

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

Subject to Completion. Dated October 18, 2006.

Prospectus Supplement to Prospectus dated October 18, 2006.

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

## SunTrust Preferred Capital I

% Fixed-to-Floating Rate Normal PPS

(liquidation amount \$1,000 per security)

fully and unconditionally guaranteed, as described herein, by

**SunTrust Banks, Inc.**

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

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

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

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

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

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

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

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

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

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

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

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

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

*Joint Book-Runners and Joint Structuring Coordinators*

**Goldman, Sachs & Co.**

**SunTrust Robinson Humphrey**

*Joint Book-Runner*  
**Lehman Brothers**

**Banc of America Securities LLC**  
**JPMorgan**

**Citigroup**

**Credit Suisse Securities**  
**Morgan Stanley**

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Prospectus Supplement dated October , 2006.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

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

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

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

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

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

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

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**WHERE YOU CAN FIND MORE INFORMATION**

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

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

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

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

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

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

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

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

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

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

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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

The information included or incorporated by reference in this prospectus supplement may contain forward-looking statements, including statements about credit quality and the future prospects of SunTrust. Statements that do not describe historical or current facts, including statements about beliefs and expectations, are forward-looking statements. These statements often include the words *believes*, *expects*, *anticipates*, *estimates*, *intends*, *plans*, *targets*, *potentially*, *probably*, *projects*, *outlook* or expressions or future conditional verbs such as *may*, *will*, *should*, *would* and *could*.

Such statements are based upon the current beliefs and expectations of SunTrust's management and on information currently available to management. The forward-looking statements are intended to be subject to the safe harbor provided by Section 27A of the Securities Act of 1933, as amended, or *Securities Act*, and Section 21E of the Exchange Act. Such statements speak as of the date hereof, and SunTrust does not assume any obligation to update the statements included or incorporated by reference herein or to update the reasons why actual results could differ from those contained in such statements in light of new information or future events.

Forward-looking statements involve significant risks and uncertainties. Investors are cautioned against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause actual results to differ materially from those described in the forward-looking statements can be found in our 2005 Annual Report on Form 10-K, in our Quarterly Reports on Form 10-Q and in our Current Reports filed on Form 8-K with the SEC and available at the SEC's internet site (<http://www.sec.gov>). Those factors include:

changes in general business or economic conditions, including customers' ability to repay debt obligations, could have a material adverse effect on our financial condition and results of operations;

changes in market interest rates or capital markets could adversely affect our revenues and expenses, the value of assets and obligations, costs of capital, or liquidity;

the fiscal and monetary policies of the federal government and its agencies could have a material adverse effect on our earnings;

significant changes in securities markets or markets for commercial or residential real estate could harm our revenues and profitability;

customers could pursue alternatives to bank deposits, causing us to lose a relatively inexpensive source of funding;

customers may decide not to use banks to complete their financial transactions, which could affect net income;

we have businesses other than banking, which subjects us to a variety of risks;

hurricanes and other natural disasters may adversely affect loan portfolios and operations and increase the cost of doing business;

negative public opinion could damage our reputation and adversely impact our business;

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

we depend on the accuracy and completeness of information about clients and counterparties;

regulation by federal and state agencies could adversely affect our business, revenues, and profit margins;

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competition in the financial services industry is intense and could result in losing business or reducing profit margins;

future legislation could harm our competitive position;

maintaining or increasing market share depends on market acceptance and regulatory approval of new products and services;

our ability to receive dividends from our subsidiaries accounts for most of our revenues and could affect our liquidity and ability to pay dividends;

we have in the past and may in the future pursue acquisitions, which could affect costs and from which we may not be able to realize anticipated benefits;

we depend on the expertise of key personnel without whom our operations may suffer;

we may be unable to hire or retain additional qualified personnel and recruiting and compensation costs may increase as a result of turnover, both of which may increase costs and reduce profitability and may adversely impact our ability to implement our business strategy;

our accounting policies and methods are key to how we report financial condition and results of operations, and may require management to make estimates about matters that are uncertain;

our stock price can be volatile; and

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

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**SUMMARY INFORMATION**

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

**SunTrust Banks, Inc.**

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

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

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

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

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

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

**SunTrust Preferred Capital I**

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

issuing the PPS and the Trust Common Securities;

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

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

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

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

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

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

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

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

## **The Offering**

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

### ***What are the PPS?***

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

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

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

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

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

after the Stock Purchase Date, shares of Preferred Stock.

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

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

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

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

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

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

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

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

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

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

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

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

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

***What are the Stock Purchase Contracts?***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

bankruptcy of SunTrust; or

receivership of SunTrust Bank.

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

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

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### ***What are the basic terms of the Preferred Stock?***

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

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

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

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

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

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

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

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

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

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

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

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

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

**Ranking.** The Preferred Stock:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

thereafter for so long as Capital PPS remain outstanding, each day that is an interest payment date for the Junior Subordinated Notes.  
Also, prior to the Stock Purchase Date, the Trust will make add