

SUNTRUST BANKS INC
Form 424B2
September 13, 2010

FILED PURSUANT TO RULE 424(B)(2)
REGISTRATION NO: 333-161712

INDEX SUPPLEMENT No. 1

**To prospectus dated September 3, 2009 and
prospectus supplement dated September 10, 2010**

NOTES LINKED TO THE S&P 500® INDEX

SunTrust Banks, Inc. may from time to time may offer and sell certain unsecured debt obligations (the notes), linked to a Reference Asset. The Reference Asset is the underlying measure by which we will determine the amount payable on the notes, if any, and may be based on price movements in, performance of, or other events, relating to one or more particular index funds or other securities, indices, currencies, interest rates, consumer prices, intangibles, goods, articles or commodities, or baskets comprised of any of those instruments or measures, or other instruments or measures, including the occurrence or nonoccurrence of any event or circumstance, or a combination thereof. This prospectus supplement, which we refer to as an index supplement, describes the S&P 500® Index. The S&P 500® Index may be a Reference Asset or, in the case of a Reference Asset consisting of a basket of indices or exchange traded funds or other measures, a component of the Reference Asset. The applicable pricing supplement will specify the Reference Asset to which your notes are linked as well as the specific terms of the notes.

You should read the applicable pricing supplement, this index supplement, the applicable product supplement, if any, the related prospectus supplement dated September 10, 2010 and the related prospectus dated September 3, 2009 carefully before you invest in a particular issuance of the notes. If the terms described in the applicable or pricing supplement are different or inconsistent with those described herein, the terms described in the applicable free writing prospectus or pricing supplement will govern the notes. If the terms described in any applicable product supplement, prospectus supplement or prospectus are different or inconsistent with those described in this index supplement, the terms described herein will govern the notes.

The description of the S&P 500® Index in this index supplement only applies to notes linked to the S&P 500® Index. In addition, we may offer notes linked to one or more indices or funds that are not described herein. In such an event, we will describe such additional indices or funds in the applicable pricing supplement, index supplement or product supplement.

An investment in the notes involves certain risks. You should refer to Risk Factors beginning on page IS1-2 of this document, in any applicable product supplement, any applicable pricing supplement and page S-2 of the prospectus supplement for risks related to an investment in the notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined that this index supplement, or the accompanying product supplement (if any), prospectus supplement or prospectus, is truthful or complete. Any representation to the contrary is a criminal offense.

The notes are not deposit liabilities or other obligations of any bank, are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency of the United States or any other jurisdiction, and involve investment risks, including possible loss of the principal amount invested due to the credit risk of SunTrust Banks, Inc.

SunTrust Robinson Humphrey

September 13, 2010

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In making your investment decision, you should rely only on the information contained or incorporated by reference in the applicable pricing supplement relevant to your investment. The information in the pricing supplement and any related index supplement including this index supplement may only be accurate as of the dates of each of these documents, respectively.

The notes described in the relevant pricing supplement and this index supplement are not appropriate for all investors, and involve important legal and tax consequences and investment risks, which should be discussed with your professional advisers. You should be aware that the regulations of the Financial Industry Regulatory Authority, Inc. (FINRA), and the laws of certain jurisdictions (including regulations and laws that require brokers to ensure that investments are suitable for their customers) may limit the availability of the notes. The relevant pricing supplement, any related product supplement or index supplement including this index supplement and the accompanying prospectus supplement and prospectus do not constitute an offer to sell or a solicitation of an offer to buy the notes in any circumstances in which such offer or solicitation is unlawful.

In this index supplement, SunTrust, we, us and our refer to SunTrust Banks, Inc., unless the context requires otherwise.

Neither SunTrust or the calculation agent, nor any of our or its affiliates, accepts any responsibility for the calculation, maintenance or publication of the indices or funds described herein or any successor indices or funds.

RISK FACTORS

Your investment in the notes will involve certain risks. We urge you to read the section "Risk Factors" beginning on page S-2 of the prospectus supplement dated September 10, 2010, in the relevant pricing supplement and in the relevant product supplement, if any, in addition to the following risk factors relevant to your notes. Investing in the notes is not equivalent to investing directly in the relevant index or any of the stocks included in such index. You should understand the risks of investing in the notes and should reach an investment decision only after careful consideration, with your advisers, of the suitability of the notes in light of your particular financial circumstances and the information set forth in this index supplement, any other relevant index supplement or product supplement, the applicable pricing supplement and the accompanying prospectus supplement and prospectus.

You will be subject to significant risks not associated with conventional fixed-rate or floating-rate debt securities. You should consider carefully the following discussion of risks before you decide that an investment in the notes is suitable for you.

Risks relating to the Reference Asset

We are currently one of the companies that make up the S&P 500® Index, but, to our knowledge, we are not currently affiliated with any other company included in the index.

We are currently one of the companies that make up the S&P 500® Index. To our knowledge, we are not currently affiliated with any of the other companies whose stock is represented in the index. As a result, we will have no ability to control the actions of such other companies, including actions that could affect the value of the stocks underlying the index or your notes. None of the money you pay us will go to the applicable index sponsor or any of the other companies included in the index, and none of those companies will be involved in the offering of the notes in any way. Neither they nor we will have any obligation to consider your interests as a holder of the notes in taking any corporate actions that might affect the value of your notes.

In the event we become affiliated with any issuers whose equity securities are included in an index, we will have no obligation to consider your interests as a holder of the notes in taking any action with respect to such issuer that might affect the value of your notes.

THE S&P 500® INDEX

We have derived all information contained in this product supplement regarding the S&P 500® Index, including, without limitation, its make-up, method of calculation and changes in its components, from publicly available information. Such information reflects the policies of, and is subject to change by, Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (S&P). We make no representation or warranty as to the accuracy or completeness of such information. The S&P 500® Index was developed by S&P and is calculated, maintained and published by S&P. S&P has no obligation to continue to publish, and may discontinue the publication of, the S&P 500® Index.

The S&P 500® Index is reported by Bloomberg L.P. under the ticker symbol SPX.

Criteria for Inclusion in the S&P 500® Index

The S&P 500® Index is intended to be a measure of the U.S. equities markets. The S&P 500® Index includes 500 U.S. companies. The S&P 500® Index is maintained by the S&P Index Committee, a group of Standard & Poor's economists and analysts. Criteria for inclusion in the S&P 500® Index include the following:

U.S. Company. Determining factors include the location of the company's assets & revenues, its corporate structure, its SEC filing type, and its exchange listings.

Market Capitalization. Companies with market cap in excess of US\$3.5 billion.

Public Float. There must be public float of at least 50%.

Financial Viability. Companies should have four consecutive quarters of positive as-reported earnings, where as-reported earnings are defined as net income determined in accordance with generally accepted accounting principles excluding discontinued operations and extraordinary items.

Adequate Liquidity and Reasonable Price. The ratio of annual dollar value traded to float adjusted market capitalization for the company should be 1.0 or greater, and the company should trade a minimum of 250,000 shares in each of the six months leading up to the evaluation date.

Sector Representation. Companies' industry classifications contribute to the maintenance of a sector balance that is in line with the sector composition of the universe of eligible companies with market cap in excess of US\$3.5 billion.

Company Type. All U.S. common equities listed on the NYSE (including NYSE Arca and NYSE Amex) and the NASDAQ stock market are eligible for inclusion. REITs (excluding mortgage REITs) and business development companies (BDCs) are also eligible for inclusion. Closed end funds, ETFs, ADRs, ADSs and certain other types of securities are ineligible for inclusion.

Continued membership in the S&P 500® Index is not necessarily subject to the above guidelines, but a company may be removed from the S&P 500® Index due to a substantial violation of one of the above criteria or if the company no longer meets the criteria for inclusion due to a merger, acquisition or significant corporate restructuring.

Calculation of the S&P 500® Index

The index value is the quotient of the total float-adjusted market capitalization of the index's constituents and its divisor. The index is calculated based on a base-weighted aggregative method. This means that the value of the index reflects the market capitalization of the companies included in the index relative to a specified base period and base value. The calculation of the index uses base period quantities (share counts) to calculate the price change in the index. The base period for the S&P 500® Index is the years 1941-1943 and the base value for the S&P 500® Index is 10. Continuity in index values is maintained by adjusting the divisor for changes in the constituents' share

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capital after the base period. This includes additions and deletions to the index, rights issues, share buybacks and issuances, and spin-offs. The divisor's time series is, in effect, a chronological summary of all changes affecting the base capital of the index. The divisor is adjusted such that the index value at an instant just prior to a change in base capital equals the index value at an instant immediately following that change.

The market capitalization of an index constituent is the product of the share price for that company multiplied by the number of shares outstanding. The market capitalization values used to calculate the index are float adjusted. This means that the outstanding shares used in the calculation of market capitalization are adjusted to remove the holdings of certain groups of shareholders that are presumed to hold shares for control of the relevant index constituent rather than for investment. These three groups of holdings are:

Holdings by other publicly traded corporations, venture capital firms, private equity firms or strategic partners or leveraged buy-out groups.

Holdings by government entities, including all levels of government in the United States or foreign countries.

Holdings by current or former officers and directors of the company, founders of the company, or family trusts of officers, directors or founders as well as holdings of trusts, foundations, pension funds, employee stock ownership plans or other investment vehicles associated with and controlled by the company.

If the shares held in one of these three groups exceed 10% of the outstanding shares, Standard & Poor's considers those shares to be unavailable and excludes those shares from the float-adjusted count used in the calculation of the market capitalization of the relevant company used in the S&P 500® Index.

For each index constituent, Standard & Poor's calculates an Investable Weight Factor (IWF) to reflect the available shares of the index constituent. The IWF is a fraction equal to the available shares of the index constituent divided by the total outstanding shares of the index constituent. For the purposes of calculating the IWF, the available shares are all outstanding shares of the relevant company other than those held by one of the three groups indicated above if those unavailable shares exceed 10% of the total outstanding shares. The float adjusted market capitalization of each company included in the index is equal to the IWF for that company multiplied by the share price of that company's stock multiplied by the number of shares outstanding. The value of the index is equal to the sum of the float-adjusted market capitalization for all companies included in the S&P 500® Index divided by the index divisor.

The index divisor is required to ensure that the value of the S&P 500® Index provides a continuous measure of market valuation despite additions and removals from the index, changes to shares outstanding, or capital actions. In the absence of any adjustment to the divisor, additions and deletions of companies included in the index would alter the value of the index as would share issuances and certain other corporate actions. Following these events, the divisor of the S&P 500® Index is adjusted to offset the change in the market value of the index due to those events. When a company is added to or deleted from the index, the net change in the market value of the index is calculated and this is used to calculate the new divisor. The market values of stocks being added or deleted are based on the prices, shares outstanding, IWFs and any other share count adjustments. There are a large range of different corporate actions ranging from routine share issuances or buy backs to unusual events like spin-offs or mergers that could affect the value of the index. These are listed on the table below with notes about the necessary changes and whether the divisor is adjusted.

| Corporate Action | Comments | Divisor Adjustment |
|------------------------------|---|--------------------|
| Company added/deleted | Net change in market value determines the divisor adjustment. | Yes |
| Change in shares outstanding | Any combination of secondary issuance, share repurchase or buy back share counts revised to reflect change. | Yes |

| Corporate Action | Comments | Divisor Adjustment |
|-------------------------|--|---------------------------|
| Stock split | Share count revised to reflect new count. Divisor adjustment is not required since the share count and price changes are offsetting. | No |
| Spin-off | If the spun-off company is not being added to the index, the divisor adjustment reflects the decline in index market value (i.e., the value of the spun-off unit). | Yes |
| Spin-off | Spun-off company added to the index, no company removed from the index. | No |
| Spin-off | Spun-off company added to the index, another company removed to keep number of names fixed. Divisor adjustment reflects deletion. | Yes |
| Change in IWF | Increasing (decreasing) the IWF increases (decreases) the total market value of the index. The divisor change reflects the change in market value caused by the change to an IWF. | Yes |
| Special Dividend | When a company pays a special dividend the share price is assumed to drop by the amount of the dividend; the divisor adjustment reflects this drop in index market value. | Yes |
| Rights offering | Each shareholder receives the right to buy a proportional number of additional shares at a set (often discounted) price. The calculation assumes that the offering is fully subscribed. Divisor adjustment reflects increase in market cap measured as the shares issued multiplied by the price paid. | Yes |

Changes to the S&P 500® Index in response to corporate actions and market developments are made on an as needed basis and can be made at any time. Changes in a company's shares outstanding due to its acquisition of another public company are made as soon as reasonably possible (other than de minimis merger and acquisition share changes). All other changes of less than 5% are accumulated and made quarterly on the third Friday of March, June, September, and December. Changes in a company's total shares outstanding of 5% or more due to public offerings, tender offers, Dutch auctions or exchange offers are made as soon as reasonably possible. Other changes of 5% or more (for example, due to company stock repurchases, private placements, an acquisition of a privately held company, redemptions, exercise of options, warrants, conversion of preferred stock, notes, debt, equity participations, at-the-market stock offerings or other recapitalizations) are made weekly, and are announced on Wednesdays for implementation after the close of trading the following Wednesday (one week later). Weekly share changes scheduled to be effective on the Wednesday of a rebalancing week are combined with the quarterly share rebalancing and implemented on Friday of that week. If a 5% or more share change causes a company's IWF to change by 5 percentage points or more (for example from 0.80 to 0.85), the IWF will be updated at the same time as the share change. IWF changes resulting from partial tender offers are considered on a case-by-case basis. In the case of in-the-money rights issues, share changes are made on the payable date regardless of the size of the share increase.

License Agreement with S&P

S&P and SunTrust Banks, Inc. have entered into a non-exclusive license agreement providing for the license to us of the right to use the S&P 500® Index, which is owned and published by S&P, in connection with certain securities, including the notes.

The notes are not sponsored, endorsed, sold or promoted by Standard & Poor's, a division of The McGraw-Hill Companies, Inc., which we refer to as S&P. S&P makes no representation or warranty, express or implied, to the owners of the notes or any member of the public regarding the advisability of investing in securities generally or in the notes particularly, or the ability of the S&P 500® Index to track general stock market performance. S&P's only relationship to SunTrust Banks, Inc. is the licensing of certain trademarks and trade names of S&P without regard to SunTrust Banks, Inc. or the notes. S&P has no obligation to take the needs of SunTrust Banks, Inc. or the holders of the notes into consideration in determining, composing or calculating the S&P 500® Index. S&P is not responsible for and has not participated in the determination of the price or amount of the notes to be issued or the timing of the issuance or sale of the notes in the determination or calculation of the amount due at maturity of the notes. S&P has no obligation or liability in connection with the administration, marketing or trading of the notes.

NEITHER S&P, ITS AFFILIATES NOR THEIR THIRD PARTY LICENSORS GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDEX OR ANY DATA INCLUDED THEREIN OR ANY COMMUNICATIONS, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATIONS (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P, ITS AFFILIATES AND THEIR THIRD PARTY LICENSORS SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS OR DELAYS THEREIN, S&P MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE MARKS, THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P, ITS AFFILIATES OR THEIR THIRD PARTY LICENSORS BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OR PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE.

STANDARD & POOR'S STANDARD & POOR S 500®, ~~S&P~~ S&P 500 ARE TRADEMARKS OF THE MCGRAW-HILL COMPANIES, INC. AND HAVE BEEN LICENSED FOR USE BY SUNTRUST BANKS, INC. THE NOTES ARE NOT SPONSORED, ENDORSED, SOLD OR PROMOTED BY S&P AND S&P MAKES NO REPRESENTATION REGARDING THE ADVISABILITY OF PURCHASING ANY OF THE NOTES.

OTHER COMPONENTS

If the Reference Asset includes a basket component not described in this index supplement, the relevant pricing supplement or a separate index supplement will provide additional information relating to such basket component.

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