reported payments under the Performance Unit Plan (PUP) as Non-Equity Incentive Plan Compensation. The PUP was terminated in 2008, so no amounts were paid for PUP in 2008 or 2009.

(5) The amounts we report in this column for 2009 includes the following for each NEO: (1) change in pension value: Mr. Wells, $1,793,336; Mr. Rogers, $612,738; Mr. Chancy, $110,270; Mr. Freeman, $35,448; and Mr. Dierker, $149,546, and (2) above-market earnings on deferred compensation under plans established by Crestar (an acquired financial institution): Mr. Wells, $49,554 and Mr. Dierker, $4,137.

(6) Total perquisites and other personal benefits for each NEO were less than $10,000 in 2009. The amount shown as All Other Compensation includes the following: (a) 401(k) Match (includes our matching contributions to both the 401(k) Plan and 401(k) Excess Plan) for Mr. Wells $53,865; Mr. Rogers $25,000; Mr. Chancy $28,000; Mr. Freeman $23,750; and Mr. Dierker $21,000; (b) supplemental disability insurance premiums for Mr. Wells $7,583; Mr. Rogers $6,715; Mr. Chancy $6,634; Mr. Freeman $2,849; and Mr. Dierker $6,155; (c) $61,003 for Mr. Wells for contractual payment made in lieu of foregone premiums on a terminated split dollar life insurance policy; and (d) for Mr. Dierker $57,577 for contractual payment made related to a life insurance policy.

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2009 GRANTS OF PLAN-BASED AWARDS

In this table, we provide information concerning each grant of an award made to an NEO in the most recently completed year. This includes stock option and restricted stock awards under the SunTrust Banks, Inc. 2004 Stock Plan and the SunTrust Banks, Inc. 2009 Stock Plan, which are discussed in greater detail in this Proxy Statement under the caption, Compensation Discussion and Analysis. Our NEOs were not eligible for MIP awards in 2009 due to EESA.

Name	Award Type	Equity Award Grant Date	Estimated Future Payouts Under Equity Incentive Plan Awards			Exercise Price of Option Awards	Grant[5] Date Fair Value of Awards
			Threshold	Target	Maximum		
James M. Wells III	Options[1]	02/10/2009		250,000		$9.06	$1,181,250
	Options[2]	02/10/2009	150,000	300,000[6]			