# FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **1995-02-22** | Period of Report: **1994-12-31**
**SEC Accession No.** 0000750556-95-000001

(HTML Version on secdatabase.com)

## FILER

**SUNTRUST BANKS INC**

CIK:**750556**| IRS No.: **581575035** | State of Incorp.:**GA** | Fiscal Year End: **1231**
Type: **10-K** | Act: **34** | File No.: **001-08918** | Film No.: **95514129**
SIC: **6022** State commercial banks

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Form 10-K
Securities and Exchange Commission
Washington, D.C.20549
Annual Report Pursuant to Section 13 or 15(d)of the Securities
Exchange Act of 1934
For the Fiscal Year Ended December 31, 1994
Commission file number 1-8918

SunTrust Banks, Inc.
Incorporated in the State of Georgia
I.R.S. Employer Identification Number 58-1575035
Address: 25 Park Place, N.E., Atlanta, GA 30303
Telephone: (404) 588-7711

Securities Registered Pursuant to Section 12(b) of the Act: Common Stock - $1.00 par value. which is registered on the New York Stock Exchange.

As of January 31, 1994, SunTrust had 115,624,075 shares of common stock outstanding. The aggregate market value of SunTrust common stock held by non-affiliates on January 31, 1995 was approximately $5.8 billion.

SunTrust (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [x]

Documents Incorporated By Reference

Part III information is incorporated herein by reference, pursuant to Instruction G of Schedules and Reports on Form 10-K, from SunTrust's Proxy Statement for its 1994 Annual Shareholders' Meeting, which will be filed with the Commission by April 30, 1995. Certain Part I and Part II information required by Form 10-K is incorporated by reference from the SunTrust Annual Report to Shareholders as indicated below, which is included as an exhibit hereto.

| | | |
|---|---|---|
| Item 4 | Not Applicable | |
| **PART II** | | |
| Item 5 | Market for the Registrant's Common Equity and Related Stockholder Matters | AR-2, AR-5, AR-29, AR-35, AR-64 |
| Item 6 | Selected Financial Data | AR-5 |
| Item 7 | Management's Discussion and Analysis of Financial Condition and Results of Operations | AR-3 thru AR-34 |
| Item 8 | Financial Statements and Supplementary Data | AR-28 thru AR-34, AR-38 thru AR-63 |
| Item 9 | Not Applicable | |
| **PART III** | | |
| Item 10 | Directors and Executive Officers of the Registrant | Proxy Statement |
| Item 11 | Executive Compensation | Proxy Statement |
| Item 12 | Security Ownership of Certain Beneficial Owners and Management | Proxy Statement |
| Item 13 | Certain Relationships and Related Transactions | Proxy Statement |

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

Financial Statements Filed. See "Index to Consolidated Financial Statements" on page 72 of this Form 10-K.

All financial statement schedules are omitted because the data is either not applicable or is discussed in the financial statements or related footnotes.

The Company's Articles of Incorporation, By-laws, certain instruments defining the rights of securities holders, including designations of the terms of outstanding indentures, constituent instruments relating to various employee benefit plans, and a statement setting forth the computation of per share earnings and certain other documents are filed as Exhibits to this Report or incorporated by reference herein pursuant to the Securities Exchange Act of 1934.

3. Exhibit Index

| Exhibit | Description | Sequential Page Number |
|---|---|---|
| 3.1 | Amended and Restated Articles of Incorporation of SunTrust Banks, Inc. ("SunTrust") effective as of November 14, 1989, incorporated by reference to Exhibit 3.1 to Registrant's Annual Report on 10-K for | * |

the year ended December 31, 1989.

| | | |
|---|---|---|
| 3.2 | Amended and Restated Bylaws of SunTrust effective as of February 12, 1991, incorporated by reference to Exhibit 3.2 to Registrant's Annual Report on 10-K for the year ended December 31, 1990. | * |
| 4.1 | Indenture Agreement between SunTrust and Morgan Guaranty Trust Company of New York, as Trustee, incorporated by reference to Exhibit 4(a) to Registration Statement No. 33-00084. | * |
| 4.2 | Indenture Agreement between SunTrust and Manufacturers Hanover Trust Company, as Trustee, incorporated by reference to Exhibit 4(a) to Registration Statement No. 33-12186. | * |
| 4.3 | Indenture between SunTrust and PNC, N.A., as Trustee, incorporated by reference to Exhibit 4(a) to Registration Statement No. 33-62162. | * |
| 4.4 | Indenture between SunTrust and The First National Bank of Chicago, as Trustee, incorporated by reference to Exhibit 4(b) to Registration Statement No. 33-62162. | * |

Executive Compensation Plans and Arrangements:

| | | |
|---|---|---|
| 10.1 | SunTrust Banks, Inc. Supplemental Executive Plan, as amended and restated effective February 13, 1990, incorporated by reference to Exhibit 10.1 to Registrant's Annual Report on 10-K for the year ended December 31, 1989. | * |
| 10.2 | SunTrust Banks, Inc. Performance Unit Plan, as amended and restated effective November 8, 1988, incorporated by reference to Exhibit 10.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1988. | * |
| 10.3 | SunTrust Banks, Inc. Performance Unit Plan dated January 4, 1995. | 7 |
| 10.4 | SunTrust Banks, Inc. Management Incentive Plan dated January 4, 1995. | 15 |
| 10.5 | SunTrust Banks, Inc. Management Incentive Plan Deferred Compensation Fund, effective January 1, 1986, incorporated by reference to Exhibit 10.3 to | * |

Registrant's Annual Report on Form 10-K for the year ended December 31, 1985.

| | | |
|---|---|---|
| 10.6 | SunTrust Banks, Inc. Executive Stock Plan, incorporated by reference to Exhibit 10.5 to Registrant's Annual Report on 10-K for the year ended December 31, 1989. | * |
| 10.7 | SunTrust Banks, Inc. 1995 Executive Stock Plan | |
| 10.8 | Trust Company of Georgia 1977 Employee Stock Option Plan, as amended, incorporated by reference to Exhibit A to Prospectus and Proxy Statement to Post-Effective Amendment No. 1 to Registration Statement No. 2-92421. | * |
| 10.9 | Amendment to Trust Company of Georgia 1977 Employee Stock Option Plan and Consent to Adoption by SunTrust Banks, Inc., effective July 1, 1985, incorporated by reference to Exhibit 19(d) to SunTrust's Form 10-Q for the quarter ended June 30, 1985. | * |
| 10.10 | Directors Deferred Compensation Plan, incorporated by reference to Exhibit 10.8 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993. | * |
| 11 | Statement re computation of per share earnings. | 33 |
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| 22 | SunTrust's Proxy Statement relating to the 1995 Annual Meeting of Shareholders, dated February 22, 1995. | * |
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Certain instruments defining rights of holders of long-term debt of SunTrust and its subsidiaries are not filed herewith pursuant to Item 601(b)(4)(iii) of Regulation S-K. At the Commission's request, SunTrust agrees to give the Commission a copy of any instrument with respect to long-term debt of SunTrust and its consolidated subsidiaries and any of its unconsolidated subsidiaries for which financial statements are required to be filed under which the total amount of debt securities authorized does not exceed ten percent of the total assets of SunTrust and its subsidiaries on a consolidated basis.

* Incorporated by reference.

Certain statistical data required by the Securities and Exchange Commission are included on pages 39-68.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf on February 14, 1995 by the undersigned, thereunto duly authorized.

SunTrust Banks, Inc.
(Registrant)

By: /s/ James B. Williams
Chairman of the Board of Directors
and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed on February 14, 1994 by the following persons on behalf of the Registrant and in the capacities indicated.

By: /s/ James B. Williams
Chairman of the Board of Directors
and Chief Executive Officer

By: /s/ L. Phillip Humann
President

By: /s/ John W. Spiegel
Executive Vice President and
Chief Financial Officer

By: /s/ William P. O'Halloran
Senior Vice President and Controller
(Chief Accounting Officer)

| | |
|---|---|
| /s/ J. Hyatt Brown<br>J. Hyatt Brown | Director |
| /s/ James D. Camp, Jr.<br>James D. Camp, Jr. | Director |
| /s/ Warren M. Cason<br>Warren M. Cason | Director |

| | |
|---|---|
| /s/ Roberto C. Goizueta<br>Roberto C. Goizueta | Director |
| /s/ T. Marshall Hahn, Jr.<br>T. Marshall Hahn, Jr. | Director |
| /s/ David H. Hughes<br>David H. Hughes | Director |
| /s/ Joseph L. Lanier, Jr.<br>Joseph L. Lanier, Jr. | Director |
| /s/ H.G. Patillo<br>H.G. Patillo | Director |
| /s/ Scott L. Probasco, Jr.<br>Scott L. Probasco, Jr. | Director |
| /s/ Robert W. Scherer<br>Robert W. Scherer | Director |
| /s/ J. Walter Tucker, Jr.<br>J. Walter Tucker, Jr. | Director |
| /s/ James H. Williams<br>James H. Williams | Director |

SUNTRUST BANKS, INC. PERFORMANCE UNIT PLAN
Amended and Restated as of January 4, 1995

Section 1. Name and Purpose

The name of this Plan is the SunTrust Banks, Inc. Performance Unit Plan. The purpose of the Plan is to promote the long-term interests of the Corporation and its stockholders through the granting of Performance Units to key executive employees of the Corporation and its Subsidiaries in order to motivate and retain superior executives who contribute in a significant manner to the actual financial performance of the Corporation as measured against a pre-established goal for the Corporation's profits.

Section 2. Effective Date, Term and Amendments

The effective date of the amended and restated Plan shall be November 8, 1994, and the amended and restated Plan shall apply to all awards granted on or after such date. The Plan shall continue for an indefinite term until terminated by the Board; provided, however, that the Corporation and the Committee after such termination shall continue to have full administrative power to take any and all action contemplated by the Plan which is necessary or desirable and to make payment of any awards earned by Participants during any then unexpired Performance Measurement Cycle. The Board or the Committee may amend the Plan in any respect from time to time. The Plan as in effect on November 7, 1994 shall continue in effect for awards granted on or before such date.

Section 3. Definitions and Construction

A. As used in this Plan, the following terms shall have the meanings indicated, unless the context clearly requires another meaning:

1. "Board" means the Board of Directors of the Corporation.

2. "Calendar Year Report" means the report prepared for each calendar year by the Controller's office of the Corporation entitled "SunTrust Banks, Inc. Contribution to Consolidated Net Income for the Calendar Year", which is prepared in accordance with generally accepted accounting principles, or any successor to such report.

3. "Code" means the Internal Revenue Code of 1986, as amended.

4. "Committee" means the Compensation Committee of the Board or any other Committee of the Board to which the responsibility to administer this Plan is delegated by the Board; such Committee shall consist of at least two members of the Board, who shall not be eligible to receive an award under the Plan and each of whom shall be a "disinterested" person within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, and shall be or be

treated as an "outside director" for purposes of Section 162(m) of the Code.

5. "Corporation" means SunTrust Banks, Inc. and any successor thereto.

6. "Covered Employee" means for each calendar year the Chief Executive Officer and the four other executive officers whose compensation would be reportable on the "summary compensation table" under the Securities and Exchange Commission's executive compensation disclosure rules, as set forth in Item 402 of Regulation S-K, 17 C.F.R. 229.402, under the Securities Exchange Act of 1934, if the report was prepared as of the last day of such calendar year.

7. "Change in Control" means a change in control of the Corporation of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934 ("34 Act") as in effect on the effective date of this Plan, provided that such a change in control shall be deemed to have occurred at such time as (i) any "person" (as that term is used in Sections 13(d) and 14(d)(2) of the 34 Act), is or becomes the beneficial owner (as defined in Rule 13d-3 under the 34 Act) directly or indirectly, of securities representing 20% or more of the combined voting power for election of directors of the then outstanding securities of the Corporation or any successor of the Corporation; (ii) during any period of two consecutive years or less, individuals who at the beginning of such period constitute the Board cease, for any reason, to constitute at least a majority of the Board, unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period; (iii) the shareholders of the Corporation approve any merger, consolidation or share exchange as a result of which the common stock of the Corporation shall be changed, converted or exchanged (other than a merger with a wholly-owned subsidiary of the Corporation) or any dissolution or liquidation of the Corporation or any sale or the disposition of 50% or more of the assets or business of the Corporation; or (iv) the shareholders of the Corporation approve any merger or consolidation to which the Corporation is a party or a share exchange in which the Corporation shall exchange its shares for shares of another corporation as a result of which the persons who were shareholders of the Corporation immediately prior to the effective date of the merger, consolidation or share exchange shall have beneficial ownership of less than 50% of the combined voting power for election of directors of the surviving corporation following the effective date of such merger, consolidation or share exchange; provided, however, and notwithstanding the occurrence of any of the events previously described in this definition, that no "change in control" shall be deemed to have occurred under this definition if, prior to such time as a "change in control" would otherwise be deemed to have occurred under this definition, the Board determines otherwise.

8. "Earnings Per Share" means for each calendar year in each

Performance Measurement Cycle the primary earnings per common share of the Corporation as set forth in the Calendar Year Report for each such year, adjusted to exclude items which should be excluded as being extraordinary in nature as determined by the Committee; provided, however, no such adjustment shall be made with respect to a Covered Employee if the Committee determines that such adjustment shall cause an award to such Covered Employee to fail to qualify as "performance-based compensation" under Section 162(m) of the Code.

9. "Employment" means continuous employment with the Corporation or a Subsidiary from the beginning to the end of each Performance Measurement Cycle, which continuous employment shall not be considered to be interrupted by transfers between the Corporation and a Subsidiary or between Subsidiaries.

10. "Final Value" means the value of a Performance Unit determined in accordance with Section 6 as the basis for payments to Participants at the end of a Performance Measurement Cycle.

11. "Grant Value" means the initial value assigned to a Performance Unit as determined by the Committee.

12. "Net Income" means the Corporation's consolidated net income for each calendar year in each Performance Measurement Cycle (as set forth in the Calendar Year Report for each such year), adjusted to exclude items which should be excluded as being extraordinary in nature as determined by the Committee; provided, however, no such adjustment shall be made with respect to a Covered Employee if the Committee determines that such adjustment shall cause an award to such Covered Employee to fail to qualify as "performance-based compensation" under Section 162(m) of the Code.

13. "Participant" means any key executive employee of the Corporation and/or its Subsidiaries who is selected by the Committee or the Committee's delegate to participate in the Plan based upon the employee's substantial contributions to the growth and profitability of the Corporation and/or its Subsidiaries.

14. "Performance Goal" means the performance objective of the Corporation which is established pursuant to Section 6 by the Committee for each Performance Measurement Cycle as the basis for determining the Final Value of a Performance Unit.

15. "Performance Measurement Cycle" shall mean a period of consecutive calendar years as set by the Committee which commences on the first day of the first calendar year in such period.

16. "Performance Unit" means a unit awarded to a Participant under the Plan for a Performance Measurement Cycle, and each unit shall have an assigned value for accounting purposes which shall be determined by the Committee.

17. "Plan" means the SunTrust Banks, Inc. Performance Unit Plan as amended and restated in this document and all amendments thereto.

18. "Proportionate Final Value" means the product of a fraction, the numerator of which is the actual number of full months in a Performance Measurement Cycle that an employee was a Participant in the Plan and the denominator of which is the total number of months in that Performance Measurement Cycle, multiplied by the Final Value of a Performance Unit.

19. "Subsidiary" means any bank, corporation or entity which the Corporation controls either directly or indirectly through ownership of fifty percent (50%) or more of the total combined voting power of all classes of stock of such bank, corporation or entity, except for such direct or indirect ownership by the Corporation while the Corporation or a Subsidiary is acting in a fiduciary capacity with respect to any trust, probate estate, conservatorship, guardianship or agency.

20. "Termination Value" means the value of a Performance Unit as determined by the Committee, in its absolute discretion, upon the early termination of a Performance Measurement Cycle or upon a Participant's termination of Employment before the end of such a cycle, which value shall be the basis for the payment of an award to a Participant, in accordance with Sections 8(B), 8(C), 9(A) or 9(B) of the Plan based on the Participant's Employment prior to his termination of Employment or the early termination of such cycle.

B. In the construction of the Plan, the masculine shall include the feminine and the singular shall include the plural in all instances in which such meanings are appropriate. The Plan and all agreements executed pursuant to the Plan shall be governed by the laws of Georgia.

Section 4. Committee Responsibilities

A. The Committee may, from time to time, adopt rules and regulations and prescribe forms and procedures for carrying out the purposes and provisions of the Plan. The Committee shall have the final authority to select Participants and to designate the number of Performance Units to be awarded to each Participant. The Committee shall have the sole and final authority to determine awards, designate the periods for Performance Measurement Cycles, assign Performance Unit values, determine Performance Goals, and answer all questions arising under the Plan, including questions on the proper construction and interpretation of the Plan. Any interpretation, decision or determination made by the Committee shall be final, binding and conclusive upon all interested parties, including the Corporation and its Subsidiaries, Participants and other employees of the Corporation or any Subsidiary, and the successors, heirs and representatives of all such persons. The Committee shall use its best efforts to ensure that awards to Covered Employees under the Plan qualify as "performance-based compensation" for purposes of Section 162(m) of the Code.

B. Subject to the express provisions of the Plan and prior to the beginning of a calendar year (or such later time as may be permitted for awards paid for such year to be treated as performance-based compensation under Section 162(m)), the Committee shall:

1. Designate the period of consecutive calendar years for each Performance Measurement Cycle which shall begin on the first day of such year.

2. Select the Participants for each such Performance Measurement Cycle.

3. Establish the Performance Goals for each such Performance Measurement Cycle.

4. Designate the number of Performance Units to be awarded to each Participant.

5. Assign a Grant Value to each Performance Unit and establish the method of calculating the Final Value of each Performance Unit.

6. Authorize management (a) to notify each Participant that he has been selected as a Participant, inform him of the number of Performance Units awarded to him and the Performance Goal that has been established for such Performance Measurement Cycle and (b) to obtain from him such agreements and powers and designations of beneficiaries as it shall reasonably deem necessary for the administration of the Plan.

C. During any Performance Measurement Cycle, the Committee may if it determines that it will promote the purpose of the Plan:

1. Select as additional Participants any key executive employees of the Corporation and its Subsidiaries who have been hired, transferred or promoted into a position eligible for participation in the Plan and may award Performance Units to such Participants for such Performance Measurement Cycle. The Performance Units awarded to any such Participant shall be subject to the same restrictions, limitations, Performance Goals and other conditions as those held by other Participants for the same Performance Measurement Cycle and their participation may be made retroactive to the first day of such cycle; provided, however, no Participant who is added will be paid an award for any calendar year to the extent such payment, when added to all his other compensation for such year, would be nondeductible under Section 162(m) of the Code.

2. Revoke the designation of an individual as a Participant under the

Plan, revoke the grant to a Participant of Performance Units subject to an award, if any, under a specific Performance Measurement Cycle and authorize management to inform him in writing of such revocation.

D. The Committee may revise the Performance Goals for any Performance Measurement Cycle to the extent the Committee, in the exercise of its absolute discretion, believes necessary to achieve the purpose of the Plan in light of any unexpected or unusual circumstances or events, including but not limited to changes in accounting rules, accounting practices, tax laws and regulations, or in the event of mergers, acquisitions, divestitures, unanticipated increases in Federal Deposit Insurance premiums, and extraordinary or unanticipated economic circumstances; provided, however, no change will be effective for any Participant who at the time of payment of the award is a Covered Employee, to the extent the Committee determines that such change might make the amount of the award to such Participant nondeductible under Section 162(m).

Section 5. Performance Units

The Committee shall determine the aggregate Grant Value (Grant Value times the number of Performance Units) of the Performance Units awarded at the date of grant to each Participant.

Section 6. Performance Goals

For each Performance Measurement Cycle, the Committee shall establish one or more Performance Goals which shall determine individually or jointly the Final Value of the Performance Units under each award for such cycle and which shall be based on Net Income and/or Earnings Per Share. The Committee shall fix a minimum Net Income objective and/or a minimum Earnings Per Share objective for the cycle, and the Final Value of such units shall be equal to zero if actual Net Income and/or actual Earnings Per Share fall below either or both the minimum objectives, as established by the Committee. The Committee shall also fix a maximum Net Income objective and/or Earnings Per Share objective and such other Net Income and/or Earnings Per Share objectives which fall between the minimum and maximum objectives as the Committee shall deem appropriate, with corresponding Final Values for such units. Awards will be determined based upon achieving or exceeding the Performance Goals set by the Committee. Awards are determined by multiplying each Participant's number of Performance Units by the Final Value. Straight line interpolation will be used to calculate the awards when Net Income or Earnings Per Share fall between any two specified Net Income or Earnings Per Share objectives, as applicable. No individual may receive an award in excess of $1 million for any Performance Measurement Cycle.

Section 7. Payment of an Award

A. Upon completion of each Performance Measurement Cycle, the Committee, or such persons as the Committee shall designate, shall determine in accordance with Section 6 the extent to which the Performance Goals have been achieved and authorize the cash payment of an award, if any, to each

Participant. Each award shall equal the Final Value of the Performance Units times the number of the Performance Units awarded. The Committee shall

review and ratify the award determinations and shall certify such award determinations in writing. Payment of awards shall be made as soon as practical after the certification of awards by the Committee. Each award shall be paid in cash after deducting the amount of applicable Federal, State, or Local withholding taxes of any kind required by law to be withheld by the Corporation. All awards, whether paid currently or paid under any plan which defers payment, shall be payable out of the Corporation's general assets. Each Participant's claim, if any, for the payment of an award, whether made currently or made under any plan which defers payment, shall not be superior to that of any general and unsecured creditor of the Corporation. If an error or omission is discovered in any of the determinations, the Committee shall cause an appropriate equitable adjustment to be made in order to remedy such error or omission.

B. Notwithstanding the terms of any award, the Committee in its sole and absolute discretion, may reduce the amount of the award payable to any Participant for any reason, including the Committee's judgment that the Performance Goals have become an inappropriate measure of achievement, a change in the employment status, position or duties of the Participant, unsatisfactory performance of the Participant, or the Participant's service for less than the Performance Measurement Cycle.

C. In accordance with the procedures set forth in the SunTrust Banks, Inc.'s Performance Unit Plan Deferred Compensation Fund, a Participant may elect to defer receipt of one hundred (100%) percent of the Final Value of his award, if any, for each Performance Measurement Cycle or fifty (50%) percent of said amount, rounded to the nearest One Hundred ($100.00) Dollars, and the amount so deferred shall be credited by the Corporation to the Participant's Fund Accounts established under such Fund.

Section 8. Participation for Less than a Full Performance Measurement Cycle

A. Except as otherwise provided in this Section 8, Performance Units awarded to a Participant shall be forfeited if the Participant's Employment terminates during any Performance Measurement Cycle and no payments shall be due the Participant for any forfeited Performance Units.

B. If a Participant's Employment terminates prior to the end of any Performance Measurement Cycle on account of his death, the Committee shall waive the Employment condition and shall authorize the payment of an award to such Participant at the end of such cycle based on the Proportionate Final Value, if any, of his Performance Units, unless the Committee in its discretion feels the award should be forfeited.

C. If a Participant's Employment terminates prior to the end of any Performance Measurement Cycle on account of disability under a long-term disability plan maintained by the Corporation or a Subsidiary, the Committee shall waive the Employment condition and shall authorize, as of commencement of disability benefits to such Participant, the payment of an award to such Participant at the end of such cycle based on the Proportionate Final Value, if any, of his Performance Units, unless the Committee in its discretion feels the award should be forfeited.

D. If a Participant's Employment terminates prior to the end of any Performance Measurement Cycle on account of his early or normal retirement under any pension plan maintained by the Corporation or any Subsidiary, the Committee shall waive the Employment condition and shall authorize the payment of an award to such Participant at the end of such cycle based on the Proportionate Final Value, if any, of his Performance Units, unless the Committee in its discretion feels the award should be forfeited.

Section 9. Premature Satisfaction of Plan Conditions

A. In the event of a Change in Control of the Corporation prior to the end of any Performance Measurement Cycle, the Committee shall waive any and all Plan conditions and authorize the payment of an award immediately to each Participant based on the Termination Value, if any, of his Performance Units.

B. If a tender or exchange offer is made other than by the Corporation for shares of the Corporation's stock prior to the end of any Performance Measurement Cycle, the Committee may waive any and all Plan conditions and authorize, at any time after the commencement of the tender or exchange offer and within thirty (30) days following completion of such tender or exchange offer, the payment of an award immediately to each Participant based on the Termination Value, if any, of his Performance Units.

C. A Performance Measurement Cycle shall terminate upon the Committee's authorization of the payment of an award during such cycle pursuant to this Section 9 and no further payments shall be made for such Cycle.

Section 10. Non-Transferabilitv of Rights and Interests

A. A Participant may not alienate, assign, transfer or otherwise encumber his rights and interests under this Plan and any attempt to do so shall be null and void.

B. In the event of a Participant's death and subject to the terms of Section 8(B), the Committee shall authorize payment of any award due a Participant to the Participant's designated beneficiary as specified or, in the absence of such written designation or its ineffectiveness, then to his estate. Any such designation may be revoked and a new beneficiary designated by the Participant by written instrument delivered to the Committee.

Section 11. Limitation of Rights

Nothing in this Plan shall be construed to give any employee of the Corporation or a Subsidiary any right to be selected as a Participant or to receive an award or to be granted Performance Units other than as is provided herein. Nothing in this Plan or any agreement executed pursuant hereto shall be construed to limit in any way the right of the Corporation or a Subsidiary to terminate a Participant's employment at any time, without regard to the effect of such termination on any rights such Participant would otherwise have under this Plan, or give any right to a Participant to remain employed by the Corporation or a Subsidiary in any particular position or at any particular rate of remuneration.

Section 12. Shareholder Approval

Notwithstanding anything in this Plan to the contrary, no awards shall be paid to Covered Employees until such shareholder approval as is required under Section 162(m) of the Code, if any, is obtained.

Executed this 4th day of January, 1995.

SUNTRUST BANKS, INC.

Attest: By:

Title: Title:

(CORPORATE SEAL)

# SUNTRUST BANKS, INC. MANAGEMENT INCENTIVE PLAN
Amended and Restated as of January 4, 1995

## Section 1. Name and Purpose

The name of this Plan is the SunTrust Banks, Inc. Management Incentive Plan. The purpose of the Plan is to promote the interests of the Corporation and its stockholders through the granting of Awards to key executive employees of the Corporation and its Subsidiaries in order to motivate and retain superior executives who contribute in a significant manner to the actual financial performance of the Corporation as measured against pre-established goals for the Corporation's profits.

## Section 2. Effective Date, Term and Amendments

The effective date of the amended and restated Plan shall be November 8, 1994, and the amended and restated Plan shall apply to all Awards granted on or after such date. The Plan shall continue for an indefinite term until terminated by the Board; provided, however, that the Corporation and the Committee after such termination shall continue to have full administrative power to take any and all action contemplated by the Plan which is necessary or desirable and to make payment of any Awards earned by Participants during any then unexpired Plan Year. The Board or the Committee may amend the Plan in any respect from time to time. The Plan as in effect on November 7, 1994 shall continue in effect for Awards granted on or before such date.

## Section 3. Definitions and Construction

A. As used in this Plan, the following terms shall have the meanings indicated, unless the context clearly requires another meaning:

1. "Award" means the right to receive a cash payment which represents a percentage of a Participant's Base Wages determined by the Committee in accordance with Section 5 hereof in the event the Corporation or a Subsidiary achieves the Financial Goals established pursuant to Section 5.

2. "Base Wages" means the base salary paid to a Participant by the Corporation or a Subsidiary during a Plan Year, excluding bonuses, overtime, commissions and other extra compensation, reimbursed expenses and contributions made by the Corporation or a Subsidiary to this or any other employee benefit plan maintained by the Corporation or a Subsidiary.

3. "Calendar Year Report" means the report prepared for each calendar year by the Controller's office of the Corporation entitled "SunTrust Banks, Inc. Contribution to Consolidated Net Income for the Calendar Year", which is prepared in accordance with generally accepted accounting principles, or any successor to such report.

4. "Code" means the Internal Revenue Code of 1986, as amended.

5. "Committee" shall mean the Compensation Committee of the Board or any other Committee of the Board to which the responsibility to administer this Plan is delegated by the Board; such Committee shall consist of at least two members of the Board, who shall not be eligible to receive an Award under the Plan and each of whom shall be a "disinterested" person within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934 and shall be or be treated as an "outside director" for purposes of Section 162(m) of the Code.

6. "Corporation" means SunTrust Banks, Inc. and any successor thereto.

7. "Covered Employee" means for each calendar year the Chief Executive Officer of the Corporation and the four other executive officers whose compensation would be reportable on the "summary compensation table" under the Securities and Exchange Commission's executive compensation disclosure rules, as set forth in Item 402 of Regulation S-K, 17 C.F.R. 229.402, under the Securities Exchange Act of 1934, if the report was prepared as of the last day of such calendar year.

8. "Change in Control" means a change in control of the Corporation of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934 ("34 Act") as in effect on the effective date of this Plan, provided that such a change in control shall be deemed to have occurred at such time as (i) any "person" (as that term is used in Sections 13(d) and 14(d)(2) of the 34 Act), is or becomes the beneficial owner (as defined in Rule 13d-3 under the 34 Act) directly or indirectly, of securities representing 20% or more of the combined voting power for election of directors of the then outstanding securities of the Corporation or any successor of the Corporation; (ii) during any period of two consecutive years or less, individuals who at the beginning of such period constitute the Board cease, for any reason, to constitute at least a majority of the Board, unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period; (iii) the shareholders of the Corporation approve any merger, consolidation or share exchange as a result of which the common stock of the Corporation shall be changed, converted or exchanged (other than a merger with a wholly-owned subsidiary of the Corporation) or any dissolution or liquidation of the Corporation or any sale or the disposition of 50% or more of the assets or business of the Corporation; or (iv) the shareholders of the Corporation approve any merger or consolidation to which the Corporation is a party or a share exchange in which the Corporation shall exchange its shares for shares of another corporation as a result of which the persons who were shareholders of the Corporation immediately prior to the effective date of the merger, consolidation or share exchange shall have beneficial ownership of less than

50% of the combined voting power for election of directors of the surviving corporation following the effective date of such merger, consolidation or share exchange; provided, however, and notwithstanding the occurrence of any of the events previously described in this definition, that no "change in control" shall be deemed to have occurred under this definition if, prior to such time as a "change in control" would otherwise be deemed to have occurred under this definition, the Board determines otherwise.

9. "Employment" means continuous employment with the Corporation or a Subsidiary from the beginning to the end of each Plan Year, which continuous employment shall not be considered to be interrupted by transfers between the Corporation and a Subsidiary or between Subsidiaries.

10. "Final Value" means the value of an Award determined in accordance with Sections 5 and 6 as the basis for payments to Participants at the end of a Plan Year.

11. "Net Income" means for each calendar year the Corporation's consolidated net income with respect to the Corporation (as set forth in the Calendar Year Report for such year) and, with respect to each designated Subsidiary, either its net income or certain components of its net income, as specified by the Committee prior to the commencement of each Plan Year (which net income or components thereof are as set forth in the Calendar Year Report for such year), adjusted to exclude items which should be excluded as being extraordinary in nature as determined by the Committee; provided, however, no such adjustment shall be made with respect to a Covered Employee if the Committee determines that such adjustment shall cause an Award to such Covered Employee to fail to qualify as "performance-based compensation" under Section 162(m) of the Code.

12. "Participant" means any key executive employee of the Corporation and/or its Subsidiaries who is selected by the Committee or the Committee's delegate to participate in the Plan based upon the employee's substantial contributions to the future growth and future profitability of the Corporation and/or its Subsidiaries.

13. "Financial Goals" means the financial objectives of the Corporation and its Subsidiaries which are established pursuant to Section 5 by the Committee for each Plan Year prior to the beginning of each Plan Year (or such later time as may be permitted for Awards paid for such year to be treated as performance-based compensation under Section 162(m)) as the basis for determining the Final Value of the Award.

14. "Plan Year" means a single calendar year period as set by the Committee which commences on the first day of such period.

15. "Plan" means the SunTrust Banks, Inc. Management Incentive Plan as amended and restated in this document and all amendments thereto.

16. "Proportionate Final Value" means the product of a fraction, the numerator of which is the actual number of full months in a Plan Year that an employee was a Participant in the Plan and the denominator of which is the total number of months in that Plan Year, multiplied by the Final Value of an Award.

17. "Subsidiary" means any bank, corporation or entity which the Corporation controls either directly or indirectly through ownership of fifty percent (50%) or more of the total combined voting power of all classes of stock of such bank, corporation or entity, except for such direct or indirect ownership by the Corporation while the Corporation or a Subsidiary is acting in a fiduciary capacity with respect to any trust, probate estate, conservatorship, guardianship or agency.

18. "Termination Value" means the value of an Award as determined by the Committee, in its absolute discretion, upon the early termination of a Plan Year or upon a Participant's termination of Employment before the end of such Plan Year, which value shall be the basis for the payment of an Award to a Participant, in accordance with Sections 7(B), 7(C), 8(A) or 8(B) of the Plan based on the Participant's Employment prior to his termination of Employment or the early termination of such Plan Year.

B. In the construction of the Plan, the masculine shall include the feminine and the singular shall include the plural in all instances in which such meanings are appropriate. The Plan and all agreements executed pursuant to the Plan shall be governed by the laws of Georgia.

Section 4. Committee Responsibilities

A. The Committee may, from time to time, adopt rules and regulations and prescribe forms and procedures for carrying out the purposes and provisions of the Plan. The Committee shall have the sole and final authority to designate Participants, determine Awards, designate the Plan Year, determine Financial Goals, determine Final Value of Awards, and answer all questions arising under the Plan, including questions on the proper construction and interpretation of the Plan. Any interpretation, decision or determination made by the Committee shall be final, binding and conclusive upon all interested parties, including the Corporation and its Subsidiaries, Participants and other employees of the Corporation or any Subsidiary, and the successors, heirs and representatives of all such persons. The Committee shall use its best efforts to ensure that Awards to Covered Employees under the Plan qualify as "performance-based compensation" for purposes of Section 162(m) of the Code.

B. Subject to the express provisions of the Plan and prior to the beginning of a calendar year (or such later time as may be permitted for Awards paid for such year to be treated as performance-based compensation under Section 162(m)), the Committee shall:

1. Designate the Plan Year which shall begin on the first day of such year.

2. Designate the Participants for each such Plan Year.

3. Establish the Financial Goals for the Corporation and designated Subsidiaries for each such Plan Year.

4. Establish the method of calculating the Final Value of each Award.

5. Authorize management (a) to notify each Participant that he has been selected as a Participant, inform him of the Financial Goal that has been established for such Plan Year and (b) to obtain from him such agreements and powers and designations of beneficiaries as it shall reasonably deem necessary for the administration of the Plan.

C. During any Plan Year, the Committee may, if it determines that it will promote the purpose of the Plan, designate as additional Participants any key executive employees of the Corporation and its Subsidiaries who have been hired, transferred or promoted into a position eligible for participation in the Plan. The individual's designation as a Participant shall be subject to the same restrictions, limitations, Financial Goals and other conditions as those held by other Participants for the same Plan Year and their participation may be made retroactive to the first day of such Plan Year; provided, however, no Participant who is added will be paid an Award for any calendar year to the extent such payment, when added to all his other compensation for such year, would be nondeductible under Section 162(m) of the Code.

D. During any Plan Year, the Committee may, if it determines it will promote the purpose of the Plan, revoke the Committee's prior designation of a key executive employee as a Participant under the Plan for a Plan Year.

E. The Committee may revise the Financial Goals for any Plan Year to the extent the Committee, in the exercise of its absolute discretion, believes necessary to achieve the purpose of the Plan in light of any unexpected or unusual circumstances or events, including, but not limited to, changes in accounting rules, accounting practices, tax laws and regulations, or in the event of mergers, acquisitions, divestitures, unanticipated increases in Federal Deposit Insurance premiums, and extraordinary or unanticipated economic circumstances; provided, however, no change will be effective for any participant who at the time of payment of the Award is a Covered Employee, to the extent the Committee determines that such change might make the amount of the Award to such Participant nondeductible under Section 162(m).

Section 5. Financial Goals

For each Plan Year, the Committee shall establish separate Financial Goals for the Corporation and each of the Subsidiaries based on each such organization's Net Income which shall then determine the Final Value of each Award as a specified percent of the Participant's Base Wages based on the attainment by the Participant's employer of such goals for the Plan Year. With respect to the Corporation and each Subsidiary, the Committee shall fix a minimum Net Income objective for the Plan Year, and the Final Value of such Awards shall be equal to zero if actual Net Income falls below the minimum Net Income objective of the Corporation or, where appropriate, such Subsidiary. The Committee shall also fix a maximum Net Income objective and such other Net Income objectives which fall between the maximum and minimum Net Income objectives as the Committee shall deem appropriate, with corresponding Final Values for such Awards with respect to the Corporation and each Subsidiary. Awards will be determined based upon achieving or exceeding the Financial Goals set by the Committee. Straight line interpolation will be used to calculate Awards when Net Income falls between any two specified Net Income objectives. No Participant may receive an Award in excess of $1 million for any given Plan Year.

Section 6. Payment of an Award

A. Promptly after the date on which the necessary information for a particular Plan Year becomes available, the Committee, or such persons as the Committee shall designate, shall determine in accordance with Section 5 the extent to which the Financial Goals have been achieved for such Plan Year and authorize the cash payment of the Final Value of an Award, if any, to each Participant. The Committee shall review and ratify the Award determinations and shall certify such Award determinations in writing. Payment of Awards shall be made as soon as practical after the certification of Awards by the Committee. Each Award shall be paid in cash after deducting the amount of applicable Federal, State, or Local withholding taxes of any kind required by law to be withheld by the Corporation. All Awards, whether paid currently or paid under any plan which defers payment, shall be payable out of the Corporation's general assets. Each Participant's claim, if any, for the payment of an Award, whether made currently or made under any plan which defers payment, shall not be superior to that of any general and unsecured creditor of the Corporation. If an error or omission is discovered in any of the determinations, the Committee shall cause an appropriate equitable adjustment to be made in order to remedy such error or omission.

B. Notwithstanding the terms of any Award, the Committee in its sole and absolute discretion, may reduce the amount of the Award payable to any Participant for any reason, including the Committee's judgment that the Financial Goals have become an inappropriate measure of achievement, a change in the employment status, position or duties of the Participant, unsatisfactory performance of the Participant, or the Participant's service for less than the entire Plan Year.

C. In accordance with the procedures set forth in the SunTrust Banks, Inc.'s Management Incentive Plan Deferred Compensation Fund, a Participant

may elect to defer receipt of one hundred (100%) percent of the Final Value of his Award, if any, for each Plan Year or fifty (50%) percent of said amount, rounded to the nearest One Hundred ($100.00) Dollars, and the amount so deferred shall be credited by the Corporation to the Participant's Fund Accounts established under such Fund.

Section 7. Participation for Less Than a Full Plan Year

A. Except as otherwise provided in this Section 7, an Award to a Participant shall be forfeited if the Participant's Employment terminates during any Plan Year and no payment shall be due the Participant for any forfeited Award.

B. If a Participant's Employment terminates prior to the end of any Plan Year on account of his death, the Committee shall waive the Employment condition and shall authorize the payment of an Award to such Participant at the end of such Plan Year based on the Proportionate Final Value, if any, of his Award, unless the Committee in its discretion feels the Award should be forfeited.

C. If a Participant's Employment terminates prior to the end of any Plan Year on account of disability under a long-term disability plan maintained by the Corporation or a Subsidiary, the Committee shall waive the Employment condition and shall authorize, as of commencement of disability benefits to such Participant, the payment of an Award to such Participant at the end of such Plan Year based on the Proportionate Final Value, if any, of his Award, unless the Committee in its discretion feels the Award should be forfeited.

D. If a Participant's Employment terminates prior to the end of any Plan Year on account of his early or normal retirement under any pension plan maintained by the Corporation or any Subsidiary, the Committee shall waive the Employment condition and shall authorize the payment of an Award to such Participant at the end of such Plan Year based on the Proportionate Final Value, if any, of his Award, unless the Committee in its discretion feels the Award should be forfeited.

Section 8. Premature Satisfaction of Plan Conditions

A. In the event of a Change in Control of the Corporation prior to the end of any Plan Year, the Committee shall waive any and all Plan conditions and shall authorize the payment of an Award immediately to each Participant based on the Termination Value, if any, of his Award.

B. If a tender or exchange offer is made other than by the Corporation for shares of the Corporation's stock prior to the end of any Plan Year, the Committee may waive any and all Plan conditions and authorize, at any time after the commencement of the tender or exchange offer and within thirty (30) days following completion of such tender or exchange offer, the payment of an Award immediately to each Participant based on the Termination Value, if any, of his Award.

C. A Plan Year shall terminate upon the Committee's authorization of the payment of an Award during such Year pursuant to this Section 8 and no further payments shall be made for such Year.

Section 9. Non-Transferability of Rights and Interests

A. A Participant may not alienate, assign, transfer or otherwise encumber his rights and interests under this Plan and any attempt to do so shall be null and void.

B. In the event of a Participant's death and subject to the terms of Section 7(B), the Committee shall authorize payment of any Award due a Participant to the Participant's designated beneficiary as specified or, in the absence of such written designation or its effectiveness, then to his estate. Any such designation may be revoked and a new beneficiary designated by the Participant by written instrument delivered to the Committee.

Section 10. Limitation of Rights

Nothing in this Plan shall be construed to give any employee of the Corporation or a Subsidiary any right to be selected as a Participant or to receive an Award or to be granted an Award other than as is provided herein. Nothing in this Plan or any agreement executed pursuant hereto shall be construed to limit in any way the right of the Corporation or a Subsidiary to terminate a Participant's employment at any time, without regard to the effect of such termination on any rights such Participant would otherwise have under this Plan, or give any right to a Participant to remain employed by the Corporation or a Subsidiary in any particular position or at any particular rate of remuneration.

Section 11. Shareholder Approval

Notwithstanding anything in this Plan to the contrary, no Awards shall be paid to Covered Employees until such shareholder approval as is required under Section 162(m) of the Code, if any, is obtained.

Section 12. Miscellaneous.

In the event the Committee deems it in the best interest of the Corporation to make Awards based on the performance of a division of either the Corporation or a Subsidiary, or a combination of divisions of the Corporation and/or Subsidiaries, the Committee shall have the authority to adopt such rules, regulations and procedures for granting such Awards as it deems appropriate, which rules, regulations and procedures shall be otherwise consistent with the rules and procedures set forth in this Plan for granting Awards based on the Financial Goals of the Corporation and its Subsidiaries.

Executed this 4th day of Janaury, 1995.

(CORPORATE SEAL)

SUNTRUST BANKS, INC.

Attest: By:

Title: Title:

SUNTRUST BANKS, INC. 1995 EXECUTIVE STOCK PLAN

SECTION 1. BACKGROUND AND PURPOSE

The name of this Plan is the SunTrust Banks, Inc. 1995 Executive Stock Plan. The purpose of this Plan is to promote the interest of SunTrust and its Subsidiaries through grants to Key Employees of Options to purchase Stock, grants of stock appreciation rights and grants of Restricted Stock in order (1) to attract and retain Key Employees, (2) to provide an additional incentive to each Key Employee to work to increase the value of Stock and (3) to provide each Key Employee with a stake in the future of SunTrust which corresponds to the stake of each of SunTrust's shareholders.

SECTION2 . DEFINITIONS

Each term set forth in this Section 2 shall have the meaning set forth opposite such term for purposes of this Plan and, for purposes of such definitions, the singular shall include the plural and the plural shall include the singular.

2.1. Board -- means the Board of Directors of SunTrust.

2.2. Change in Control -- means a change in control of SunTrust of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Exchange Act as in effect on January 1, 1995, provided that such a change in control shall be deemed to have occurred at such time as (i) any "person" (as that term is used in Sections 13(d) and 14(d)(2) of the Exchange Act), is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act) directly or indirectly, of securities representing 20% or more of the combined voting power for election of directors of the then outstanding securities of SunTrust or any successor of SunTrust; (ii) during any period of two consecutive years or less, individuals who at the beginning of such period constitute the Board cease, for any reason, to constitute at least a majority of the Board, unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period; (iii) the shareholders of SunTrust approve any merger, consolidation or share exchange as a result of which the common stock of SunTrust shall be changed, converted or exchanged (other than a merger with a wholly-owned subsidiary of SunTrust), or any dissolution or liquidation of SunTrust or any sale or the disposition of 50% or more of the assets or business of SunTrust; or (iv) the shareholders of SunTrust approve any merger or consolidation to which SunTrust is a party or a share exchange in which SunTrust shall exchange its shares for shares of another corporation as a result of which the persons who were shareholders of SunTrust immediately prior to the effective date of the merger, consolidation or share exchange shall have beneficial ownership of less than 50% of the combined voting power for election of directors of the surviving corporation following the effective date of such merger, consolidation or share exchange; provided, however, and notwithstanding the occurrence of any of the events previously described in this definition, that no "Change in Control" shall be deemed to have occurred under this definition

if, prior to such time as a "Change in Control" would otherwise be deemed to have occurred under this definition, the Board determines otherwise.

2.3 Code -- means the Internal Revenue Code of 1986, as amended.

2.4 Committee --means a Committee of the Board to which the responsibility to administer this Plan is delegated by the Board and which shall consist of at least two members of the Board (i) none of whom shall be eligible to receive grants of Options, SARs or Restricted Stock and (ii) each of whom shall be a "disinterested" person within the meaning of Rule 16b-3 under the Exchange Act and each of whom shall be (or be treated as) an "outside director" for purposes of Section 162(m) of the Code.

2.5 Covered Employee -- means a Key Employee who the Committee on the date he or she is granted an Option, a SAR or Restricted Stock deems likely to be a "covered employee" (within the meaning of Section 162(m) of the Code) as of any date on or after the date of such grant.

2.6 Exchange Act -- means the Securities Exchange Act of 1934, as amended.

2.7 Fair Market Value -- means (1) the closing price on any date for a share of Stock as reported by The Wall Street Journal under the New York Stock Exchange Composite Transactions quotation system (or under any successor quotation system) or, if Stock is no longer traded on the New York Stock Exchange, under the quotation system under which such closing price is reported or, if The Wall Street Journal no longer reports such closing price, such closing price as reported by a newspaper or trade journal selected by the Committee or, if no such closing price is available on such date, (2) such closing price as so reported in accordance with Section 2.7(1) for the immediately preceding business day, or, if no newspaper or trade journal reports such closing price, (3) the price which the Committee acting in good faith determines through any reasonable valuation method that a share of Stock might change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of the relevant facts.

2.8 ISO -- means an option granted under this Plan to purchase Stock which is evidenced by an Option Agreement which provides that the option is intended to satisfy the requirements for an incentive stock option under Section 422 of the Code.

2.9 Key Employee -- means any employee of SunTrust or any

Subsidiary who, in the judgment of the Committee acting in its absolute discretion, is a key to the success of SunTrust or such Subsidiary and who is not a Ten Percent Shareholder.

2.10. NQO -- means an option granted under this Plan to purchase Stock which is evidenced by an Option Agreement which provides that the option shall not be treated as an incentive stock option under Section 422 of the Code.

2.11. Option -- means an ISO or a NQO.

2.12. Option Agreement -- means the written agreement or instrument which sets forth the terms of an Option granted to a Key Employee under Section 7 of this Plan.

2.13. Option Price -- means the price which shall be paid to purchase one share of Stock upon the exercise of an Option granted under this Plan.

2.14. Parent Corporation -- means any corporation which is a parent of SunTrust within the meaning of Section 424(e) of the Code.

2.15. Plan -- means this SunTrust Banks, Inc. 1995 Executive Stock Plan, as amended from time to time.

2.16. Restricted Stock -- means Stock granted to a Key Employee under Section 8 of this Plan.

2.17. Restricted Stock Agreement -- means the written agreement or instrument which sets forth the terms of a Restricted Stock grant to a Key Employee under Section 8 of this Plan.

2.18. Rule 16b-3 -- means the exemption under Rule 16b-3 to Section 16b of the Exchange Act or any successor to such rule.

2.19. Stock -- means the One Dollar ($1.00) par value common stock of SunTrust.

2.20. SAR -- means a right which is granted pursuant to the terms of Section 7 of this Plan to the appreciation in the Fair Market Value of a share of Stock in excess of the SAR Share Value for such a share.

2.21. SAR Agreement -- means the written agreement or instrument which sets forth the terms of a SAR granted to a Key Employee under Section 7 of this Plan.

2.22. SAR Share Value -- means the figure which is set forth in each SAR Agreement and which is no less than the Fair Market Value of a share of Stock on the date the related SAR is granted.

2.23. Subsidiary -- means any corporation which is a subsidiary corporation (within the meaning of Section 424(f) of the Code) of SunTrust except a corporation which has subsidiary corporation status under Section 424(e) of the Code exclusively as a result of SunTrust or a SunTrust subsidiary holding stock in such corporation as a fiduciary with respect to any trust, estate, conservatorship, guardianship or agency.

2.24. SunTrust -- means SunTrust Banks, Inc., a Georgia corporation, and any successor to such corporation.

2.25. Ten Percent Shareholder -- means a person who owns (after taking into account the attribution rules of Section 424(d) of the Code) more than ten percent of the total combined voting power of all classes of stock of either SunTrust, a Subsidiary or a Parent Corporation.

## SECTION 3. SHARES RESERVED UNDER PLAN

There shall be 5,000,000 shares of Stock reserved for use under this Plan. All such shares of Stock shall be reserved to the extent that SunTrust deems appropriate from authorized but unissued shares of Stock and from shares of Stock which have been reacquired by SunTrust. Furthermore, any shares of Stock subject to an Option which remain unissued after the cancellation, expiration or exchange of such Option and any Restricted Shares which are forfeited thereafter shall again become available for use under this Plan, but any shares of Stock used to satisfy a withholding obligation under Section 14.3 shall not again become available for use under this Plan. The exercise of a SAR or a surrender right in an Option with respect to any shares of Stock shall be treated for purposes of this Section 3 the same as the exercise of an Option for the same number of shares of Stock.

## SECTION 4. EFFECTIVE DATE

This Plan shall be effective on January 1, 1995, provided the shareholders of SunTrust (acting at a duly called meeting of such shareholders) approve this Plan within twelve (12) months after such date and such approval satisfies the requirements for shareholder approval under Rule 16b-3 and Code Section 422(b)(1). Any Restricted Stock, any Option and any SAR granted under this Plan before such shareholder approval automatically shall be granted subject to such shareholder approval.

## SECTION 5. COMMITTEE

This Plan shall be administered by the Committee. The Committee acting in its absolute discretion shall exercise such powers and take such action as expressly called for under this Plan and, further, the Committee shall have the power to interpret this Plan and (subject to Section 11, Section 12 and Section 13) to take such other action in the administration and operation of this Plan as the Committee deems equitable under the circumstances, which action shall be binding on SunTrust, on each affected Key Employee and on each other person directly or indirectly affected by such action. The Committee shall use its best efforts to grant Options, SARs and Restricted Stock under this Plan to a Covered Employee which will qualify as "performance-based compensation" for purposes of Section 162(m) of the Code, except where the Committee deems that SunTrust's interests when viewed broadly will be better served by a grant which is free of the conditions required to so qualify any such grant for purposes of Section 162(m) of the Code.

## SECTION 6. ELIGIBILITY

Only Key Employees shall be eligible for the grant of Options, SARs or Restricted Stock under this Plan.

## SECTION 7. OPTIONS AND SARs

7.1 Options. The Committee acting in its absolute discretion shall have the right to grant Options to Key Employees under this Plan from time to time to purchase shares of Stock. Each grant of an Option shall be evidenced by an Option Agreement, and each Option Agreement shall set forth whether the Option is an ISO or a NQO and shall set forth such other terms and conditions of such grant as the Committee acting in its absolute discretion deems consistent with the terms of this Plan.

7.2 $100,000 Limit. The aggregate Fair Market Value of ISOs granted to a Key Employee under this Plan and incentive stock options granted to such Key Employee under any other stock option plan adopted by SunTrust, a Subsidiary or a Parent Corporation which first become exercisable in any calendar year (which begins on or after January 1, 1995) shall not exceed $100,000. Such Fair Market Value figure shall be determined by the Committee on the date the ISO or other incentive stock option is granted, and the Committee shall interpret and administer the limitation set forth in this Section 7.2 in accordance with Section 422(d) of the Code.

7.3 Share Limitation.

a) A Key Employee (other than a Key Employee who is SunTrust's chief executive officer) may be granted in any calendar year one or more Options, or one or more SARs, or one or more Options and SARs in any combination which, individually or in the aggregate, relate to no more than 60,000 shares of Stock.

b) A Key Employee who is SunTrust's chief executive officer may be granted in any calendar year one or more Options, or one or more SARs, or one or more Options and SARs in any combination which, individually or in the aggregate, relate to no more than 100,000 shares of Stock.

7.4 Option Price. The Option Price for each share of Stock subject to an Option shall be no less than the Fair Market Value of a share of Stock on the date the Option is granted. The Option Price shall be payable in full upon the exercise of any Option, and an Option Agreement at the discretion of the Committee can provide for the payment of the Option Price (a) in cash or by a check acceptable to the Committee, (b) in Stock which has been held by the Key Employee for a period acceptable to the Committee and which Stock is otherwise acceptable to the Committee, (c) through a broker facilitated exercise procedure acceptable to the Committee or (d) in any combination of the three methods described in this Section 7.4 which is acceptable to the Committee. Any payment made in Stock shall be treated as equal to the Fair Market Value of such Stock on the date the properly endorsed certificate for such Stock is delivered to the Committee.

7.5 Exercise Period. Each Option granted under this Plan shall be exercisable in whole or in part at such time or times as set forth in the related Option Agreement, but no Option Agreement shall make an Option exercisable before the date such Option is granted or after the earlier of:

a) the date such Option is exercised in full, or

b) the date which is the tenth anniversary of the date such Option is granted.

An Option Agreement may provide for the exercise of an Option after the employment of a Key Employee has terminated for any reason whatsoever, including death or disability.

7.6 Nontransferability. Except to the extent the Committee deems permissible under Section 422(b) of the Code and Rule 16b-3 and consistent with the best interests of SunTrust, neither an Option granted under this Plan nor any related surrender rights nor any SAR shall be transferable by a Key Employee other than by will or by the laws of descent and distribution, and such Option and any such surrender rights and any such SAR shall be exercisable during a Key Employee's lifetime only by the Key Employee. The person or persons to whom an Option or a SAR is transferred by will or by the laws of descent and distribution thereafter shall be treated as the Key Employee under this Plan.

7.7 SARs and Surrender Rights.

(a) SARs. The Committee acting in its absolute discretion may grant a Key Employee a SAR which will give the Key Employee the right to the appreciation in one, or more than one, share of Stock, and any such appreciation shall be measured from the related SAR Share Value. The Committee shall have the right to make any such grant subject to such

additional terms as the Committee deems appropriate, and such terms shall be set forth in the related SAR Agreement.

(b) Option Surrender Rights. The Committee acting in its absolute discretion also may incorporate a provision in an Option Agreement to give a Key Employee the right to surrender his or her Option in whole or in part in lieu of the exercise (in whole or in part) of that Option to purchase Stock on any date that

(1) the Fair Market Value of the Stock subject to such Option exceeds the Option Price for such Stock, and

(2) the Option to purchase such Stock is otherwise exercisable.

(c) Procedure. The exercise of a SAR or a surrender right in an Option shall be effected by the delivery of the related SAR Agreement or Option Agreement to the Committee (or to its delegate) together with a statement signed by the Key Employee which specifies the number of shares of Stock as to which the Key Employee, as appropriate, exercises his or her SAR or exercises his or her right to surrender his or her Option and (at the Key Employee's option) how he or she desires payment to be made with respect to such shares.

(d) Payment. A Key Employee who exercises his or her SAR or right to surrender his or her Option shall (to the extent consistent with the exemption under Rule 16b-3) receive a payment in cash or in Stock, or in a combination of cash and Stock, equal in amount on the date such exercise is effected to (i) the number of shares of Stock with respect to which, as applicable, the SAR or the surrender right is exercised times (ii) the excess of the Fair Market Value of a share of Stock on such date over, as applicable, the SAR Share Value for a share of Stock subject to the SAR or the Option Price for a share of stock subject to an Option. The Committee acting in its absolute discretion shall determine the form and timing of such payment, and the Committee shall have the right (1) to take into account whatever factors the Committee deems appropriate under the circumstances, including any written request made by the Key Employee and delivered to the Committee (or to its delegate) and (2) to forfeit a Key Employee's right to payment of cash in lieu of a fractional share of stock if the Committee deems such forfeiture necessary in order for the surrender of his or her Option under this Section 7.7 to come within the exemption under Rule 16b-3. Any cash payment under this Section 7.7 shall be made from SunTrust's general assets, and a Key Employee shall be no more than a general and unsecured creditor of SunTrust with respect to such payment.

(e) Restrictions. Each SAR Agreement and each Option Agreement which incorporates a provision to allow a Key Employee to surrender his or her Option shall incorporate such additional restrictions on the exercise of such SAR or surrender right as the Committee deems necessary to satisfy the conditions to the exemption under Rule 16b-3.

## SECTION 8. RESTRICTED STOCK

8.1 Committee Action. The Committee acting in its absolute discretion shall have the right to grant Restricted Stock to Key Employees under this Plan from time to time. However, no more than 2,500,000 shares of Stock shall be granted as Restricted Stock from the shares otherwise available for grants under this Plan. Each Restricted Stock grant shall be evidenced by a Restricted Stock Agreement, and each Restricted Stock Agreement shall set forth the conditions, if any, which will need to be timely satisfied before the grant will be effective and the conditions, if any, under which the Key Employee's interest in the related Stock will be forfeited.

8.2 Effective Date. A Restricted Stock grant shall be effective (a) as of the date set by the Committee when the grant is made or, if the grant is made subject to one, or more than one, condition, (b) as of the date the Committee determines that such conditions have been timely satisfied.

8.3 Conditions.

(a) Grant Conditions. The Committee acting in its absolute discretion may make the grant of Restricted Stock to a Key Employee subject to the satisfaction of one, or more than one, objective employment, performance or other grant condition which the Committee deems appropriate under the circumstances for Key Employees generally or for a Key Employee in particular, and the related Restricted Stock Agreement shall set forth each such condition and the deadline for satisfying each such grant condition. If a Restricted Stock grant will become effective only upon the satisfaction of one, or more than one, condition, the related shares of Stock shall be unavailable under Section 3 for the period which begins on the date as of which such grant is made and, if a Restricted Stock grant fails to become effective in whole or in part under Section 8.2, such period shall end on the date of such failure (i) for the related shares of Stock subject to such grant (if the entire grant fails to become effective) or (ii) for the related shares of Stock subject to that part of the grant which fails to become effective (if only part of the grant fails to become effective). If such period ends for any such shares of Stock, such shares shall be treated under Section 3 as forfeited at the end of such period and shall again become available under Section 3.

(b) Forfeiture Conditions. The Committee may make each Restricted Stock grant (if, when and to the extent that the grant becomes effective) subject to one, or more than one, objective employment, performance or other forfeiture condition which the Committee acting in its absolute discretion deems appropriate under the circumstances for Key Employees generally or for a Key Employee in particular, and the related Restricted Stock Agreement shall set forth each such condition and the deadline for satisfying each such forfeiture condition. A Key Employee's nonforfeitable interest in the shares of Stock related to a Restricted Stock grant shall depend on the extent to which each such condition is timely satisfied. Each share of Stock related to a Restricted Stock grant shall again become available under Section 3 after such grant becomes effective if such share is forfeited as a result of a failure to timely satisfy a forfeiture condition, in which event such share of Stock shall again become available under Section 3 as of the date of such failure. A Stock certificate shall be issued (subject to the conditions, if any, described in this Section 8.3(b) and Section 8.4) to, or for the benefit of, the Key Employee with respect to the number of shares for which a grant has become effective as soon as practicable after the date the grant becomes effective.

8.4 Dividends and Voting Rights.

(a) Each Restricted Stock Agreement shall state whether the Key Employee shall have a right to receive any cash dividends which are paid with respect to his or her Restricted Stock after the date his or her Restricted Stock grant has become effective and before the first day that the Key Employee's interest in such stock is forfeited completely or becomes completely nonforfeitable. If a Restricted Stock Agreement provides that a Key Employee has no right to receive a cash dividend when paid, such agreement shall set forth the conditions, if any, under which the Key Employee will be eligible to receive one, or more than one, payment in the future to compensate the Key Employee for the fact that he or she had no right to receive any cash dividends on his or her Restricted Stock when such dividends were paid. If a Restricted Stock Agreement calls for any such payments to be made, SunTrust shall make such payments from SunTrust's general assets, and the Key Employee shall be no more than a general and unsecured creditor of SunTrust with respect to such payments.

(b) If a Stock dividend is declared on such a share of Stock after the grant is effective but before the Key Employee's interest in such Stock has been forfeited or has become nonforfeitable, such Stock dividend shall be treated as part of the grant of the related Restricted Stock, and a Key Employee's interest in such Stock dividend shall be forfeited or shall become nonforfeitable at the same time as the Stock with respect to which the Stock dividend was paid is forfeited or becomes nonforfeitable.

(c) If a dividend is paid other than in cash or Stock, the disposition of such dividend shall be made in accordance with such rules as the Committee shall adopt with respect to each such dividend.

(d) A Key Employee shall have the right to vote the Stock related to his or her Restricted Stock grant after the grant is effective with respect to such Stock but before his or her interest in such Stock has been forfeited or has become nonforfeitable.

8.5 Satisfaction of Forfeiture Conditions. A share of Stock shall cease to be Restricted Stock at such time as a Key Employee's interest in such Stock becomes nonforfeitable under this Plan, and the certificate representing such share shall be reissued as soon as practicable thereafter without any further restrictions related to Section 8.3(b) or Section 8.4 and shall be transferred to the Key Employee.

## SECTION 9. SECURITIES REGISTRATION

Each Option Agreement, SAR Agreement and Restricted Stock Agreement shall provide that, upon the receipt of shares of Stock as a result of the exercise of an Option (or any related surrender right) or a SAR or the satisfaction of the forfeiture conditions under a Restricted Stock Agreement, the Key Employee shall, if so requested by SunTrust, hold such shares of Stock for investment and not with a view of resale or distribution to the public and, if so requested by SunTrust, shall deliver to SunTrust a written statement satisfactory to SunTrust to that effect. As for Stock issued pursuant to this Plan, SunTrust at its expense shall take such action as it deems necessary or appropriate to register the original issuance of such Stock to a Key Employee under the Securities Act of 1933, as amended, or under any other applicable securities laws or to qualify such Stock for an exemption under any such laws prior to the issuance of such Stock to a Key Employee; however, SunTrust shall have no obligation whatsoever to take any such action in connection with the transfer, resale or other disposition of such Stock by a Key Employee.

## SECTION 10. LIFE OF PLAN

No Option or SAR or Restricted Stock shall be granted under this Plan after the earlier of

(1) December 31, 2004, in which event this Plan otherwise thereafter shall continue in effect until all outstanding Options (and any related surrender rights) and SARs have been exercised in full or no longer are exercisable and all Restricted Stock grants under this Plan have been forfeited or the forfeiture conditions on the related Stock have been satisfied in full, or

(2) the date on which all of the Stock reserved under Section 3 of this Plan has (as a result of the exercise of all Options (and any related surrender rights) and all SARs granted under this Plan or the satisfaction of the forfeiture conditions on Restricted Stock) been issued or no longer is available for use under this Plan, in which event this Plan also shall terminate on such date.

## SECTION 11. ADJUSTMENT

The number of shares of Stock reserved under Section 3 of this Plan, the number of shares of Stock related to Restricted Stock grants under this Plan and any related grant conditions and forfeiture conditions, the number of shares of Stock subject to Options granted under this Plan and the Option Price of such Options and the SAR Grant Value and the number of shares of Stock related to any SAR all shall be adjusted by the Board in an equitable manner to reflect any change in the capitalization of SunTrust, including, but not limited to, such changes as stock dividends or stock splits. Furthermore, the Board shall have the right to adjust (in a manner which satisfies the requirements of Section 424(a) of the Code) the number of shares of Stock reserved under Section 3 of this Plan, the number of shares of Stock related to Restricted Stock grants under this Plan and any related grant conditions and forfeiture conditions, the number of shares subject to Options granted under this Plan and the Option Price of such Options and the SAR Grant Value and the number of shares of Stock related to any SAR in the event of any corporate transaction described in Section 424(a) of the Code which provides for the substitution or assumption of such Options, SARs or Restricted Stock grants. If any adjustment under this Section 11 would create a fractional share of Stock or a right to acquire a fractional share of Stock, such fractional share shall be disregarded and the number of shares of Stock reserved under this Plan and the number subject to any Options or related to any SARs or Restricted Stock grants under this Plan shall be the next lower number of shares of Stock, rounding all fractions downward. An adjustment made under this Section 11 by the Board shall be conclusive and binding on all affected persons and, further, shall not constitute an increase in "the number of shares reserved under Section 3" within the meaning of Section 13(1) of this Plan.

## SECTION 12. CHANGE IN CONTROL

If there is a Change in Control and the Board determines that no adequate provision has been made as part of such Change in Control for either the assumption of the Options, SARs and Restricted Stock grants outstanding under this Plan or for the granting of comparable, substitute stock options, stock appreciation rights and restricted stock grants, (1) each outstanding Option and SAR at the direction and discretion of the Board (a) may (subject to such conditions, if any, as the Board deems appropriate under the circumstances) be cancelled unilaterally by SunTrust in exchange for the number of whole shares of Stock (and cash in lieu of a fractional share), if any, which each Key Employee would have received if on the date set by the Board he or she had exercised his or her SAR in full or if he or she had exercised a right to surrender his or her outstanding Option in full under Section 7.7 of this Plan or (b) may be cancelled unilaterally by SunTrust if the Option Price or SAR Share Value equals or exceeds the Fair Market Value of a share of Stock on such date and (2) the grant conditions, if any, and forfeiture conditions on all outstanding Restricted Stock grants

may be deemed completely satisfied on the date set by the Board.

## SECTION 13. AMENDMENT OR TERMINATION

This Plan may be amended by the Board from time to time to the extent that the Board deems necessary or appropriate; provided, however, no such amendment shall be made absent the approval of the shareholders of SunTrust (1) to increase the number of shares reserved under Section 3, (2) to extend the maximum life of the Plan under Section 10 or the maximum exercise period under Section 7.5, (3) to decrease the minimum option price under Section 7.4 or the minimum SAR Share Value, (4) to change the class of employees eligible for Options, SARs or Restricted Stock grants under Section 6 or to otherwise materially modify (within the meaning of Rule 16b-3) the requirements as to eligibility for participation in this Plan or (5) to otherwise materially increase (within the meaning of Rule 16b-3) the benefits accruing to Key Employees under this Plan. The Board also may suspend the granting of Options, SARs and Restricted Stock under this Plan at any time and may terminate this Plan at any time; provided, however, SunTrust shall not have the right to modify, amend or cancel any Option, SAR or Restricted Stock granted before such suspension or termination unless (1) the Key Employee consents in writing to such modification, amendment or cancellation or (2) there is a dissolution or liquidation of SunTrust or a transaction described in Section 11 or Section 12 of this Plan.

## SECTION 14. MISCELLANEOUS

14.1 Shareholder Rights. No Key Employee shall have any rights as a shareholder of SunTrust as a result of the grant of an Option or a SAR under this Plan or his or her exercise of such Option or SAR pending the actual delivery of the Stock subject to such Option to such Key Employee. Subject to Section 8.4, a Key Employee's rights as a shareholder in the shares of Stock related to a Restricted Stock grant which is effective shall be set forth in the related Restricted Stock Agreement.

14.2 No Contract of Employment. The grant of an Option, SAR or Restricted Stock to a Key Employee under this Plan shall not constitute a contract of employment and shall not confer on a Key Employee any rights upon his or her termination of employment in addition to those rights, if any, expressly set forth in the Option Agreement which evidences his or her Option, the SAR Agreement which evidences his or her SAR or the Restricted Stock Agreement related to his or her Restricted Stock.

14.3 Withholding. The exercise of any Option or SAR granted under this Plan and the acceptance of a Restricted Stock grant shall constitute a Key Employee's full and complete consent to whatever action the Committee deems necessary to satisfy the federal and state tax withholding requirements, if any, which the Committee acting in its discretion deems applicable to such exercise or such Restricted Stock. The Committee also shall have the right to provide in an Option Agreement, SAR Agreement or Restricted Stock Agreement that a Key Employee may elect to satisfy federal and state tax withholding requirements through a reduction in the number of shares of Stock actually transferred to him or to her under this Plan, and any such election and any such reduction shall be effected so as to satisfy the conditions to the exemption under Rule 16b-3.

14.4 Construction. This Plan shall be construed under the laws of the State of Georgia.

Executed this 8th day of November 1994.

SUNTRUST BANKS, INC.

By: /s/ Mary T. Steele
Title: First Vice President

ATTEST:

/s/ Margaret U. Hodgson

Title: Assistant Secretary

(CORPORATE SEAL)

Exhibit 11.1
Statement re: Computation of Per Share Earnings
(In thousands, except per share data)
<TABLE>
<CAPTION>

| | Year Ended December 31 | | | | | |
|---|---|---|---|---|---|---|
| | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Primary: | | | | | | |
| Net income | $522,744 | $473,729 | $404,397 | $377,322 | $355,184 | $343,277 |
| Average common shares outstanding | 118,298 | 124,282 | 128,128 | 129,985 | 130,469 | 132,075 |
| Incremental shares outstanding <F1> | 1,335 | 1,374 | 1,179 | 979 | 80 | 344 |
| Average primary common shares | 119,633 | 125,656 | 129,307 | 130,964 | 130,549 | 132,419 |
| Earnings per common share - Primary | $4.37 | $3.77 | $3.13 | $2.88 | $2.72 | $2.59 |
| Fully Diluted: | | | | | | |
| Net income | $522,744 | $473,729 | $404,397 | $377,322 | $355,184 | $343,277 |
| Average common shares outstanding | 118,298 | 124,282 | 128,128 | 129,985 | 130,469 | 132,075 |
| Incremental shares outstanding <F1> | 1,352 | 1,390 | 1,181 | 1,030 | 98 | 367 |
| Average fully diluted common shares | 119,650 | 125,672 | 129,309 | 131,015 | 130,567 | 132,442 |
| Earnings per common share - Fully Diluted | $4.37 | $3.77 | $3.13 | $2.88 | $2.72 | $2.59 |

<FN>
<F1> Includes the incremental effect of stock options and restricted stock outstanding computed under the treasury stock method.
</TABLE>

Exhibit 12.1
<TABLE>
Ratio of Earnings to Fixed Charges (In thousands)
<CAPTION>

| | Year Ended December 31 | | | | | |
|---|---|---|---|---|---|---|
| | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Ratio 1 - including deposit interest | | | | | | |
| Earnings: | | | | | | |
| Income before income taxes | $781,965 | $700,662 | $575,768 | $514,139 | $449,865 | $448,792 |
| Fixed charges | 946,283 | 804,281 | 988,111 | 1,480,435 | 1,669,412 | 1,645,010 |
| Total | $1,728,248 | $1,504,943 | $1,563,879 | $1,994,574 | $2,119,277 | $2,093,802 |
| Fixed charges: | | | | | | |
| Interest on deposits | $704,803 | $632,307 | $832,372 | $1,270,435 | $1,409,855 | $1,389,293 |
| Interest on funds purchased | 122,055 | 87,900 | 87,038 | 135,314 | 183,431 | 177,421 |
| Interest on other short-term borrowings | 42,519 | 21,623 | 7,027 | 10,104 | 14,537 | 15,033 |
| Interest on long-term debt | 63,119 | 48,839 | 48,560 | 47,664 | 46,183 | 47,119 |
| Portion of rents representative of the interest factor (1/3) of rental expense | 13,787 | 13,612 | 13,114 | 16,918 | 15,406 | 16,144 |
| Total | $946,283 | $804,281 | $988,111 | $1,480,435 | $1,669,412 | $1,645,010 |
| Earnings to fixed charges | 1.83 x | 1.87 x | 1.58 x | 1.35 x | 1.27 x | 1.27 x |
| Ratio 2 - excluding deposit interest | | | | | | |
| Earnings: | | | | | | |
| Income before income taxes | $781,965 | $700,662 | $575,768 | $514,139 | $449,865 | $448,792 |
| Fixed charges | 241,480 | 171,974 | 155,739 | 210,000 | 259,557 | 255,717 |
| Total | $1,023,445 | $872,636 | $731,507 | $724,139 | $709,422 | $704,509 |
| Fixed charges: | | | | | | |
| Interest on funds purchased | $122,055 | $87,900 | $87,038 | $135,314 | $183,431 | $177,421 |
| Interest on other short-term borrowings | 42,519 | 21,623 | 7,027 | 10,104 | 14,537 | 15,033 |
| Interest on long-term debt | 63,119 | 48,839 | 48,560 | 47,664 | 46,183 | 47,119 |
| Portion of rents representative of the interest factor (1/3) of rental expense | 13,787 | 13,612 | 13,114 | 16,918 | 15,406 | 16,144 |
| Total | $241,480 | $171,974 | $155,739 | $210,000 | $259,557 | $255,717 |
| Earnings to fixed charges | 4.24 x | 5.07 x | 4.70 x | 3.45 x | 2.73 x | 2.76 x |

</TABLE>

CORPORATE PROFILE

SunTrust Banks, Inc. is a leading financial services company based in the Southeastern United States. Its three principal subsidiaries - SunBanks, Inc., Trust Company of Georgia and Third National Corporation - operate 658 full-service banking offices in Florida, Georgia, Tennessee and Alabama. At year-end 1994, total assets were $42.7 billion. SunTrust provides a wide range of financial services to a growing customer base. The Company's primary businesses include traditional deposit and credit services as well as trust and investment services. Additionally, SunTrust provides corporate finance, mortgage banking, factoring, credit cards, discount brokerage, credit-related insurance, and data processing and information services.



FINANCIAL HIGHLIGHTS

| (Dollars in millions except per share data) | Year Ended December 31 1994 | 1993 | 1992 |
|---|---|---|---|
| For the Year | | | |
| Net income | $522.7 | $473.7 | $404.4 |
| Common dividends paid | 157.1 | 144.8 | 132.1 |
| Per Common Share | | | |
| Net income | 4.37 | 3.77 | 3.13 |
| Dividends paid | 1.32 | 1.16 | 1.03 |
| Market price: | | | |
| High | 51 3/8 | 49 5/8 | 45 5/8 |
| Low | 43 1/2 | 41 3/8 | 33 1/2 |
| Close | 47 3/4 | 45 | 43 3/4 |
| Book value | 29.85 | 29.47 | 21.65 |
| Financial Ratios | | | |
| Return on average assets (ROA) | 1.32 % | 1.26 % | 1.14 % |
| Return on average realized shareholders' equity (ROE) | 17.66 | 16.48 | 14.99 |
| Net interest margin (taxable-equivalent) | 4.64 | 4.80 | 5.10 |
| Selected Average Balances | | | |
| Total assets | $40,489.2 | $37,524.9 | $35,356.5 |
| Earning assets | 36,111.0 | 34,047.3 | 32,008.6 |
| Loans | 26,412.6 | 24,162.8 | 22,489.1 |
| Deposits | 30,877.8 | 29,683.3 | 28,609.6 |
| Realized shareholders' equity | 2,960.1 | 2,875.1 | 2,697.9 |
| Total shareholders' equity | 3,571.5 | 2,877.2 | 2,697.9 |
| Common equivalent shares (thousands) | 119,633 | 125,656 | 129,307 |
| At December 31 | | | |
| Total assets | 42,709.1 | 40,728.4 | 37,789.3 |
| Earning assets | 38,045.6 | 35,904.5 | 34,167.7 |
| Loans | 28,548.9 | 25,292.1 | 23,493.5 |
| Reserve for loan losses | 647.0 | 561.2 | 474.2 |
| Deposits | 32,218.4 | 30,485.8 | 29,883.0 |
| Realized shareholders' equity | 2,883.3 | 2,845.8 | 2,769.7 |
| Total shareholders' equity | 3,453.3 | 3,609.6 | 2,769.7 |
| Common shares outstanding (thousands) | 115,679 | 122,468 | 127,953 |

In this report, for 1994 and 1993, investment securities, total assets and total shareholders' equity include net unrealized securities gain. However, earning assets exclude this gain as do the calculation of ROA, ROE and the net interest margin because the gain is not included in income.



TO OUR SHAREHOLDERS

We set tough goals for SunTrust in 1994. I am pleased to report that our efforts to attain these resulted in a very good year for the Company, including another record earnings per share. For this we thank our loyal and dedicated employees, customers and shareholders.

Financial Performance
Net income for the year totaled $522.7 million, or $4.37 per share-a 15.9% increase from last year. Contributing to record earnings performance were increased loan growth, reduced expenses, lower provision for loan losses, as well as fewer shares outstanding. The annualized return on average assets was

1.32%, while the return on average realized shareholders' equity was 17.66%, up from the 1993 returns of 1.26% and 16.48%, respectively.

Net interest income increased in 1994 as loan demand grew. Despite rising interest rates, the net interest margin remained relatively stable during 1994 after starting the year below the 1993 level. While noninterest income was lower than planned, we are confident that our trust and investment services businesses--key elements of noninterest income growth--will grow this year.

An important element of our overall business plan is expense control. In 1994 we managed our noninterest expenses to a lower level, resulting in an efficiency ratio of 58.9%. While this number compares favorably with those of our peers, we expect it to be even better over time. Refinements in behind-the-scenes functions will enable us to become an even lower cost provider of high-quality services.

Credit quality, which has been strong, keeps getting better. Our nonperforming assets were $275.3 million at year-end, down 33% from $410.7 million in 1993. Although our loan losses are low, we continue to build a conservative loan loss reserve. We believe it is appropriate to add reserves during periods of robust loan growth.

Few financial institutions manage their capital as capital carefully as SunTrust. In fact, the Company has been putting its capital to work by buying back common shares. From October 1993 through the end of 1994, we had repurchased 10 million shares, nearly 84% of the 12 million share repurchase program. This strategy of reducing outstanding shares not only elevates shareholder value, but clearly conveys confidence in our Company as a good investment opportunity. At its November 1994 meeting, the Board of Directors raised the indicated annual dividend rate to $1.44 per share from $1.28 per common share, a 12.5% increase.

## Growth Initiatives

While we are proud of our accomplishments during 1994, I can assure you that we are not complacent with these achievements. The new era in the financial services industry being ushered in by nationwide interstate banking greatly widens the competitive financial services marketplace.

To maintain our leadership position, we have expanded our vision and commitment to growth and prosperity for our Company. Last year we began reshaping the focus of our core businesses--corporate banking, community banking, and trust and investment services--through initiatives which concentrate on strengthening relationships with existing customers, developing solid relationships with new customers, and continuing the company's technological growth.

These initiatives call for SunTrust to be even more aggressive in pursuing new business, more creative in developing new products and more innovative in applying new technology. In an industry characterized by constant change, our growth initiatives complement the banking basics we know best, building on our strengths as a superior financial services provider.



For each of SunTrust's principal lines of business, we have examined the way products are delivered, the associated costs and the expertise of our employees. Based on these findings, we are devising alternate delivery systems, investing in new technology to streamline processes and assuring that talented people with the right skills are matched with the right positions.

With consolidations reducing the number of direct competitors and interstate banking widening the field, future winners in our industry will be those who can effectively maximize their strengths, operate efficiently and increase profitability. The initiatives outlined above will help SunTrust continue to be one of the nation's top financial services companies.

## Looking Forward to 1995

Since the founding of SunTrust in 1985, our subsidiary banking units have maintained their respective names showing our commitment to the local communities we serve. Now, with interstate banking moving closer to reality, 1995 is the right time to initiate a company-wide name change resulting in all our banks adopting the name "SunTrust."

The SunTrust name already carries strong name recognition in financial markets. A common identity shared by all our banks will benefit both customers and shareholders. Sharing a common name will enable SunTrust to be better recognized as a symbol of strength and growth. It will also help eliminate customers' confusion as they utilize our services across state lines, presenting a clear connection to a thriving financial institution. While the bank names are changing, our commitment to local banking will remain constant.

We fondly remember SunTrust's retired Chairman and CEO Robert Strickland, who died in early November, and the influence he had on this Company. The SunTrust family lost a great friend, but his legacy of high professional standards, hard work and commitment to service lives on.

Thank you for your support and confidence in SunTrust We look forward to another good year in 1995.

Sincerely,

James B. Williams
Chairman of the Board
and Chief Executive Officer
February 14,1995



<TABLE>
SELECTED FINANCIAL DATA
<CAPTION>

| (Dollars in millions except per share data) | Year Ended December 31 1994 | 1993 | 1992 | 1991 | 1990 | 1989 |
|---|---|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Summary of Operations | | | | | | |
| Interest and dividend income | $2,552.3 | $2,362.3 | $2,537.6 | $2,856.4 | $2,956.6 | $2,880.3 |
| Interest expense | 932.5 | 790.7 | 975.0 | 1,463.5 | 1,654.0 | 1,628.8 |
| Net interest income | 1,619.8 | 1,571.6 | 1,562.6 | 1,392.9 | 1,302.6 | 1,251.5 |
| Provision for loan losses | 137.8 | 189.1 | 234.2 | 209.6 | 201.6 | 180.5 |
| Net interest income after provision for loan losses | 1,482.0 | 1,382.5 | 1,328.4 | 1,183.3 | 1,101.0 | 1,071.0 |
| Noninterest income | 699.9 | 726.5 | 672.7 | 612.9 | 556.8 | 516.9 |
| Noninterest expense | 1,400.0 | 1,408.4 | 1,425.3 | 1,282.1 | 1,207.9 | 1,139.1 |
| Income before provision for income taxes | 781.9 | 700.6 | 575.8 | 514.1 | 449.9 | 448.8 |
| Provision for income taxes | 259.2 | 226.9 | 171.4 | 136.8 | 94.7 | 105.5 |
| Net income | $522.7 | $473.7 | $404.4 | $377.3 | $355.2 | $343.3 |
| Net interest income (taxable-equivalent) | $1,675.6 | $1,634.4 | $1,632.9 | $1,470.5 | $1,392.2 | $1,346.6 |
| Per Common Share | | | | | | |
| Net income | $4.37 | $3.77 | $3.13 | $2.88 | $2.72 | $2.59 |
| Dividends paid | 1.32 | 1.16 | 1.03 | 0.94 | 0.86 | 0.78 |
| Common dividend payout ratio | 30.1 % | 30.6 % | 32.7 % | 32.4 % | 31.3 % | 29.9 % |
| Market price: | | | | | | |
| High | $ 51 3/8 | $ 49 5/8 | $ 45 5/8 | $ 40 | $ 24 1/4 | $ 26 7/8 |
| Low | 43 1/2 | 41 3/8 | 33 1/2 | 20 1/2 | 16 1/2 | 19 3/4 |
| Close | 47 3/4 | 45 | 43 3/4 | 39 7/8 | 22 3/4 | 22 7/8 |
| Selected Average Balances | | | | | | |
| Total assets | $40,489.2 | $37,524.9 | $35,356.5 | $33,892.0 | $31,935.0 | $30,089.7 |
| Earning assets | 36,111.0 | 34,047.4 | 32,008.6 | 30,544.4 | 28,671.2 | 26,820.9 |
| Loans | 26,412.6 | 24,162.8 | 22,489.1 | 22,144.6 | 22,058.4 | 21,175.0 |
| Deposits | 30,877.8 | 29,683.3 | 28,609.6 | 27,533.0 | 25,971.7 | 24,721.9 |
| Realized shareholders' equity | 2,960.1 | 2,875.1 | 2,697.9 | 2,509.5 | 2,266.9 | 2,067.1 |
| Total shareholders' equity | 3,571.5 | 2,877.2 | 2,697.9 | 2,509.5 | 2,266.9 | 2,067.1 |
| At December 31 | | | | | | |
| Total assets | $42,709.1 | $40,728.4 | $37,789.3 | $35,682.6 | $34,479.4 | $32,064.8 |
| Earning assets | 38,045.6 | 35,904.5 | 34,167.7 | 31,854.3 | 30,262.3 | 28,319.8 |
| Loans | 28,548.9 | 25,292.1 | 23,493.5 | 22,251.5 | 22,770.3 | 21,754.2 |
| Reserve for loan losses | 647.0 | 561.2 | 474.2 | 381.0 | 366.9 | 347.5 |
| Deposits | 32,218.4 | 30,485.8 | 29,883.0 | 29,011.5 | 27,787.9 | 25,870.0 |
| Long-term debt | 930.4 | 630.4 | 554.0 | 477.3 | 482.4 | 489.9 |
| Realized shareholders' equity | 2,883.3 | 2,845.8 | 2,769.7 | 2,622.8 | 2,377.1 | 2,159.3 |
| Total shareholders' equity | 3,453.3 | 3,609.6 | 2,769.7 | 2,622.8 | 2,377.1 | 2,159.3 |
| Ratios and Other | | | | | | |
| ROA | 1.32 % | 1.26 % | 1.14 % | 1.11 % | 1.11 % | 1.14 |
| ROE | 17.66 | 16.48 | 14.99 | 15.04 | 15.67 | 16.61 |
| Net interest margin | 4.64 | 4.80 | 5.10 | 4.81 | 4.86 | 5.02 |
| Total shareholders' equity to assets | 8.09 | 8.86 | 7.33 | 7.35 | 6.90 | 6.74 |
| Nonperforming assets to total loans plus other real estate owned | 0.96 | 1.61 | 2.30 | 3.07 | 2.70 | 1.65 |
| Number of full-service banking offices | 658 | 656 | 654 | 662 | 654 | 647 |
| Number of full-time equivalent employees | 19,408 | 19,532 | 19,539 | 19,703 | 20,339 | 20,623 |
| Average common equivalent shares (thousands) | 119,633 | 125,656 | 129,307 | 130,964 | 130,549 | 132,419 |

</TABLE>



FINANCIAL REVIEW

The following analysis reviews important factors affecting the financial condition and results of operations of SunTrust Banks, Inc. (SunTrust or Company) for the periods shown. This review should be read in conjunction with the consolidated financial statements and related notes. In the Financial Review, net interest income and net interest margin are presented on a taxable-equivalent (FTE) basis.

EARNINGS OVERVIEW

SunTrust's earnings per common share rose 15.9% in 1994 to $4.37, up from $3.77 per common share in 1993. Net income of the Company amounted to $522.7 million, an increase of 10.3% over $473.7 million in 1993.

Operating results in 1994 reflected strong loan demand and steady improvement in credit quality. The 1994 loan loss provision of $137.8 million was 27.1% lower than in 1993, and $77.5 million above 1994 net charge-offs. Net interest income was $1,675.6 million in 1994, up $41.2 million from 1993. The net interest margin was 16 basis points lower than last year but the decline was more than offset by a 6.1% increase in average earning assets. Average loans increased 9.4% and average deposits increased 4.0%. Noninterest income decreased 3.7% with other charges and fees having the largest decline. Noninterest expense was $1,400.0 million for 1994, 0.6% less than in 1993. Employee-related expenses constituted the single largest increase in noninterest expense, up $12.2 million, or 1.7%, from 1993 levels while other real estate expenses had the largest decline, $18.9 million. Per share earnings were aided by the repurchase during 1994 of 7.2 million shares of the Company's common stock.

<TABLE>
TABLE 1 - CONTRIBUTIONS TO NET INCOME
<CAPTION>

| | Year Ended December 31 | | | |
|---|---|---|---|---|
| | 1994 | | 1993 | |
| (Dollars in millions) | Contribution | % of Total | Contribution | % of Total |
| <S> | <C> | <C> | <C> | <C> |
| Banking subsidiaries' net income <F1>: | | | | |
| Florida | $279.5 | 53.5 % | $249.9 | 52.8 % |
| Georgia | 210.8 | 40.3 | 190.8 | 40.3 |
| Tennessee/Alabama | 81.5 | 15.6 | 70.7 | 14.9 |
| Total banking subsidiaries' net income | 571.8 | 109.4 | 511.4 | 108.0 |
| Nonbanking net income (expense): | | | | |
| Nonbank subsidiaries | 2.7 | 0.5 | 7.1 | 1.5 |
| Parent Company | (51.8) | (9.9) | (44.8) | (9.5) |
| Total nonbanking net income (expense) | (49.1) | (9.4) | (37.7) | (8.0) |
| Net income | $522.7 | 100.0 % | $473.7 | 100.0 % |

<FN>
<F1> Additional information on the performance of banking subsidiaries can be found on pages AR-33 and AR-34.
</TABLE>



NET INTEREST INCOME/MARGIN

Net interest income for 1994 was $1,675.6 million or 2.5% higher than the prior year. Average earning assets were up 6.1% and the net interest margin was 4.64% in 1994 compared to 4.80% in 1993. During the year the quarterly margin remained relatively stable, ranging between 4.60% and 4.68% and equal to or higher than the 1993 fourth quarter margin of 4.60%. The average rate on earning assets increased 10 basis points to 7.22% while the average rate on interest-bearing liabilities climbed 33 basis points to 3.23%.

Interest income that the Company was unable to recognize on nonperforming loans had a negative impact of two basis points on the net interest margin as compared to four basis points in 1993. Table 5 contains more detailed information concerning average balances, yields earned and rates paid.

<TABLE>
TABLE 2 - ANALYSIS OF CHANGES IN NET INTEREST INCOME
<CAPTION>

| | 1994 Compared to 1993 | | | 1993 Compared to 1992 | | |
|---|---|---|---|---|---|---|
| | Increase (Decrease) Due to | | | Increase (Decrease) Due to | | |
| (In millions on a taxable-equivalent basis) | Volume | Rate | Net | Volume | Rate | Net |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Interest Income | | | | | | |
| Loans: | | | | | | |
| Taxable | $181.0 | $33.5 | $214.5 | $138.9 | ($195.3) | ($56.4) |
| Tax-exempt <F2> | (5.2) | 3.3 | (1.9) | (4.8) | (2.9) | (7.7) |
| Investment securities: | | | | | | |
| Taxable | 6.9 | (20.3) | (13.4) | 51.8 | (115.9) | (64.1) |
| Tax-exempt <F2> | (9.2) | (5.9) | (15.1) | (14.7) | (4.0) | (18.7) |
| Funds sold | 0.8 | 5.7 | 6.5 | (3.6) | (2.6) | (6.2) |
| Other short-term investments <F2> | (10.4) | 2.8 | (7.6) | (8.9) | (20.8) | (29.7) |
| Total interest income | 163.9 | 19.1 | 183.0 | 158.7 | (341.5) | (182.8) |
| Interest Expense | | | | | | |
| NOW/Money market accounts | 3.2 | 8.7 | 11.9 | 19.8 | (54.2) | (34.4) |
| Savings deposits | (3.7) | (0.5) | (4.2) | 5.8 | (27.4) | (21.6) |
| Consumer time deposits | (7.1) | 2.1 | (5.0) | (27.0) | (79.0) | (106.0) |
| Other time deposits | 27.1 | 42.7 | 69.8 | (6.1) | (32.0) | (38.1) |
| Funds purchased | (1.5) | 35.7 | 34.2 | 13.4 | (12.5) | 0.9 |
| Other short-term borrowings | 17.2 | 3.6 | 20.8 | 15.2 | (0.5) | 14.7 |
| Long-term debt | 21.3 | (7.0) | 14.3 | 6.5 | (6.3) | 0.2 |
| Total interest expense | 56.5 | 85.3 | 141.8 | 27.6 | (211.9) | (184.3) |

| | | | | | | |
|---|---|---|---|---|---|---|
| Net change in net interest income | $107.4 | ($66.2) | $41.2 | $131.1 | ($129.6) | $1.5 |

<FN>
<F1> Changes in net interest income are attributed to either changes in average balances (volume change) or changes in average rates (rate change) for earning assets and sources of funds on which interest is received or paid. Volume change is calculated as change in volume times the old rate while rate change is change in rate times the old volume. The rate/volume change, change in rate times change in volume, is allocated between volume change and rate change at the ratio each component bears to the absolute value of their total.
<F2> Interest income includes the effects of taxable-equivalent adjustments (reduced by the nondeductible portion of interest expense) using a federal income tax rate of 35% in 1994 and 1993 and 34% in prior years and, where applicable, state income taxes, to increase tax-exempt interest income to a taxable-equivalent basis.
</TABLE>



PROVISION FOR LOAN LOSSES

As a result of improving credit quality, the Company lowered its provision for loan losses in 1994 by $51.3 million to $137.8 million, yet the provision still exceeded net charge-offs by $77.5 million. Net loan charge-offs were $60.3 million in 1994, representing 0.23% of average loans, which is the lowest annual charge-off ratio since SunTrust was formed in 1985. The comparable net charge-off amount for 1993 was $110.1 million or 0.46% of average loans. As shown in Table 8, total charge-offs declined in all major categories in 1994 while recoveries remained relatively stable. Recoveries were 47.0% of total charge-offs in 1994 compared with 32.5% in 1993.

The Company's reserve for loan losses totaled $647.0 million at December 31, 1994, which was 2.27% of year-end loans and 344.9% of total nonperforming loans. The comparable ratios at December 31, 1993 were 2.22% and 214.4%, respectively.

The Company maintains a reserve for loan losses to absorb possible losses in the loan portfolio. The reserve consists of three elements; (i) reserves established on specific loans, (ii) reserves based on historical loan loss experience, and (iii) reserves based on economic conditions in the Company's individual markets. The specific reserve element is based on a regular analysis of all loans and commitments over a fixed dollar amount where the internal credit rating is at or below a pre-determined classification. The historical loan loss element represents a projection of future credit problems and is determined statistically using a loss migration analysis that examines loss experience and the related internal gradings of loans charged-off. The general economic condition element is determined by management at the individual subsidiary banks and is based on knowledge of specific economic factors in their markets that might affect the collectibility of loans. SunTrust is committed to the early recognition of possible problems and to a strong, conservative reserve.

NONINTEREST INCOME

Noninterest income declined $26.6 million as the rising interest rate environment reduced sales of mutual funds and drastically curtailed the refinancing of mortgages. Additionally, rising rates produced poor performance for fixed income securities retarding growth in trust fees. Service charges collected on commercial deposit accounts were also negatively impacted by rising rates since these charges are reduced by an earnings credit on collected balances based on a market-based interest rate.

<TABLE>
TABLE 3 - NONINTEREST INCOME
<CAPTION>

| | Year Ended December 31 | | | | | |
|---|---|---|---|---|---|---|
| (In millions) | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Trust income | $250.3 | $247.0 | $226.1 | $200.5 | $177.6 | $156.8 |
| Service charges on deposit accounts | 218.4 | 225.9 | 215.6 | 201.7 | 174.1 | 157.2 |
| Other charges and fees | 121.1 | 142.1 | 121.9 | 106.9 | 100.5 | 83.7 |
| Credit card fees | 57.2 | 57.8 | 58.8 | 60.2 | 62.2 | 56.3 |
| Securities gains (losses) | (2.7) | 2.0 | 5.1 | 3.7 | 0.8 | 0.5 |
| Gain on sale of equity investment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 10.2 |
| Trading account profits and commissions | 8.0 | 11.3 | 8.2 | 10.3 | 4.7 | 4.7 |
| Other income | 47.6 | 40.4 | 37.0 | 29.6 | 36.9 | 47.5 |
| Total noninterest income | $699.9 | $726.5 | $672.7 | $612.9 | $556.8 | $516.9 |

</TABLE>



NONINTEREST EXPENSE

For the second year in a row noninterest expenses declined, reducing the efficiency ratio to a record 58.9%. Net recoveries from the sale of other real estate was the primary reason for the 1994 decline. Most other areas of expense approximated their 1993 levels. The exception was marketing and community relations which increased $9.2 million. During the year, SunTrust accrued $13.1 million for committed expenses associated with strategic initiatives including changing the names of all our banks to SunTrust.

<TABLE>
TABLE 4 - NONINTEREST EXPENSE
<CAPTION>

| | Year Ended December 31 | | | | | |
|---|---|---|---|---|---|---|
| (In millions) | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Salaries | $550.4 | $529.1 | $511.7 | $491.3 | $480.0 | $464.9 |
| Other compensation | 96.1 | 107.4 | 107.9 | 70.1 | 52.3 | 63.7 |
| Employee benefits | 100.7 | 98.5 | 92.8 | 82.4 | 76.6 | 73.7 |
| Net occupancy expense | 126.9 | 128.4 | 134.8 | 119.5 | 116.0 | 108.3 |
| Equipment expense | 103.3 | 103.1 | 102.9 | 98.1 | 92.7 | 94.6 |
| FDIC premiums | 66.6 | 66.2 | 64.5 | 56.6 | 30.5 | 19.7 |
| Marketing and community relations | 57.2 | 48.0 | 51.9 | 41.5 | 39.4 | 40.4 |
| Postage and delivery | 34.1 | 32.4 | 32.5 | 31.5 | 29.6 | 29.7 |
| Operating supplies | 29.4 | 30.5 | 30.6 | 30.5 | 31.6 | 32.1 |
| Communications | 26.1 | 26.3 | 25.8 | 24.9 | 23.7 | 21.8 |
| Consulting and legal | 22.6 | 20.2 | 27.7 | 25.9 | 26.8 | 20.1 |
| Other real estate expense | (2.2) | 16.7 | 36.0 | 21.9 | 29.4 | 5.0 |
| Amortization of intangible assets | 20.6 | 19.7 | 17.0 | 15.7 | 13.6 | 13.9 |
| Other expense | 168.2 | 181.9 | 189.2 | 172.2 | 165.7 | 151.2 |
| Total noninterest expense | $1,400.0 | $1,408.4 | $1,425.3 | $1,282.1 | $1,207.9 | $1,139.1 |
| Efficiency ratio | 58.9 % | 59.7 % | 61.8 % | 61.5 % | 62.0 % | 61.1 % |

</TABLE>

PROVISION FOR INCOME TAXES

The provision for income taxes covers federal and state income taxes. For 1994, the provision was $259.2 million, an increase of $32.3 million or 14.2% from 1993. Higher taxable income was responsible for the increase.



<TABLE>
TABLE 5A - CONSOLIDATED DAILY AVERAGE BALANCES, INCOME/EXPENSE AND AVERAGE YIELDS EARNED AND RATES PAID
<CAPTION>

| | 1994 | | | 1993 | | | 1992 | | |
|---|---|---|---|---|---|---|---|---|---|
| (Dollars in millions; yields on taxable-equivalent basis) | Average Balances | Income/ Expense | Yields/ Rates | Average Balances | Income/ Expense | Yields/ Rates | Average Balances | Income/ Expense | Yields/ Rates |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> | <C> | <C> | <C> |
| ASSETS | | | | | | | | | |
| Loans:<F1> | | | | | | | | | |
| Taxable | $25,678.3 | $1,979.6 | 7.71 % | $23,362.8 | $1,765.1 | 7.56 % | $21,628.4 | $1,821.5 | 8.42 % |
| Tax-exempt <F2> | 734.3 | 60.1 | 8.18 | 800.0 | 62.0 | 7.75 | 860.7 | 69.7 | 8.10 |
| Total loans | 26,412.6 | 2,039.7 | 7.72 | 24,162.8 | 1,827.1 | 7.56 | 22,489.1 | 1,891.2 | 8.41 |
| Investment securities: | | | | | | | | | |
| Taxable | 7,968.4 | 437.8 | 5.50 | 7,844.6 | 451.2 | 5.75 | 7,079.2 | 515.3 | 7.28 |
| Tax-exempt <F2> | 1,035.5 | 100.7 | 9.72 | 1,128.7 | 115.8 | 10.26 | 1,271.3 | 134.5 | 10.58 |
| Total investment securities | 9,003.9 | 538.5 | 5.98 | 8,973.3 | 567.0 | 6.32 | 8,350.5 | 649.8 | 7.78 |
| Funds sold | 380.9 | 17.1 | 4.49 | 334.4 | 10.6 | 3.17 | 439.9 | 16.8 | 3.83 |
| Other short-term investments <F2> | 313.6 | 12.8 | 4.07 | 576.8 | 20.4 | 3.53 <F3 | 729.1 | 50.1 | 4.40 |
| Total earning assets | 36,111.0 | 2,608.1 | 7.22 | 34,047.3 | 2,425.1 | 7.12 | 32,008.6 | 2,607.9 | 8.15 |
| Reserve for loan losses | (608.0) | | | (521.9) | | | (421.6) | | |
| Cash and due from banks | 2,228.8 | | | 2,200.0 | | | 2,007.0 | | |
| Premises and equipment | 713.7 | | | 710.1 | | | 693.0 | | |
| Other assets | 1,060.1 | | | 1,086.0 | | | 1,069.5 | | |
| Unrealized gains(losses) on investment securities | 983.6 | | | 3.4 | | | - | | |
| Total assets | $40,489.2 | | | $37,524.9 | | | $35,356.5 | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | | | | |
| Interest-bearing deposits: | | | | | | | | | |
| NOW/Money market accounts | $9,798.9 | $223.7 | 2.28 % | $9,655.0 | $211.8 | 2.19 % | $8,900.8 | $246.2 | 2.77 % |
| Savings | 4,364.5 | 104.6 | 2.40 | 4,515.0 | 108.8 | 2.41 | 4,316.1 | 130.4 | 3.02 |
| Consumer time | 6,626.2 | 271.8 | 4.10 | 6,799.4 | 276.8 | 4.07 | 7,350.0 | 382.8 | 5.21 |
| Other time <F4> | 3,054.1 | 104.7 | 3.43 | 1,940.6 | 34.9 | 1.80 | 2,132.8 | 73.0 | 3.42 |
| Total interest-bearing deposits | 23,843.7 | 704.8 | 2.96 | 22,910.0 | 632.3 | 2.76 | 22,699.7 | 832.4 | 3.67 |
| Funds purchased | 3,050.0 | 122.1 | 4.00 | 3,102.7 | 87.9 | 2.83 | 2,664.5 | 87.0 | 3.27 |
| Other short-term borrowings | 1,083.2 | 42.5 | 3.93 | 632.0 | 21.7 | 3.42 | 192.6 | 7.0 | 3.65 |
| Long-term debt | 908.4 | 63.1 | 6.95 | 611.4 | 48.8 | 7.99 | 534.5 | 48.6 | 9.09 |
| Total interest-bearing liabilities | 28,885.3 | 932.5 | 3.23 | 27,256.1 | 790.7 | 2.90 | 26,091.3 | 975.0 | 3.74 |
| Noninterest-bearing deposits | 7,034.1 | | | 6,773.3 | | | 5,909.9 | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Other liabilities | 998.3 | | | 618.3 | | | 657.4 | | |
| Realized shareholders' equity | 2,960.1 | | | 2,875.1 | | | 2,697.9 | | |
| Net unrealized gains(losses) on investment securities | 611.4 | | | 2.1 | | | - | | |
| Total liabilities and shareholders' equity | $40,489.2 | | | $37,524.9 | | | $35,356.5 | | |
| Interest rate spread | | | 3.99 % | | | 4.22 % | | | 4.41 % |
| NET INTEREST INCOME | | $1,675.6 | | | $1,634.4 | | | $1,632.9 | |
| NET INTEREST MARGIN <F4> | | | 4.64 % | | | 4.80 % | | | 5.10 % |

<FN>
<F1>Interest income includes loan fees of $93.5, $88.6, $80.8, $72.4, $74.6 and $78.8 in the six years ended December 31, 1994. Nonaccrual loans are included in average balances and income on such loans, if recognized, is recorded on a cash basis.



<F2>Interest income includes the effects of taxable-equivalent adjustments (reduced by the nondeductible portion of interest expense) using a federal income tax rate of 35% for 1994 and 1993 and 34% in prior years, and, where applicable, state income taxes, to increase tax-exempt interest income to a taxable-equivalent basis. The net taxable-equivalent adjustment amounts included in the above table were $55.8, $62.8, $70.3, $77.6, $89.6 and $95.1 in the six years ended December 31, 1994.
<F3>Stated rate is calculated after reducing interest income by $18.0 in 1992 representing earnings from investment in an employee benefit trust.
<F4>Interest rate swap transactions used to help balance the Company's interest-sensitivity position reduced interest expense by $30.6, $43.6 and $36.3 in 1994, 1993 and 1992. Without these swaps, the rate on other time deposits and the net interest margin would have been 4.43% and 4.56% in 1994, 4.04% and 4.67% in 1993 and 5.12% and 4.99% in 1992, respectively.
</TABLE>



<TABLE>
TABLE 5B - CONSOLIDATED DAILY AVERAGE BALANCES, INCOME/EXPENSE AND AVERAGE YIELDS EARNED AND RATES PAID
<CAPTION>

| | | 1991 | | | 1990 | | | 1989 | |
|---|---|---|---|---|---|---|---|---|---|
| (Dollars in millions; yields on taxable-equivalent basis) | Average Balances | Income/ Expense | Yields/ Rates | Average Balances | Income/ Expense | Yields/ Rates | Average Balances | Income/ Expense | Yields/ Rates |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> | <C> | <C> | <C> |
| ASSETS | | | | | | | | | |
| Loans:<F1> | | | | | | | | | |
| Taxable | $21,190.7 | $2,113.3 | 9.97 % | $21,092.4 | $2,306.0 | 10.93 % | $20,207.7 | $2,304.5 | 11.40 % |
| Tax-exempt <F2> | 953.9 | 92.7 | 9.72 | 966.0 | 111.0 | 11.49 | 967.3 | 122.5 | 12.67 |
| Total loans | 22,144.6 | 2,206.0 | 9.96 | 22,058.4 | 2,417.0 | 10.96 | 21,175.0 | 2,427.0 | 11.46 |
| Investment securities: | | | | | | | | | |
| Taxable | 5,258.3 | 472.4 | 8.98 | 4,135.7 | 385.5 | 9.32 | 3,115.9 | 281.2 | 9.03 |
| Tax-exempt <F2> | 1,396.8 | 150.4 | 10.77 | 1,510.7 | 164.2 | 10.87 | 1,531.5 | 170.2 | 11.12 |
| Total investment securities | 6,655.1 | 622.8 | 9.36 | 5,646.4 | 549.7 | 9.74 | 4,647.4 | 451.4 | 9.71 |
| Funds sold | 797.3 | 44.7 | 5.61 | 570.9 | 46.4 | 8.13 | 583.8 | 57.7 | 9.88 |
| Other short-term investments <F2> | 947.4 | 60.5 | 6.39 | 395.5 | 33.1 | 8.36 | 414.7 | 39.3 | 9.48 |
| Total earning assets | 30,544.4 | 2,934.0 | 9.61 | 28,671.2 | 3,046.2 | 10.62 | 26,820.9 | 2,975.4 | 11.09 |
| Reserve for loan losses | (384.0) | | | (360.4) | | | (332.2) | | |
| Cash and due from banks | 1,974.3 | | | 2,029.4 | | | 2,060.0 | | |
| Premises and equipment | 692.2 | | | 687.1 | | | 691.8 | | |
| Other assets | 1,065.1 | | | 907.7 | | | 849.2 | | |
| Unrealized gains(losses) on investment securities | - | | | - | | | - | | |
| Total assets | $33,892.0 | | | $31,935.0 | | | $30,089.7 | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | | | | |
| Interest-bearing deposits: | | | | | | | | | |
| NOW/Money market accounts | $7,710.2 | $348.9 | 4.53 % | $7,139.0 | $381.2 | 5.34 % | $7,121.3 | $404.4 | 5.68 % |
| Savings | 3,632.7 | 180.4 | 4.97 | 2,739.6 | 159.9 | 5.83 | 1,706.7 | 87.4 | 5.12 |
| Consumer time | 8,448.8 | 584.8 | 6.92 | 8,074.9 | 636.6 | 7.88 | 7,519.4 | 619.2 | 8.24 |
| Other time <F4> | 2,518.9 | 156.3 | 6.21 | 2,928.4 | 232.2 | 7.93 | 3,212.6 | 278.3 | 8.66 |
| Total interest-bearing deposits | 22,310.6 | 1,270.4 | 5.69 | 20,881.9 | 1,409.9 | 6.75 | 19,560.0 | 1,389.3 | 7.10 |
| Funds purchased | 2,527.2 | 135.3 | 5.36 | 2,371.1 | 183.4 | 7.74 | 1,962.7 | 177.4 | 9.04 |
| Other short-term borrowings | 174.0 | 10.1 | 5.79 | 182.6 | 14.5 | 7.96 | 169.4 | 15.0 | 8.88 |
| Long-term debt | 480.1 | 47.7 | 9.93 | 485.7 | 46.2 | 9.51 | 495.5 | 47.1 | 9.51 |
| Total interest-bearing liabilities | 25,491.9 | 1,463.5 | 5.74 | 23,921.3 | 1,654.0 | 6.91 | 22,187.6 | 1,628.8 | 7.34 |
| Noninterest-bearing deposits | 5,222.4 | | | 5,089.8 | | | 5,161.9 | | |
| Other liabilities | 668.2 | | | 657.0 | | | 673.1 | | |
| Realized shareholders' equity | 2,509.5 | | | 2,266.9 | | | 2,067.1 | | |

| | | | |
|---|---|---|---|
| Net unrealized gains(losses) on investment securities | - | - | - |
| Total liabilities and shareholders' equity | 33,892.0 | $31,935.0 | $30,089.7 |
| Interest rate spread | 3.87 % | 3.71 % | 3.75 % |
| NET INTEREST INCOME | $1,470.5 | $1,392.2 | $1,346.6 |
| NET INTEREST MARGIN <F4> | 4.81 % | 4.86 % | 5.02 % |

<FN>
<F1>See footnote 1 in Table 5A.
<F2>See footnote 2 in Table 5A.
<F3>See footnote 3 in Table 5A.
<F4>See footnote 4 in Table 5A.
</TABLE>



TABLE 5C - CONSOLIDATED GROWTH RATE IN AVERAGE BALANCES

| (Dollars in millions; yields on taxable-equivalent basis) | Growth Rate in Average Balances One Year 1994-1993 | Five Year Annualized 1994-1989 |
|---|---|---|
| Assets | | |
| Loans | | |
| Taxable | 9.9 % | 4.9 % |
| Tax-exempt | (8.2) | (5.4) |
| Total loans | 9.3 | 4.5 |
| Investment securities: | | |
| Taxable | 1.6 | 20.7 |
| Tax-exempt | (8.3) | (7.5) |
| Total investment securities | 0.3 | 14.1 |
| Funds sold | 13.9 | (8.2) |
| Other short-term investments | (45.6) | (5.4) |
| Total earning assets | 6.1 | 6.1 |
| Reserve for loan losses | 16.5 | 12.8 |
| Cash and due from banks | 1.3 | 1.6 |
| Premises and equipment | 0.5 | 0.6 |
| Other assets | (2.4) | 4.5 |
| Unrealized gains(losses) on investment securities | - | - |
| Total assets | 7.9 % | 6.1 % |
| Liabilities and Shareholders' Equity | | |
| Interest-bearing deposits: | | |
| NOW/Money market accounts | 1.5 % | 6.6 % |
| Savings | (3.3) | 20.7 |
| Consumer time | (2.5) | (2.5) |
| Other time | 57.4 | (1.0) |
| Total interest-bearing deposits | 4.1 | 4.0 |
| Funds purchased | (1.7) | 9.2 |
| Other short-term borrowings | 71.4 | 44.9 |
| Long-term debt | 48.6 | 12.9 |
| Total interest-bearing liabilities | 6.0 | 5.4 |
| Noninterest-bearing deposits | 3.8 | 6.4 |
| Other liabilities | 61.4 | 8.2 |
| Realized shareholders' equity | 3.0 | 7.4 |
| Net unrealized gains(losses) on investment securities | - | - |
| Total liabilities and shareholders' equity | 7.9 % | 6.1 % |



LOANS

Loan demand was the strongest in several years and showed an improving trend in the second half of the year. Average loans increased 9.4% over the prior year with growth of 10.1% in Florida, 9.4% in Georgia and 8.1% in Tennessee/Alabama. An increased emphasis by our banks produced strong growth in adjustable-rate residential mortgage loans. The Company's only significant concentration of credit at December 31, 1994 occurred in loans secured by real estate which totaled $14.0 billion. However, this amount is not concentrated in any specific type of loan or geographic area. At year-end 1994, real estate loans in Florida banks were $9.1 billion, or 61% of total loans, $3.1 billion in Georgia banks, or 33%, and $1.8 billion, or 42%, in Tennessee/Alabama banks. Of the $8.4 billion in mortgage loans for 1-4 family dwellings, $580.3 million were home equity loans. The average loan-to-deposit ratio increased to 85.6% in 1994 compared with 81.4% in 1993.

At December 31, 1994, international outstandings, which include loans, acceptances, deposits in other banks, foreign guarantees and accrued interest, net of write-downs, totaled $328.8 million, a decrease of 51.0% from $670.6 million at December 31, 1993. Most of the balances were temporary investments and trade financing in Canada and Western Europe. Mexican loans at year-end totaled $15 million which were reduced to $11 million by a $4 million payment in early 1995.

<TABLE>
TABLE 6 - LOAN PORTFOLIO BY TYPES OF LOANS
<CAPTION>

| (In millions) At December 31 | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 |
|---|---|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Commercial: | | | | | | |
| Domestic | $9,279.2 | $8,190.3 | $7,933.4 | $7,324.3 | $7,656.6 | $7,063.9 |
| International | 273.2 | 197.8 | 167.3 | 119.4 | 79.3 | 38.0 |
| Real estate: | | | | | | |
| Construction | 1,151.1 | 1,083.2 | 1,034.7 | 1,121.7 | 1,367.3 | 1,509.6 |
| Mortgage, 1-4 family | 8,380.5 | 7,013.8 | 5,911.6 | 5,488.4 | 5,221.7 | 4,589.0 |
| Other | 4,516.3 | 4,456.8 | 4,495.5 | 4,161.8 | 3,912.3 | 3,662.2 |
| Lease financing | 411.0 | 328.1 | 355.4 | 363.7 | 383.3 | 401.1 |
| Credit card | 690.5 | 698.2 | 725.7 | 745.2 | 775.6 | 711.0 |
| Other consumer loans | 3,847.1 | 3,323.9 | 2,869.9 | 2,927.0 | 3,374.2 | 3,779.4 |
| Loans | $28,548.9 | $25,292.1 | $23,493.5 | $22,251.5 | $22,770.3 | $21,754.2 |

</TABLE>



<TABLE>
TABLE 7 - RESERVE FOR LOAN LOSSES
<CAPTION>

| (Dollars in millions) At December 31 | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 |
|---|---|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Allocation of Reserve for Loan Losses by Loan Type | | | | | | |
| Commercial | $138.7 | $139.4 | $155.2 | $147.1 | $130.7 | $122.4 |
| Real estate | 200.6 | 189.6 | 164.0 | 105.2 | 106.6 | 77.4 |
| Lease financing | 2.8 | 2.8 | 2.6 | 4.4 | 6.5 | 4.2 |
| Consumer loans | 74.6 | 88.7 | 82.5 | 78.5 | 63.3 | 58.6 |
| Unallocated | 230.3 | 140.7 | 69.9 | 45.8 | 59.8 | 84.9 |
| Total | $647.0 | $561.2 | $474.2 | $381.0 | $366.9 | $347.5 |
| Allocation of Reserve for Loan Losses as a Percent of Total Reserve | | | | | | |
| Commercial | 21.4 % | 24.8 % | 32.7 % | 38.6 % | 35.5 % | 35.2 % |
| Real estate | 31.0 | 33.8 | 34.7 | 27.6 | 29.1 | 22.3 |
| Lease financing | 0.4 | 0.5 | 0.5 | 1.2 | 1.8 | 1.2 |
| Consumer loans | 11.5 | 16.0 | 17.4 | 20.6 | 17.3 | 16.9 |
| Unallocated | 35.7 | 24.9 | 14.7 | 12.0 | 16.3 | 24.4 |
| Total | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % |
| Year-end Loan Types as a Percent of Total Loans | | | | | | |
| Commercial | 33.5 % | 33.1 % | 34.3 % | 33.2 % | 33.7 % | 32.2 % |
| Real estate | 49.2 | 49.6 | 48.5 | 48.2 | 45.6 | 44.3 |
| Lease financing | 1.4 | 1.5 | 1.5 | 1.6 | 1.7 | 1.8 |
| Consumer loans | 15.9 | 15.8 | 15.7 | 17.0 | 19.0 | 21.7 |
| Total | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % |

</TABLE>



<TABLE>
TABLE 8 - SUMMARY OF LOAN LOSS EXPERIENCE
<CAPTION>

| | Year Ended December 31 | | | | | |
|---|---|---|---|---|---|---|
| (Dollars in millions) | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Reserve for Loan Losses | | | | | | |
| Balance - beginning of year | $561.2 | $474.2 | $381.0 | $366.9 | $347.5 | $306.5 |
| Reserve of purchased banks | 8.3 | 8.0 | 6.4 | 0.4 | 1.0 | 0.1 |
| Provision for loan losses | 137.8 | 189.1 | 234.2 | 209.6 | 201.6 | 180.5 |
| Charge-offs: | | | | | | |
| Domestic: | | | | | | |
| Commercial | (28.1) | (47.8) | (61.3) | (96.1) | (76.8) | (57.5) |
| Real estate: | | | | | | |
| Construction | (0.7) | (7.6) | (7.3) | (7.9) | (18.1) | (16.8) |

| | | | | | | |
|---|---|---|---|---|---|---|
| Mortgage, 1-4 family | (7.3) | (10.9) | (10.3) | (6.1) | (2.6) | (3.1) |
| Other | (20.5) | (35.1) | (44.5) | (26.2) | (29.8) | (5.0) |
| Lease financing | (0.7) | (1.0) | (3.0) | (6.5) | (4.2) | (4.5) |
| Credit card | (26.3) | (28.9) | (33.6) | (37.3) | (28.1) | (23.3) |
| Other consumer loans | (30.1) | (31.9) | (42.0) | (62.0) | (66.2) | (63.1) |
| International | - | - | - | - | (0.1) | (8.4) |
| Total charge-offs | (113.7) | (163.2) | (202.0) | (242.1) | (225.9) | (181.7) |
| Recoveries: | | | | | | |
| Domestic: | | | | | | |
| Commercial | 18.6 | 20.9 | 22.1 | 16.3 | 13.7 | 14.5 |
| Real estate: | | | | | | |
| Construction | 0.7 | 0.5 | 0.7 | 0.4 | 0.9 | 0.2 |
| Mortgage, 1-4 family | 1.5 | 1.3 | 1.1 | 0.9 | 0.5 | 0.6 |
| Other | 6.3 | 5.2 | 3.0 | 1.4 | 1.2 | 0.8 |
| Lease financing | 0.6 | 1.0 | 1.1 | 2.0 | 1.0 | 1.0 |
| Credit card | 7.3 | 5.7 | 6.8 | 6.1 | 5.4 | 5.2 |
| Other consumer loans | 18.3 | 18.4 | 19.5 | 17.6 | 18.0 | 16.0 |
| International | 0.1 | 0.1 | 0.3 | 1.5 | 2.0 | 3.8 |
| Total recoveries | 53.4 | 53.1 | 54.6 | 46.2 | 42.7 | 42.1 |
| Net charge-offs | (60.3) | (110.1) | (147.4) | (195.9) | (183.2) | (139.6) |
| Balance - end of year | $647.0 | $561.2 | $474.2 | $381.0 | $366.9 | $347.5 |
| Year-end loans outstanding: | | | | | | |
| Domestic | $28,260.3 | $25,078.0 | $23,326.2 | $22,117.5 | $22,687.8 | $21,714.0 |
| International | 288.6 | 214.1 | 167.3 | 134.0 | 82.5 | 40.2 |
| Total | $28,548.9 | $25,292.1 | $23,493.5 | $22,251.5 | $22,770.3 | $21,754.2 |
| Average loans | $26,412.6 | $24,162.8 | $22,489.1 | $22,144.6 | $22,058.4 | $21,175.0 |
| Ratios | | | | | | |
| Reserve to year-end loans | 2.27 % | 2.22 % | 2.02 % | 1.71 % | 1.61 % | 1.60 % |
| Net charge-offs to average loans | 0.23 | 0.46 | 0.66 | 0.89 | 0.84 | 0.64 |
| Provision to average loans | 0.52 | 0.78 | 1.04 | 0.95 | 0.91 | 0.85 |
| Recoveries to total charge-offs | 47.0 | 32.5 | 27.0 | 19.1 | 18.9 | 23.2 |

</TABLE>



NONPERFORMING ASSETS

Nonperforming assets consist of nonaccrual loans, restructured loans and other real estate owned. Nonperforming assets decreased $135.4 million, or 33.0%, from year-end 1993 and down $46.1 million from the third quarter of 1994. Over half of the 1994 decline occurred in our Florida banks, cutting their ratio of nonperforming assets to total loans plus other real estate owned to 1.02% at December 31, 1994. Included in nonperforming loans are loans aggregating $43.8 million that are current as to the payment of principal and interest but have been placed in nonperforming status because of uncertainty as to the borrower's ability to make future payments. In management's opinion, all material potential problem loans are included in Table 9.

Statements of Financial Accounting Standards No. 114 (FAS 114) "Accounting by Creditors for Impairment of a Loan" and No. 118 (FAS 118) "Accounting by Creditors for Impairment of a Loan - Income Recognition and Disclosures" are effective for fiscal years beginning after December 15, 1994. FAS 114 and FAS 118 address the accounting by creditors for impairment of a loan and loans that are restructured in a troubled debt restructuring. SunTrust will adopt these standards in the first quarter of 1995. It is estimated that such adoption will have no material effect on the earnings or financial condition of the Company.

Interest income on nonaccrual loans, if recognized, is recorded on a cash basis. When a loan is placed on nonaccrual, unpaid interest is reversed against interest income if it was accrued in the current year and is charged to reserve for loan losses if it was accrued in prior years. When a nonaccrual loan is returned to accruing status, any unpaid interest is recorded as interest income after all principal has been collected.

For the year 1994, the gross amount of interest income that would have been recorded on nonaccrual loans and restructured loans at December 31, 1994, if all such loans had been accruing interest at the original contractual rate, was $18.5 million. Interest payments recorded in 1994 as interest income (excluding reversals of previously accrued interest) for all such nonperforming loans at December 31, 1994, were $10.5 million.



<TABLE>
TABLE 9 - NONPERFORMING ASSETS AND ACCRUING LOANS
PAST DUE 90 DAYS OR MORE
<CAPTION>

| (Dollars in millions) At December 31 | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 |
|---|---|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Nonperforming Assets | | | | | | |
| Nonaccrual loans: | | | | | | |
| Commercial | $27.9 | $41.3 | $49.6 | $83.7 | $102.4 | $73.2 |
| Real Estate: | | | | | | |
| Construction | 16.0 | 29.9 | 45.4 | 60.0 | 48.7 | 83.4 |
| Mortgage, 1-4 family | 45.3 | 53.1 | 45.5 | 49.5 | 37.3 | 19.9 |
| Other | 82.0 | 116.8 | 160.2 | 207.1 | 159.4 | 68.3 |
| Lease financing | 0.2 | 0.1 | 0.9 | 2.7 | 3.2 | 4.0 |
| Consumer loans | 11.6 | 9.3 | 18.1 | 23.8 | 14.0 | 13.5 |
| Total nonaccrual loans | 183.0 | 250.5 | 319.7 | 426.8 | 365.0 | 262.3 |
| Restructured loans | 4.6 | 11.3 | 4.6 | 17.3 | 8.9 | 19.5 |
| Total nonperforming loans | 187.6 | 261.8 | 324.3 | 444.1 | 373.9 | 281.8 |
| Other real estate owned | 87.7 | 148.9 | 220.3 | 245.9 | 246.8 | 78.2 |
| Total nonperforming assets | $275.3 | $410.7 | $544.6 | $690.0 | $620.7 | $360.0 |
| | | | | | | |
| Ratios | | | | | | |
| Nonperforming loans to total loans | 0.66 % | 1.03 % | 1.38 % | 2.00 % | 1.64 % | 1.30 % |
| Nonperforming assets to total loans plus other real estate owned | 0.96 | 1.61 | 2.30 | 3.07 | 2.70 | 1.65 |
| Reserve to nonperforming loans | 344.9 | 214.4 | 146.2 | 85.8 | 98.1 | 123.3 |
| | | | | | | |
| Accruing Loans Past Due 90 Days or More | $19.2 | $24.4 | $27.6 | $30.4 | $42.5 | $39.6 |

</TABLE>

INVESTMENT SECURITIES

The investment portfolio continues to be managed to maximize yield over an entire interest rate cycle while providing liquidity and minimizing market risk. The portfolio yield declined from an average of 6.32% in 1993 to 5.98% in 1994. However, the yield has begun to rise in response to higher market rates and was higher at the end of the year than the average for 1994. The portfolio size declined by $1.0 billion from December 31, 1993 to December 31, 1994 as a portion of maturities were used to meet loan demand. Portfolio turnover from sales totaled $1.4 billion in 1994, representing approximately 16% of the average portfolio size. The sales resulted in a pre-tax loss of $2.7 million but reinvesting at higher yields will improve future income. The average life of the portfolio was approximately 3.5 years at year-end 1994; however, adjustable-rate securities in the portfolio reduced the average time to repricing to 2.4 years.

The Company classified all of its investment securities as "available-for-sale" which is consistent with the Company's investment philosophy of maintaining flexibility to manage the securities portfolio. The carrying value of investment securities at December 31, 1994 reflected $916.6 million in unrealized gains, including a $1,242.8 million unrealized gain on the Company's investment in common stock of The Coca-Cola Company.



<TABLE>
TABLE 10 - INVESTMENT SECURITIES BY CATEGORY
<CAPTION>

| (In millions) At December 31 | Amortized Cost | Fair Value | Unrealized Gains | Unrealized Losses |
|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> |
| U.S. Treasury: | | | | |
| 1994 | $2,508.1 | $2,378.4 | $0.8 | $130.5 |
| 1993 | 2,952.7 | 2,985.8 | 34.0 | 0.9 |
| 1992 | 2,802.1 | 2,858.0 | 58.8 | 2.9 |
| | | | | |
| U.S. government agencies and corporations: | | | | |
| 1994 | $1,067.3 | $1,007.8 | $0.4 | $59.9 |
| 1993 | 821.7 | 828.2 | 6.6 | 0.1 |
| 1992 | 1,068.6 | 1,080.0 | 11.5 | 0.1 |
| | | | | |
| States and political subsidivions: | | | | |
| 1994 | $958.1 | $972.1 | $29.1 | $15.1 |
| 1993 | 1,080.3 | 1,157.6 | 78.0 | 0.7 |
| 1992 | 1,165.8 | 1,234.0 | 69.5 | 1.3 |
| | | | | |
| Mortgage-backed securities: | | | | |
| 1994 | $3,661.9 | $3,500.7 | $3.4 | $164.6 |
| 1993 | 4,319.3 | 4,343.3 | 36.8 | 12.8 |
| 1992 | 3,464.5 | 3,503.3 | 45.7 | 6.9 |
| | | | | |
| Common stock of The Coca-Cola Company: | | | | |
| 1994 | $0.1 | $1,242.9 | $1,242.8 | $- |
| 1993 | 0.1 | 1,076.9 | 1,076.8 | - |
| 1992 | 0.1 | 1,010.6 | 1,010.5 | - |
| | | | | |
| Other securities: | | | | |

| | | | | |
|---|---|---|---|---|
| 1994 | $206.4 | $216.8 | $12.4 | $2.0 |
| 1993 | 234.5 | 252.1 | 18.4 | 0.8 |
| 1992 | 213.9 | 223.6 | 11.2 | 1.5 |
| Total investment securities | | | | |
| 1994 | $8,401.9 | $9,318.7 | $1,288.9 | $372.1 |
| 1993 | 9,408.6 | 10,643.9 | 1,250.6 | 15.3 |
| 1992 | 8,715.0 | 9,909.5 | 1,207.2 | 12.7 |

</TABLE>



DEPOSITS

Average deposits increased 4.0% in 1994. Other time deposits (primarily commercial time deposits over $100,000) posted the largest increase at 57.4%. Noninterest-bearing demand deposits increased 3.8% and consumer time deposits were down 2.5%. Interest-bearing deposits comprised 77.2% of average total deposits in both 1994 and 1993.

<TABLE>
TABLE 11 - COMPOSITION OF AVERAGE DEPOSITS
<CAPTION>

| | Year Ended December 31 | | | Percent of Total | | |
|---|---|---|---|---|---|---|
| (Dollars in millions) | 1994 | 1993 | 1992 | 1994 | 1993 | 1992 |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Noninterest-bearing | $7,034.1 | $6,773.3 | $5,909.9 | 22.8 % | 22.8 % | 20.6 % |
| NOW/Money market accounts | 9,798.9 | 9,655.0 | 8,900.8 | 31.7 | 32.5 | 31.2 |
| Savings | 4,364.5 | 4,515.0 | 4,316.1 | 14.1 | 15.2 | 15.1 |
| Consumer time | 6,626.2 | 6,799.4 | 7,350.0 | 21.5 | 23.0 | 25.6 |
| Other time | 3,054.1 | 1,940.6 | 2,132.8 | 9.9 | 6.5 | 7.5 |
| Total | $30,877.8 | $29,683.3 | $28,609.6 | 100.0 % | 100.0 % | 100.0 % |

</TABLE>

FUNDS PURCHASED

Average funds purchased, which are composed of federal funds purchased and securities sold under agreements to repurchase, decreased $52.7 million or 1.7% in 1994. Also, average net purchased funds (average funds purchased less average funds sold) decreased $99.2 million in 1994. Average net purchased funds were 7.4% of earning assets for 1994 compared to 8.1% in 1993.

TABLE 12 - FUNDS PURCHASED(1)

| | At December 31 | | Daily Average | | Maximum Outstanding at Any |
|---|---|---|---|---|---|
| (Dollars in millions) | Balance | Rate | Balance | Rate | Month-end |
| 1994 | $4,351.9 | 4.90 % | $3,050.0 | 4.00 % | $4,351.9 |
| 1993 | 3,795.4 | 2.65 | 3,102.7 | 2.83 | 3,795.4 |
| 1992 | 3,789.7 | 2.83 | 2,664.5 | 3.27 | 3,789.7 |

(1) Consists of federal funds purchased and securities sold under agreements to repurchase that mature either overnight or at a fixed maturity generally not exceeding three months. Rates on overnight funds reflect current market rates. Rates on fixed maturity borrowings are set at the time of the borrowings.

CAPITAL RESOURCES

Consistent with the objective of operating a sound financial organization, SunTrust maintains capital ratios well above regulatory requirements. The rate of internal capital generation has been more than adequate to support asset growth. Table 13 presents capital ratios for the six most recent years.

Regulatory agencies measure capital adequacy within a framework that makes capital requirements sensitive to the risk profiles of individual banking companies. The guidelines define capital as either Tier 1 (primarily shareholders' equity) or Tier 2 (certain debt instruments and a portion of the reserve for loan losses). The Company and its subsidiary banks are subject to a minimum Tier 1 capital to risk-weighted assets ratio of 4% and a minimum total capital (Tier 1 plus Tier 2) to risk-weighted assets ratio of 8%. The Federal Reserve Board (Board) has also established an additional



capital adequacy guideline referred to as the Tier 1 leverage ratio that measures the ratio of Tier 1 capital to average quarterly assets. Regulatory agencies preclude banks from formally including FAS 115 unrecognized gains and losses in calculating Tier 1 capital; therefore, the appreciation of $1.2 billion in the Company's 24,133,248 shares of common stock of The Coca-Cola Company is not included in our risk-adjusted capital.

The Federal Deposit Insurance Corporation Improvement Act of 1992 (FDICIA) required the establishment of a capital-based supervisory system of prompt corrective action for all depository institutions. The Board's implementation of FDICIA defines "well capitalized" institutions as those whose capital ratios equal or exceed the following minimum ratios: Tier 1 capital ratio of 6%, total risk-based ratio of 10%, and a Tier 1 leverage ratio of 5%. At December 31, 1994, the Company's Tier 1 capital, total risk-based capital and Tier 1 leverage ratios were 7.95%, 10.05% and 6.68%, respectively.

<TABLE>
TABLE 13 - CAPITAL
<CAPTION>

| | At December 31 | | | | | |
|---|---|---|---|---|---|---|
| (Dollars in millions) | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Tier 1 capital: | | | | | | |
| Realized shareholders' equity | $2,883.3 | $2,845.8 | $2,769.7 | $2,622.8 | $2,377.1 | $2,159.3 |
| Intangible assets other than servicing rights | (222.2) | (194.0) | (174.6) | (173.3) | (163.9) | |
| Total Tier 1 capital | 2,661.1 | 2,651.8 | 2,595.1 | 2,449.5 | 2,213.2 | |
| Tier 2 capital: | | | | | | |
| Allowable reserve for loan losses | 420.9 | 378.1 | 349.8 | 327.9 | 327.5 | |
| Allowable long-term debt | 281.4 | 120.4 | 200.0 | 336.3 | 269.5 | |
| Total Tier 2 capital | 702.3 | 498.5 | 549.8 | 664.2 | 597.0 | |
| Total capital | $3,363.4 | $3,150.3 | $3,144.9 | $3,113.7 | $2,810.2 | |
| Risk-weighted assets | $33,444.3 | $29,871.4 | $27,684.4 | $26,005.7 | $25,993.4 | |
| Risk-based ratios: | | | | | | |
| Tier 1 capital | 7.95 % | 8.88 % | 9.37 % | 9.42 % | 8.51 % | |
| Total capital | 10.05 | 10.55 | 11.35 | 11.97 | 10.81 | |
| Tier 1 leverage ratio | 6.68 | 6.82 | 7.27 | 7.14 | 6.97 | |
| Total shareholders' equity to assets | 8.09 | 8.86 | 7.33 | 7.35 | 6.90 | 6.74 % |

</TABLE>

In October 1993, the Board of Directors authorized the Company to repurchase up to 12,000,000 shares of SunTrust common stock. Through December 31, 1994, the Company had repurchased 10,135,241 shares of SunTrust common stock with authority remaining to purchase an additional 1,864,759 shares.

LIQUIDITY

Liquidity is managed to ensure there is sufficient cash flow to satisfy demand for credit, deposit withdrawals and other attractive market opportunities. A large stable, core deposit base, strong capital position and excellent credit ratings are the solid foundation for the Company's liquidity position. It is enhanced by an investment portfolio structured to provide liquidity as needed, which occurred in 1994 when loan demand exceeded deposit growth. It is also strengthened by ready access to regional and national wholesale funding sources including fed funds purchased, securities sold under agreements to repurchase, negotiable certificates of deposit and offshore deposits, as well as an active bank deposit note program, commercial paper issuance by the Parent Company, and Federal Home Loan Bank (FHLB) advances for several subsidiary banks who are FHLB members.



<TABLE>
TABLE 14 - LOAN MATURITY
<CAPTION>

| | Remaining Maturities of Selected Loans | | | |
|---|---|---|---|---|
| (In millions) At December 31, 1994 | Total | Within 1 Year | 1-5 Years | After 5 Years |
| <S> | <C> | <C> | <C> | <C> |
| Loan Maturity | | | | |
| Commercial | $9,552.4 | $5,458.8 | $3,088.2 | $1,005.4 |
| Real estate - construction | 1,151.1 | 971.5 | 179.0 | 0.6 |
| Total | $10,703.5 | $6,430.3 | $3,267.2 | $1,006.0 |
| Interest Rate Sensitivity | | | | |
| Selected loans with: | | | | |
| Predetermined interest rates | | | $1,987.8 | $275.8 |
| Floating or adjustable interest rates | | | 1,279.4 | 730.2 |
| Total | | | $3,267.2 | $1,006.0 |

</TABLE>

<TABLE>
TABLE 15 - MATURITY DISTRIBUTION OF INVESTMENT SECURITIES
<CAPTION>

| | At December 31, 1994 | | | | | |
|---|---|---|---|---|---|---|
| (Dollars in millions) | 1 Year or Less | 1-5 Years | 5-10 Years | After 10 Years | Total | Average Maturity in Years |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Distribution of Maturities: | | | | | | |
| Amortized Cost | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| U.S. Treasury and other U.S. government agencies and corporations | $347.8 | $3,223.8 | $3.8 | $ - | $3,575.4 | 2.7 |
| States and political subdivisions | 205.3 | 458.8 | 246.5 | 47.5 | 958.1 | 3.8 |
| Mortgage-backed securities <F1> | 61.5 | 3,079.1 | 518.7 | 2.6 | 3,661.9 | 4.3 |
| Total debt securities | $614.6 | $6,761.7 | $769.0 | $50.1 | $8,195.4 | 3.5 |
| Fair Value: | | | | | | |
| U.S. Treasury and other U.S. government agencies and corporations | $345.0 | $3,037.5 | $3.7 | $ - | $3,386.2 | |
| States and political subdivisions | 213.4 | 460.0 | 250.0 | 48.7 | 972.1 | |
| Mortgage-backed securities <F1> | 60.7 | 2,966.2 | 471.4 | 2.4 | 3,500.7 | |
| Total debt securities | $619.1 | $6,463.7 | $725.1 | $51.1 | $7,859.0 | |
| Weighted average yield(FTE): | | | | | | |
| U.S. Treasury and other U.S. government agencies and corporations | 5.90 % | 5.35 % | 6.76 % | - % | 5.41 % | |
| States and political subdivisions | 10.19 | 8.74 | 9.69 | 10.22 | 9.36 | |
| Mortgage-backed securities <F1> | 5.49 | 5.78 | 5.09 | - | 5.68 | |
| Total debt securities | 7.34 | 5.79 | 6.68 | 10.22 | 6.02 | |

<FN>
<F1> Distribution of maturities is based on expected cash flows which may be different from the contractual terms.
</TABLE>



TABLE 16 - MATURITY OF CERTIFICATES OF DEPOSIT AND OTHER TIME DEPOSITS IN AMOUNTS OF $100,000 OR MORE

| (In millions) At December 31, 1994 | Certificates of Deposit | Other Time Deposits | Total |
|---|---|---|---|
| Months to maturity: | | | |
| 3 or less | $764.5 | $1,926.5 | $2,691.0 |
| Over 3 through 6 | 372.8 | 7.8 | 380.6 |
| Over 6 through 12 | 395.6 | 9.9 | 405.5 |
| Over 12 | 415.6 | 55.3 | 470.9 |
| Total | $1,948.5 | $1,999.5 | $3,948.0 |

INTEREST RATE SENSITIVITY

SunTrust asset/liability management is charged with managing the balance sheet structure of the Company to optimize net interest income while minimizing the effect of interest rate changes on the net interest margin. SunTrust's objective is to maintain a neutral position relative to changes in interest rates. This is evidenced by the relative stability of the net interest margin in 1994, a period when interest rates increased dramatically. Simulation modeling is the tool used by SunTrust to evaluate its level of interest rate sensitivity, as well as to analyze balance sheet strategies. Table 17 represents a snapshot of the balance sheet structure as of year-end, but does not fully reflect the complexities of the interest sensitivity of the Company as reflected in its simulation modeling process. SunTrust utilizes interest rate swap transactions in a very limited fashion in the overall management of its interest sensitivity position. Table 19 contains summary information about these swap transactions.



<TABLE>
TABLE 17 - INTEREST RATE SENSITIVITY ANALYSIS
<CAPTION>

| | Repricing Within<F1> | | | | | |
|---|---|---|---|---|---|---|
| (Dollars in millions) At December 31, 1994 | 0-30 Days | 31-90 Days | 91-180 Days | 181-365 Days | Over 1 Year | Total |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| EARNING ASSETS | | | | | | |
| Loans <F2> | $11,457.8 | $2,170.7 | $1,984.6 | $3,972.9 | $8,636.9 | $28,222.9 |
| Investment securities <F3> | 432.7 | 222.9 | 320.2 | 1,020.2 | 6,386.4 | 8,382.4 |
| Interest-bearing deposits | 47.9 | 0.9 | - | 0.6 | 6.6 | 56.0 |
| Funds sold | 940.7 | - | - | - | - | 940.7 |
| Total earning assets | 12,879.1 | 2,394.5 | 2,304.8 | 4,993.7 | 15,029.9 | 37,602.0 |
| INTEREST-BEARING LIABILITIES | | | | | | |
| Interest-bearing deposits <F4> | 16,882.9 | 1,369.5 | 1,794.6 | 2,017.9 | 2,499.7 | 24,564.6 |
| Funds purchased | 4,351.9 | - | - | - | - | 4,351.9 |
| Other short-term borrowings | 375.1 | 305.2 | 35.0 | 61.9 | 8.5 | 785.7 |
| Long-term debt | 16.8 | 2.3 | 0.9 | 24.0 | 886.4 | 930.4 |
| Total interest-bearing liabilities | 21,626.7 | 1,677.0 | 1,830.5 | 2,103.8 | 3,394.6 | 30,632.6 |
| Off-balance sheet financial instruments | (250.0) | (522.0) | 50.0 | (20.0) | 742.0 | - |
| Interest-sensitivity gap | ($8,997.6) | $195.5 | $524.3 | $2,869.9 | $12,377.3 | $6,969.4 |
| Cumulative gap | ($8,997.6) | ($8,802.1) | ($8,277.8) | ($5,407.9) | $6,969.4 | |

| | | | | | |
|---|---|---|---|---|---|
| Ratio of cumulative gap to total earning assets | 23.9 % | 23.4 % | 22.0 % | 14.4 % | 18.5 % |
| Ratio of interest-sensitive assets to interest-sensitive liabilities | 59.6 | 142.8 | 125.9 | 237.4 | 442.8 |
| Cumulative gap at December 31, 1993 | ($7,570.7) | ($5,881.7) | ($5,296.6) | ($2,466.2) | $7,280.5 |
| Cumulative gap at December 31, 1992 | (6,531.3) | (6,354.1) | (5,979.7) | (3,373.1) | 6,305.6 |

<FN>
<F1> The repricing dates (which may differ from maturity dates) for various assets and liabilities do not consider external factors that might affect the interest rate sensitivity of assets and liabilities.
<F2> Excludes nonaccrual loans.
<F3> Includes trading account, does not include net unrealized gain of $916.6.
<F4> Savings, NOW and money market accounts can be repriced at any time; therefore, all such balances are included in 0-30 days. Consumer time and other time deposit balances are classified according to their remaining maturities.
</TABLE>



OFF-BALANCE SHEET INSTRUMENTS

The Company uses off-balance sheet financial instruments in managing interest rate and other market risks. Certain instruments are also created as a service to customers. The Company controls the credit risk of these off-balance sheet instruments by limiting the total amount of arrangements outstanding by individual counterparty; by monitoring the size and maturity structure of the portfolio; by obtaining collateral based on management's credit assessment of the counterparty; and by applying uniform credit standards maintained for all activities with credit risk. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment, and income-producing commercial properties. In addition, the Company enters into master netting agreements which incorporate the right to net settlements of covered contracts with the same counterparty in the event of default or other termination of the agreement. The two major classes of instruments are derivative instruments and credit-related arrangements.

<TABLE>
TABLE 18 - OFF-BALANCE SHEET FINANCIAL INSTRUMENTS
<CAPTION>

| | At December 31, 1994 Contract or Notional Amount | | | At December 31, 1993 Contract or Notional Amount | | |
|---|---|---|---|---|---|---|
| (In millions) | End User | For Customers | Credit Risk Amount | End User | For Customers | Credit Risk Amount |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Derivatives contracts: | | | | | | |
| Interest rate contracts: | | | | | | |
| Swaps | $1,838 | $888 | $53 | $2,188 | $989 | $85 |
| Futures and forwards | - | - | - | 477 | - | - |
| Options written | - | 370 | - | - | 416 | - |
| Options purchased | - | 360 | - | - | 401 | 4 |
| Total interest rate contracts | 1,838 | 1,618 | 53 | 2,665 | 1,806 | 89 |
| Foreign exchange rate contracts | 170 | - | 22 | 117 | - | 16 |
| Total derivatives contracts | $2,008 | $1,618 | 75 | $2,782 | $1,806 | 105 |
| Credit-related arrangements: | | | | | | |
| Commitments to extend credit | $12,670 | | 12,670 | $10,826 | | 10,826 |
| Standby letters of credit and similar arrangements | 2,618 | | 2,618 | 2,243 | | 2,243 |
| Total credit-related arrangements | $15,288 | | 15,288 | $13,069 | | 13,069 |
| When-issued securities: | | | | | | |
| Commitments to sell | $16 | | - | $353 | | - |
| Commitments to purchase | 6 | | - | 395 | | 395 |
| Total credit risk amount | | | $15,363 | | | $13,569 |

</TABLE>

Derivative Instruments

Derivative financial instruments, such as interest rate swaps, options, futures and forward contracts, are an important component of the Company's risk management profile. The Company also enters into such instruments as a service to corporate banking customers. Where contracts have been created for customers, the Company enters into offsetting positions to eliminate its exposure to interest rate risk.



The Company monitors its sensitivity to changes in interest rates and uses interest rate swap contracts to limit the volatility of net interest income. Due to the characteristics of the Company's funding sources, the majority of interest rate swaps involve the Company receiving a fixed rate and paying a floating rate. Of the "receive fixed" swaps in Table 19, $250 million is to hedge fixed rate bank notes and $1,365 million is to hedge the fixed rate funding source of floating rate commercial loans. The Company records all swap income and expense as interest expense. The total reduction of interest expense for 1994, 1993 and 1992 related to interest rate swaps was $30.6 million, $43.6 million and $36.3 million. Included in those amounts is $0.4 million, $0.5 million and $0.3 million representing income from swaps entered into for customers. For interest rate swaps entered into by the Company as an end user, the following table shows the weighted average rate received and weighted average rate paid by maturity and corresponding notional amounts at December 31, 1994.

TABLE 19 - INTEREST RATE SWAPS

| (Dollars in millions) At December 31, 1994 | Notional Value | Fair Value | Average Maturity In Months | Average Rate Paid | Average Rate Received |
|---|---|---|---|---|---|
| Gain position: | | | | | |
| Receive fixed | $510.0 | $7.9 | 4.0 | 6.40 % | 9.23 % |
| Pay fixed | 156.6 | 11.3 | 57.8 | 6.11 | 8.42 |
| Total gain position | 666.6 | 19.2 | | | |
| Loss position: | | | | | |
| Receive fixed | 1,105.0 | (16.2) | 19.3 | 7.59 | 6.17 |
| Pay fixed | 66.0 | - | 3.2 | 6.58 | 6.40 |
| Total loss position | 1,171.0 | (16.2) | | | |
| Total | $1,837.6 | $3.0 | | | |

Credit-Related Arrangements

In meeting the financing needs of its customers, the Company issues commitments to extend credit, standby and other letters of credit and guarantees, and also provides securities lending services. For these instruments, the contractual amount of the financial instrument represents the maximum potential credit risk if the counterparty does not perform according to the terms of the contract. A large majority of these contracts expire without being drawn upon. As a result, total contractual amounts do not represent future credit exposure or liquidity requirements.

Unfunded commitments to extend credit are agreements to lend to a customer who has complied with predetermined contractual conditions. Commitments generally have fixed expiration dates.

Standby letters of credit and guarantees are conditional commitments issued by the Company generally to guarantee the performance of a customer to a third party in borrowing arrangements, such as commercial paper, bond financing, construction and similar transactions. The credit risk involved in issuing standby letters of credit is essentially the same as that involved in extending loan facilities to customers and may be reduced by selling participations to third parties. The Company holds collateral to support those standby letters of credit and guarantees for which collateral is deemed necessary.



EARNINGS AND BALANCE SHEET ANALYSIS 1993 VS. 1992

Net income was $473.7 million in 1993 compared with $404.4 million in 1992. This increase amounted to $69.3 million or 17.1%. Earnings per common share in 1993 were $3.77, a 20.4% increase over the preceding year.

Net interest income for 1993 was relatively unchanged from 1992 despite a 6.4% growth in average assets. The Company's net interest margin declined from 5.16% in the fourth quarter of 1992 to 4.60% in the fourth quarter of 1993.

The provision for loan losses decreased $45.1 million from $234.2 million to $189.1 million while the reserve for loan losses as a percentage of loans increased from 2.02% to 2.22%. Net charge-offs were 0.46% of loans in 1993 versus 0.66% in 1992. Nonperforming assets decreased $133.9 million from $544.6 million at December 31, 1992 to $410.7 million at December 31, 1993. The largest decrease in nonperforming assets in 1993 occurred in real estate loans - other, primarily commercial real estate, which was down $43.4 million or 27.1%.

Noninterest income in 1993 was $726.5 million compared with $672.7 million in 1992. This represented an 8.0% growth with trust income and other charges and fees, both up by more than $20 million. The growth in other charges and fees was aided by the success of the STI Classic Funds. Noninterest expense was $1,408.4 million in 1993 versus $1,425.3 million in 1992. The Company's efficiency ratio was below 60% for the first time since SunTrust was formed in 1985. Personnel expense was up only 3.2% from 1992 levels, and other noninterest expenses were down as a result of a special program to control costs.

Loans at December 31, 1993, were $25.3 billion or 7.7% greater than at year-end 1992. At December 31, 1993, deposits were $30.5 billion, an increase of $0.6 billion or 2.0% from 1992 year-end.

## FOURTH QUARTER RESULTS

Net income per common share for the fourth quarter of 1994 was $1.13, an increase of 16.5% from $0.97 per share in the fourth quarter of 1993. Net income increased from $119.2 million in the 1993 fourth quarter to $132.3 million in the 1994 fourth quarter.

The main factors influencing these results were:

* The 1994 provision for loan losses of $35.2 million was $11.8 million lower than the $47.0 million in 1993. Net loan charge-offs for the current period were lower at $22.4 million versus $33.7 million in the 1993 fourth quarter.

* Average earning assets were $36.8 billion in the 1994 fourth quarter, 4.9% higher than in 1993. This gain, combined with a five basis point increase in the net interest margin, produced an increase of $25.2 million in net interest income on a taxable-equivalent basis.

* Noninterest income decreased by $13.1 million in the 1994 fourth quarter compared to the fourth quarter of 1993. Other charges and fees, including commissions on the sale of mutual funds, were down $8.9 million or 22.8%. Trust income was up $0.7 million or 1.2% over the 1993 fourth quarter.

* Improved returns from the sale of other real estate as part of the reduction of nonperforming assets were more than enough to explain a $0.3 million decrease in noninterest expense to $353.6 million. The decrease would have been more if not for a $9.4 million accrual in the fourth quarter of 1994 for committed expenses associated with strategic initiatives including changing the names of all our banks to "SunTrust."

* The provision for income taxes of $65.6 million was $12.2 million higher in the fourth quarter of 1994 than in the 1993 fourth quarter. The increase was the result of higher taxable income.



<TABLE>
TABLE 20 - QUARTERLY FINANCIAL DATA
<CAPTION>

| (Dollars in millions) except per share data | 1994 4 | 1994 3 | 1994 2 | 1994 1 | 1993 4 | 1993 3 | 1993 2 | 1993 1 |
|---|---|---|---|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> | <C> | <C> | <C> | <C> |
| SUMMARY OF OPERATIONS | | | | | | | | |
| Interest and dividend income | $691.9 | $652.7 | $621.1 | $586.6 | $588.6 | $591.1 | $588.9 | $593.7 |
| Interest expense | 274.2 | 244.9 | 216.2 | 197.2 | 197.2 | 198.4 | 195.5 | 199.6 |
| Net interest income | 417.7 | 407.8 | 404.9 | 389.4 | 391.4 | 392.7 | 393.4 | 394.1 |
| Provision for loan losses | 35.2 | 34.8 | 33.9 | 33.9 | 47.0 | 49.6 | 46.3 | 46.2 |
| Net interest income after provision for loan losses | 382.5 | 373.0 | 371.0 | 355.5 | 344.4 | 343.1 | 347.1 | 347.9 |
| Noninterest income | 169.0 | 173.1 | 177.2 | 180.6 | 182.1 | 181.8 | 181.9 | 180.7 |
| Noninterest expense | 353.6 | 349.0 | 351.4 | 346.0 | 353.9 | 346.9 | 353.9 | 353.7 |
| Income before provision for income taxes | 197.9 | 197.1 | 196.8 | 190.1 | 172.6 | 178.0 | 175.1 | 174.9 |
| Provision for income taxes | 65.6 | 65.2 | 65.4 | 63.0 | 53.4 | 57.7 | 56.4 | 59.4 |
| Net income | $132.3 | $131.9 | $131.4 | $127.1 | $119.2 | $120.3 | $118.7 | $115.5 |
| Net interest income (taxable-equivalent) | $431.4 | $421.7 | $419.0 | $403.5 | $406.2 | $409.4 | $409.0 | $409.8 |
| PER COMMON SHARE | | | | | | | | |
| Net income | $1.13 | $1.11 | $1.09 | $1.04 | $0.97 | $0.96 | $0.94 | $0.90 |
| Dividends declared | 0.36 | 0.32 | 0.32 | 0.32 | 0.32 | 0.28 | 0.28 | 0.28 |
| Book value | 29.85 | 29.79 | 28.61 | 28.74 | 29.47 | 23.06 | 22.40 | 22.05 |
| Market Price: | | | | | | | | |
| High | 51 1/8 | 51 3/8 | 50 1/2 | 47 1/8 | 46 | 48 | 48 3/4 | 49 5/8 |
| Low | 46 3/8 | 47 1/8 | 43 1/2 | 44 1/4 | 42 1/2 | 41 3/8 | 42 3/8 | 42 |
| Close | 47 3/4 | 48 3/4 | 48 3/8 | 44 5/8 | 45 | 44 1/2 | 47 1/8 | 46 5/8 |
| SELECTED AVERAGE BALANCES | | | | | | | | |
| Total assets | $40,991.2 | $40,391.4 | $40,340.6 | $40,226.5 | $38,690.7 | $37,552.5 | $37,098.0 | $36,736.4 |
| Earning assets | 36,790.8 | 36,161.2 | 35,941.1 | 35,536.6 | 35,071.4 | 34,141.0 | 33,650.5 | 33,306.0 |
| Loans | 27,614.0 | 26,746.4 | 25,991.6 | 25,269.1 | 24,786.6 | 24,283.6 | 24,093.8 | 23,471.4 |
| Total deposits | 31,338.2 | 31,338.4 | 30,755.0 | 30,060.4 | 30,091.6 | 29,551.1 | 29,732.3 | 29,351.5 |
| Realized shareholders' equity | 2,964.7 | 2,991.2 | 2,956.2 | 2,927.6 | 2,916.2 | 2,902.6 | 2,845.4 | 2,835.1 |
| Total shareholders' equity | 3,555.0 | 3,557.3 | 3,527.0 | 3,648.2 | 2,924.5 | 2,902.6 | 2,845.4 | 2,835.1 |
| Common equivalent shares (thousands) | 117,054 | 119,271 | 120,602 | 121,657 | 123,435 | 125,241 | 126,135 | 127,867 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Ratios (Annualized) | | | | | | | | |
| ROA | 1.31 % | 1.33 % | 1.34 % | 1.32 % | 1.22 % | 1.27 % | 1.28 % | 1.27 % |
| ROE | 17.71 | 17.49 | 17.84 | 17.60 | 16.22 | 16.44 | 16.74 | 16.52 |
| Net interest margin | 4.65 | 4.63 | 4.68 | 4.60 | 4.60 | 4.76 | 4.87 | 4.99 |

</TABLE>



<TABLE>
TABLE 21 - CONSOLIDATED DAILY AVERAGE BALANCES, INCOME/EXPENSE AND AVERAGE YIELDS EARNED AND RATES PAID
<CAPTION>

| | Quarter Ended | | | | | |
|---|---|---|---|---|---|---|
| | December 31, 1994 | | | December 31, 1993 | | |
| (Dollars in millions; yields on taxable-equivalent basis) | Average Balances | Income/ Expense | Yields/ Rates | Average Balances | Income/ Expense | Yields/ Rates |
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Assets | | | | | | |
| Loans: <F1> | | | | | | |
| Taxable | $26,887.1 | $547.7 | 8.08 % | $24,034.9 | $443.3 | 7.32 % |
| Tax-exempt <F2> | 726.9 | 16.4 | 8.93 | 751.7 | 14.1 | 7.46 |
| Total loans | 27,614.0 | 564.1 | 8.11 | 24,786.6 | 457.4 | 7.32 |
| Investment securities: | | | | | | |
| Taxable | 7,631.8 | 109.7 | 5.71 | 8,082.0 | 109.0 | 5.35 |
| Tax-exempt <F2> | 974.6 | 23.6 | 9.60 | 1,105.5 | 27.7 | 9.98 |
| Total investment securities | 8,606.4 | 133.3 | 6.15 | 9,187.5 | 136.7 | 5.91 |
| Funds sold | 469.2 | 6.7 | 5.69 | 526.3 | 4.3 | 3.25 |
| Other short-term investments <F2> | 101.2 | 1.5 | 5.78 | 571.0 | 5.0 | 3.43 |
| Total earning assets | 36,790.8 | 705.6 | 7.61 | 35,071.4 | 603.4 | 6.83 |
| Reserve for loan losses | (640.3) | | | (556.0) | | |
| Cash and due from banks | 2,155.6 | | | 2,313.8 | | |
| Premises and equipment | 712.4 | | | 715.5 | | |
| Other assets | 1,025.1 | | | 1,132.6 | | |
| Unrealized gains(losses) on investment securities | 947.6 | | | 13.4 | | |
| Total assets | $40,991.2 | | | $38,690.7 | | |
| Liabilities and Shareholders' Equity | | | | | | |
| Interest-bearing deposits: | | | | | | |
| NOW/Money market accounts | $9,698.2 | $62.6 | 2.56 % | $9,814.6 | $52.8 | 2.13 % |
| Savings | 4,123.0 | 26.9 | 2.58 | 4,515.6 | 25.9 | 2.28 |
| Consumer time | 6,833.8 | 76.2 | 4.43 | 6,528.9 | 64.5 | 3.92 |
| Other time <F3> | 3,585.0 | 39.7 | 4.40 | 2,077.1 | 9.3 | 1.78 |
| Total interest-bearing deposits | 24,240.0 | 205.4 | 3.36 | 22,936.2 | 152.5 | 2.64 |
| Funds purchased | 3,270.1 | 42.3 | 5.13 | 3,382.6 | 24.2 | 2.84 |
| Other short-term borrowings | 902.2 | 10.4 | 4.60 | 934.9 | 7.9 | 3.32 |
| Long-term debt | 919.1 | 16.1 | 6.96 | 629.5 | 12.6 | 7.97 |
| Total interest-bearing liabilities | 29,331.4 | 274.2 | 3.71 | 27,883.2 | 197.2 | 2.81 |
| Noninterest-bearing deposits | 7,098.2 | | | 7,155.4 | | |
| Other liabilities | 1,006.6 | | | 727.6 | | |
| Shareholders' equity | 2,964.7 | | | 2,916.2 | | |
| Net unrealized gains(losses) on investment securities | 590.3 | | | 8.3 | | |
| Total liabilities and shareholders' equity | $40,991.2 | | | $38,690.7 | | |
| Interest rate spread | | | 3.90 % | | | 4.02 % |
| Net Interest Income | | $431.4 | | | $406.2 | |
| Net Interest Margin <F3> | | | 4.65 % | | | 4.60 % |

<FN>
<F1> Interest income includes loan fees of $24.5 and $22.7 in the quarters ended December 31, 1994 and 1993. Nonaccrual loans are included in average balances and income on such loans, if recognized, is recorded on a cash basis.



<F2> Interest income includes the effects of taxable-equivalent adjustments using a Federal income tax rate of 35% and, where applicable, state income taxes to increase tax-exempt interest income to a taxable-equivalent basis. The net taxable-equivalent adjustment amounts included in the above table were $13.7 and $14.8 in the quarters ended December 31, 1994 and 1993.
<F3> Interest rate swap transactions used to help balance the Company's interest-sensitivity position reduced interest expense by $4.9 and $11.2 in the fourth quarter of 1994 and 1993, respectively. Without these swaps, the rate on Other time deposits and the net interest margin would have been 4.94% and 4.60% in 1994 and 3.91% and 4.47% in 1993.
</TABLE>

<TABLE>

TABLE 22 - QUARTERLY NONINTEREST INCOME AND EXPENSE

| (In millions) | 1994 4 | 1994 3 | 1994 2 | 1994 1 | 1993 4 | 1993 3 | 1993 2 | 1993 1 |
|---|---|---|---|---|---|---|---|---|
| Noninterest Income | | | | | | | | |
| Trust income | $61.4 | $61.6 | $63.4 | $63.9 | $60.7 | $61.5 | $63.0 | $61.8 |
| Service charges on deposit accounts | 53.7 | 54.3 | 54.2 | 56.2 | 56.6 | 57.5 | 55.9 | 55.9 |
| Other charges and fees | 30.0 | 28.6 | 30.8 | 31.7 | 38.9 | 36.4 | 34.3 | 32.5 |
| Credit card fees | 14.5 | 14.0 | 14.7 | 14.0 | 13.6 | 13.8 | 15.5 | 14.9 |
| Securities gains (losses) | (4.7) | (0.9) | 0.1 | 2.8 | 0.2 | 0.4 | 0.4 | 1.0 |
| Trading account profits and commissions | 2.3 | 1.8 | 1.8 | 2.1 | 2.2 | 2.7 | 3.1 | 3.3 |
| Other income | 11.8 | 13.7 | 12.2 | 9.9 | 9.9 | 9.5 | 9.7 | 11.3 |
| Total noninterest income | $169.0 | $173.1 | $177.2 | $180.6 | $182.1 | $181.8 | $181.9 | $180.7 |
| Noninterest Expense | | | | | | | | |
| Salaries | $138.1 | $138.5 | $137.5 | $136.3 | $134.7 | $133.1 | $131.2 | $130.1 |
| Other compensation | 22.6 | 25.1 | 23.9 | 24.5 | 26.1 | 26.2 | 28.0 | 27.1 |
| Employee benefits | 26.9 | 23.6 | 23.6 | 26.6 | 26.0 | 22.6 | 23.3 | 26.6 |
| Net occupancy expense | 30.0 | 32.8 | 33.0 | 31.1 | 32.1 | 32.6 | 31.8 | 31.9 |
| Equipment expense | 25.9 | 25.7 | 25.8 | 25.9 | 26.1 | 25.6 | 25.3 | 26.1 |
| FDIC premiums | 16.6 | 16.8 | 16.7 | 16.5 | 16.0 | 16.6 | 17.0 | 16.6 |
| Marketing and community relations | 19.7 | 11.0 | 14.1 | 12.4 | 11.2 | 11.6 | 12.2 | 13.0 |
| Postage and delivery | 8.5 | 8.5 | 8.4 | 8.7 | 8.2 | 8.2 | 8.0 | 8.0 |
| Operating supplies | 7.2 | 7.0 | 7.7 | 7.5 | 7.6 | 7.7 | 7.5 | 7.7 |
| Other real estate expense | (2.0) | (0.9) | 1.5 | (0.8) | 2.4 | 0.4 | 5.5 | 8.4 |
| Communications | 6.3 | 6.7 | 6.7 | 6.4 | 6.6 | 6.7 | 6.6 | 6.4 |
| Consulting and legal | 5.7 | 4.7 | 8.0 | 4.2 | 5.2 | 4.6 | 5.0 | 5.4 |
| Amortization of intangible assets | 5.1 | 5.2 | 5.4 | 4.9 | 5.2 | 5.1 | 4.8 | 4.6 |
| Other expense | 43.0 | 44.3 | 39.1 | 41.8 | 46.5 | 45.9 | 47.7 | 41.8 |
| Total noninterest expense | $353.6 | $349.0 | $351.4 | $346.0 | $353.9 | $346.9 | $353.9 | $353.7 |



TABLE 23 - SUMMARY OF LOAN LOSS EXPERIENCE, NONPERFORMING ASSETS AND ACCRUING LOANS PAST DUE 90 DAYS OR MORE (DOLLARS IN MILLIONS)

| | 1994 4 | 1994 3 | 1994 2 | 1994 1 | 1993 4 | 1993 3 | 1993 2 | 1993 1 |
|---|---|---|---|---|---|---|---|---|
| RESERVE FOR LOAN LOSSES | | | | | | | | |
| Balance - Beginning of quarter | $634.2 | $610.2 | $588.1 | $561.2 | $547.9 | $519.7 | $501.0 | $474.2 |
| Reserve of purchased bank | - | - | - | - | - | - | - | 8.0 |
| Provision for loan losses | 35.2 | 34.8 | 33.9 | 33.9 | 47.0 | 49.6 | 46.3 | 46.2 |
| Charge-offs | (33.7) | (25.8) | (25.0) | (29.2) | (46.3) | (35.5) | (41.5) | (39.9) |
| Recoveries | 11.3 | 15.0 | 13.2 | 13.9 | 12.6 | 14.1 | 13.9 | 12.5 |
| Balance - End of quarter | $647.0 | $634.2 | $610.2 | $588.1 | $561.2 | $547.9 | $519.7 | $501.0 |
| RATIOS | | | | | | | | |
| Reserve to loans outstanding - Quarter end | 2.27 % | 2.32 % | 2.28 % | 2.27 % | 2.22 % | 2.22 % | 2.14 % | 2.08 % |
| Net loan charge-offs (annualized) to average loans | 0.32 | 0.16 | 0.18 | 0.25 | 0.54 | 0.35 | 0.46 | 0.47 |
| Provison to average loans (annualized) | 0.50 | 0.52 | 0.52 | 0.54 | 0.75 | 0.81 | 0.77 | 0.80 |
| NONPERFORMING ASSETS | | | | | | | | |
| Nonaccrual loans | $183.0 | $206.7 | $218.3 | $232.5 | $250.5 | $281.9 | $306.3 | $339.5 |
| Restructured loans | 4.6 | 5.1 | 2.3 | 3.4 | 11.3 | 11.7 | 12.6 | 5.0 |
| Total nonperforming loans | 187.6 | 211.8 | 220.6 | 235.9 | 261.8 | 293.6 | 318.9 | 344.5 |
| Other real estate owned | 87.7 | 109.6 | 119.6 | 144.1 | 148.9 | 174.4 | 190.2 | 209.8 |
| Total nonperforming assets | $275.3 | $321.4 | $340.2 | $380.0 | $410.7 | $468.0 | $509.1 | $554.3 |
| RATIOS | | | | | | | | |
| Nonperforming loans to total loans | 0.66 % | 0.77 % | 0.82 % | 0.91 % | 1.03 % | 1.19 % | 1.31 % | 1.43 % |
| Nonperforming assets to total loans plus other real estate owned | 0.96 | 1.17 | 1.27 | 1.46 | 1.61 | 1.88 | 2.08 | 2.28 |
| Reserve to nonperforming loans | 344.9 | 299.4 | 276.6 | 249.3 | 214.4 | 186.6 | 163.0 | 145.5 |
| Accruing Loans Past Due 90 Days or More | $19.2 | $19.0 | $19.3 | $21.9 | $24.4 | $29.1 | $23.4 | $28.6 |



## BANKING INCOME

### FLORIDA

Net income for SunBanks, Inc. increased 11.9% to $279.5 million in 1994. ROA in 1994 was 1.37%, 9 basis points higher than 1993. Major factors in improved earnings were an increase in loan demand, a decrease of $28.5 million in the provision for loan losses and a $13.0 million reduction in noninterest expense. The seven banks in Florida with more than $1 billion in assets contributed 76% of the net income of SunBanks, Inc.

Banks With Assets Exceeding $1 Billion

| (Dollars in millions) | Net Income 1994 | 1993 | % Change | ROA 1994 | 1993 |
|---|---|---|---|---|---|
| SunBank, N.A. (Orlando) | $72.5 | $68.8 | 5.4 % | 1.47 % | 1.44 % |
| SunBank/South Florida, N.A. (Fort Lauderdale) | 42.0 | 36.7 | 14.5 | 1.48 | 1.28 |
| SunBank/Miami, N.A. | 30.1 | 26.6 | 13.1 | 1.26 | 1.09 |
| SunBank of Tampa Bay | 27.0 | 21.2 | 27.5 | 1.44 | 1.13 |
| SunBank of Volusia County (Daytona Beach) | 14.0 | 13.3 | 5.4 | 1.38 | 1.45 |
| SunBank/Gulf Coast (Sarasota) | 13.1 | 14.0 | (6.7) | 0.77 | 0.83 |
| SunBank and Trust Company (Brooksville) | 12.9 | 9.1 | 41.1 | 1.24 | 1.02 |

GEORGIA

Trust Company of Georgia continued its long history of excellent returns with an ROA of 1.62%. Net income rose 10.5% to $210.8 million in 1994. The 26.1% decline in the provision for loan losses was a major factor in the earnings improvement. Noninterest expense was down by 1.7%. Average earning assets rose 8.7% during the year with most of the increase attributable to loans which grew 9.4%.

Banks With Assets Exceeding $1 Billion

| (Dollars in millions) | Net Income 1994 | 1993 | % Change | ROA 1994 | 1993 |
|---|---|---|---|---|---|
| Trust Company Bank (Atlanta) | $159.0 | $144.3 | 10.2 % | 1.63 % | 1.63 % |

TENNESSEE/ALABAMA

Third National Corporation's earnings were up in 1994, with net income increasing 15.4% to $81.5 million. ROA in 1994 was 1.29% compared to 1.15% in 1993. A $9.0 million decrease in the provision for loan losses in 1994 was the major contributor to the increase in net income.

Banks With Assets Exceeding $1 Billion

| (Dollars in millions) | Net Income 1994 | 1993 | % Change | ROA 1994 | 1993 |
|---|---|---|---|---|---|
| Third National Bank in Nashville | $35.6 | $29.4 | 21.3 % | 1.19 % | 1.00 % |
| American National Bank and Trust Company of Chattanooga | 18.8 | 17.2 | 9.1 | 1.36 | 1.32 |
| Third National Bank of East Tennessee (Knoxville) | 13.1 | 11.2 | 16.9 | 1.37 | 1.22 |



TABLE 24 - FINANCIAL HIGHLIGHTS OF BANKING SUBSIDIARIES

| (Dollars in Millions) | SunBanks, Inc. 1994 | 1993 | Trust Company of Georgia 1994 | 1993 | Third National Corporation 1994 | 1993 |
|---|---|---|---|---|---|---|
| Summary of Operations | | | | | | |
| Net interest income (FTE) | $905.0 | $880.4 | $552.2 | $529.8 | $268.0 | $264.2 |
| Provision for loan losses | 82.0 | 110.5 | 39.4 | 53.3 | 15.9 | 24.9 |
| Trust income | 136.2 | 136.4 | 81.9 | 78.8 | 32.2 | 31.8 |
| Other noninterest income | 216.4 | 230.8 | 151.0 | 165.3 | 66.9 | 71.8 |
| Personnel expense | 296.2 | 312.5 | 176.9 | 183.2 | 94.6 | 96.3 |
| Other noninterest expense | 431.1 | 427.8 | 242.3 | 243.3 | 122.9 | 131.8 |
| Net income | 279.5 | 249.9 | 210.8 | 190.8 | 81.5 | 70.7 |
| Selected Average Balances | | | | | | |
| Total assets | 20,352 | 19,585 | 14,060 | 12,066 | 6,306 | 6,120 |
| Earning assets | 18,881 | 18,000 | 12,012 | 11,052 | 5,911 | 5,668 |
| Loans | 13,943 | 12,660 | 8,450 | 7,722 | 3,997 | 3,696 |
| Total deposits | 16,746 | 16,782 | 9,139 | 7,972 | 5,065 | 4,984 |
| Realized shareholder's equity | 1,735 | 1,572 | 1,113 | 1,046 | 522 | 502 |
| At December 31 | | | | | | |
| Total assets | 21,006 | 20,041 | 14,880 | 14,185 | 6,605 | 6,332 |
| Earning assets | 19,646 | 18,264 | 12,473 | 12,044 | 6,213 | 5,892 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Loans | 14,963 | 13,215 | 9,260 | 8,060 | 4,299 | 3,908 |
| Reserve for loan losses | 343 | 293 | 188 | 164 | 115 | 103 |
| Total deposits | 16,774 | 16,926 | 10,219 | 8,466 | 5,231 | 5,090 |
| Realized shareholder's equity | 1,809 | 1,619 | 1,173 | 1,079 | 524 | 499 |
| Total shareholders' equity | 1,702 | 1,663 | 1,879 | 1,769 | 488 | 517 |
| Credit Quality | | | | | | |
| Net loan charge-offs | 40.8 | 66.7 | 15.7 | 26.8 | 3.4 | 16.3 |
| Nonperforming loans<F1> | 113.5 | 168.1 | 56.6 | 72.3 | 17.0 | 20.8 |
| Other real estate owned<F1> | 40.3 | 54.7 | 13.7 | 31.0 | 33.8 | 63.1 |
| Ratios | | | | | | |
| ROA | 1.37 % | 1.28 % | 1.62 % | 1.58 % | 1.29 % | 1.15 % |
| ROE | 16.11 | 15.90 | 18.94 | 18.24 | 15.61 | 14.08 |
| Net interest margin | 4.79 | 4.89 | 4.60 | 4.79 | 4.53 | 4.66 |
| Efficiency ratio | 57.8 | 59.3 | 53.4 | 55.1 | 59.3 | 62.0 |
| Total shareholders' equity to assets | 8.10 | 8.30 | 12.63 | 12.47 | 7.39 | 8.16 |
| Net loan charge-offs to average loans | 0.29 | 0.53 | 0.19 | 0.35 | 0.09 | 0.44 |
| Nonperforming loans to total loans | 0.76 | 1.27 | 0.61 | 0.90 | 0.39 | 0.53 |
| Nonperforming assets to total loans plus other real estate owned | 1.02 | 1.68 | 0.76 | 1.28 | 1.17 | 2.11 |
| Reserve to loans | 2.29 | 2.22 | 2.03 | 2.04 | 2.68 | 2.63 |
| Reserve to nonperforming loans | 302.0 | 174.5 | 332.1 | 227.1 | 679.5 | 493.7 |

<FN>
<F1>At December 31.
</TABLE>



SUPERVISION AND REGULATION

As a bank holding company, the Company is subject to the regulation and supervision of the Federal Reserve Board. The Companpy's subsidiary banks (the "Subsidiary Banks") are subject to supervision and regulation by applicable state and federal banking agencies, including the Federal Reserve Board, the Office of the Comptroller of the Currency (the "Comptroller") and the Federal Deposit Insurance Corporation (the "FDIC"). The Subsidiary Banks are also subject to various requirements and restrictions under federal and state law, including requirements to maintain reserves against deposits, restrictions on the types and amounts of loans that may be granted and the interest that may be charged thereon, and limitations on the types of investments that may be made and the types of services that may be offered. Various consumer laws and regulations also affect the operations of the Subsidiary Banks. In addition to the impact of regulation, commercial banks are affected significantly by the actions of the Federal Reserve Board as it attempts to control be money supply and credit availability in order to influence the economy.

The Bank Holding Company Act currently prohibits the Federal Reserve Board from approving an application from a bank holding company to acquire shares of a bank holding company outside the state in which the operations of the holding company's banking subsidiaries are principally conducted, unless such an acquisition is specifically authorized by statute of the state in which the bank whose shares are to be acquired is located. However, under recently enacted federal legislation, the restriction on interstate acquisitions will be abolished effective September 1995, and thereafter, bank holding companies from any state will be able to acquire banks and bank holding companies located in any other state, subject to certain conditions, including nationwide and state imposed concentration limits. Banks also will be able to branch across state lines by acquisition, merger or de novo, effective June 1, 1997 (unless state law would permit such interstate branching at an earlier date), providing certain conditions are met including that applicable state law must expressly permit de novo interstate branching.

There are a number of obligations and restrictions imposed on bank holding companies and their depository institution subsidiaries by federal law and regulatory policy that are designed to reduce potential loss exposure to the depositors of such depository institutions and to the FDIC insurance fund in the event the depository institution becomes in danger of default or is in default. For example, under a policy of the Federal Reserve Board with respect to bank holding company operations, a bank holding company is required to serve as a source of financial strength to its subsidiary depository institutions to commit resources to support such institutions in circumstances where it might not do so absent such policy, In addition, the "cross-guarantee" provisions of federal law require insured depository institutions under common control to reimburse the FDIC for any loss suffered or reasonably anticipated as a result of the default of a commonly controlled insured depository institution or for any assistance provided by the FDIC to a commonly controlled insured depository institution in danger of default.

The federal banking agencies have broad powers under current federal law to take prompt corrective action to resolve problems of insured depository institutions. The extent of these powers depends upon whether the institutions in question are "well capitalized," "adequately capitalized," or "significantly undercapitalized" as such terms are defined under uniform regulations defining such capital levels issued by each of the federal banking agencies.



There are various legal and regulatory limits on the extent to which the Company's subsidiary banks may pay dividends or otherwise supply funds to the Company. In addition, federal and state regulatory agencies also have the authority to prevent a bank or bank holding company from paying a dividend or engaging in any other activity that, in the opinion of the agency, would constitute an unsafe or unsound practice.

There have been a number of legislative and regulatory proposals that would have an impact on the operation of bank holding companies and their banks. It is impossible to predict whether or in what form these proposals may be adopted in the future and, if adopted, what their effect will be on the Company.

FDIC regulations require that management report on its institution's responsibility for preparing financial statements, and establishing and maintaining an internal control structure and procedures for financial reporting and compliance with designated laws and regulations concerning safety and soundness; and that independent auditors attest to and report assertions in management's reports concerning compliance with such laws and regulations, using FDIC-approved audit procedures.

SunTrust Securities, Inc. is a broker-dealer registered with the Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc. Trusco Capital Management, Inc. is registered with the Securities and Exchange Commission and is an investment adviser pursuant to the Investment Advisers Act of 1940, as amended.

SunTrust Capital Markets, Inc. (STCM) is a broker-dealer registered with the Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc. and the Securities Investor Protection Corporation. It serves as the investment banking arm of SunTrust Banks, Inc. The business activities of STCM include public finance, corporate finance and the sale of investment securities to corporations, institutions and governmental entities.

## COMMUNITY REINVESTMENT

Our banks have prospered by operating on the philosophy - "Build your community, and you build your bank." This commitment to our communities includes efforts to serve the credit needs of low- and moderate-income, and other disadvantaged communities as well as small businesses. SunTrust bankers make thousands of calls in our communities each year. Our banks advertise in minority and non-English media to reach potential customers who may not be reached by more traditional marketing efforts. We participate, and often play a leading role, in lending consortia, community development corporations and other cooperative efforts with other financial institutions, local governments and non-profit organizations to help make credit available where it may be impossible to extend traditional loans.

Our performance in 1994 shows a strong commitment to our communities. SunTrust's banks in 1994 approved more than 3,000 mortgage loans totaling $134 million to residents of low- and moderate-income neighborhoods. SunTrust also made nearly 19,000 consumer loans totaling $323 million to residents of these areas, and we made 32,000 small business loans under $100,000, totaling nearly $900 million. We continue to seek ways to serve these markets profitably and prudently, and to ensure that all qualified applicants receive the loans they need.



## LEGAL PROCEEDINGS

The Company and its subsidiaries are parties to numerous claims and lawsuits arising in the course of their normal business activities, some of which involve claims for substantial amounts. Although the ultimate outcome of these suits cannot be ascertained at this time, it is the opinion of management that none of these matters, when resolved, will have a material effect on the Company's consolidated results of operations or financial position.

## COMPETITION

All aspects of the Company's business are highly competitive. The Company faces aggressive competition from other domestic and foreign lending institutions and from numerous other providers of financial services. The ability of nonbanking financial institutions to provide services previously reserved for commercial banks has intensified competition. Because nonbanking financial institutions are not subject to the same regulatory restrictions as banks and bank holding companies, they can often operate with greater flexibility.

## PROPERTIES

The Company's headquarters and the main offices of Trust Company of Georgia and Trust Company Bank are located in Atlanta, primarily in three office buildings owned by Trust Company Bank. These buildings contain a total of 547,120 square feet of office space. As of December 31, 1994, bank subsidiaries of the Company owned 476 of their 658 full-service banking offices, and leased the remaining banking offices. See Notes 6 and 15 of the Notes to Consolidated Financial Statements.



CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS



MANAGEMENT'S STATEMENT OF RESPONSIBILITY FOR FINANCIAL INFORMATION

Financial statements and information in this Annual Report were prepared in conformity with generally accepted accounting principles. Management is responsible for the integrity and objectivity of the financial statements and related information. Accordingly, it maintains an extensive system of internal controls and accounting policies and procedures to provide reasonable assurance of the accountability and safeguarding of Company assets, and of the accuracy of financial information. These procedures include management evaluations of asset quality and the impact of economic events, organizational arrangements that provide an appropriate division of responsibility, and a program of internal audits to evaluate independently the adequacy and application of financial and operating controls and compliance with Company policies and procedures.

The Company's independent public accountants, Arthur Andersen LLP, express their opinion as to the fairness of the financial statements presented. Their opinion is based on an audit conducted in accordance with generally accepted auditing standards as described in the second paragraph of their report.

The Board of Directors, through its Audit Committee, is responsible for ensuring that both management and the independent public accountants fulfill their respective responsibilities with regard to the financial statements. The Audit Committee, composed entirely of directors who are not officers or employees of the Company, meets periodically with both management and the independent public accountants to ensure that each is carrying out its responsibilities. The independent public accountants have full and free access to the Audit Committee and meet with it, with and without management present, to discuss auditing and financial reporting matters.

The Company assessed its internal control system as of December 31, 1994, in relation to criteria for effective internal control over financial reporting described in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, the Company believes that, as of December 31, 1994, its system of internal controls over financial reporting met those criteria.

| | | |
|---|---|---|
| James B. Williams | John W. Spiegel | William P. O'Halloran |
| Chairman of the Board of Directors and Chief Executive Officer | Executive Vice President and Chief Financial Officer | Senior Vice President and Controller |

ABBREVIATIONS

Within the consolidated financial statements and the notes thereto, the following references will be used:

SunTrust Banks, Inc. - Company or SunTrust
SunBanks, Inc. - Sun
Trust Company of Georgia - TCG
Third National Corporation - TNC
SunTrust Banks, Inc. Parent Company - Parent Company



<TABLE>

CONSOLIDATED STATEMENTS OF INCOME

<CAPTION>

| (Dollars in thousands except per share data)<F1> | Year Ended December 31 1994 | 1993 | 1992 |
|---|---|---|---|
| <S> | <C> | <C> | <C> |
| INTEREST INCOME | | | |
| Interest and fees on loans | $2,017,967 | $1,804,814 | $1,867,403 |
| Interest and dividends on investment securities: | | | |

| | | | |
|---|---|---|---|
| Taxable interest | 412,728 | 430,470 | 498,709 |
| Tax-exempt interest | 66,984 | 75,948 | 88,451 |
| Dividends(1) | 25,137 | 20,727 | 16,596 |
| Interest on funds sold | 17,100 | 10,589 | 16,843 |
| Interest on deposits in other banks | 9,805 | 16,038 | 27,867 |
| Other interest | 2,656 | 3,781 | 21,687 |
| Total interest income | 2,552,377 | 2,362,367 | 2,537,556 |
| | | | |
| INTEREST EXPENSE | | | |
| Interest on deposits | 704,803 | 632,307 | 832,372 |
| Interest on funds purchased | 122,055 | 87,900 | 87,038 |
| Interest on other short-term borrowings | 42,519 | 21,623 | 7,027 |
| Interest on long-term debt | 63,119 | 48,839 | 48,560 |
| Total interest expense | 932,496 | 790,669 | 974,997 |
| | | | |
| NET INTEREST INCOME | 1,619,881 | 1,571,698 | 1,562,559 |
| Provision for loan losses - Note 5 | 137,841 | 189,064 | 234,242 |
| Net interest income after provision for loan losses | 1,482,040 | 1,382,634 | 1,328,317 |
| | | | |
| NONINTEREST INCOME | | | |
| Trust income | 250,296 | 246,963 | 226,051 |
| Service charges on deposit accounts | 218,420 | 225,900 | 215,557 |
| Other charges and fees | 121,137 | 142,108 | 121,898 |
| Credit card fees | 57,154 | 57,835 | 58,847 |
| Securities gains(losses) | (2,692) | 2,001 | 5,140 |
| Other noninterest income | 55,612 | 51,649 | 45,258 |
| Total noninterest income | 699,927 | 726,456 | 672,751 |
| | | | |
| NONINTEREST EXPENSE | | | |
| Salaries and other compensation - Notes 11 and 12 | 646,529 | 636,444 | 619,593 |
| Employee benefits - Note 11 | 100,660 | 98,516 | 92,761 |
| Net occupancy expense | 126,855 | 128,355 | 134,764 |
| Equipment expense | 103,342 | 103,082 | 102,894 |
| FDIC premiums | 66,635 | 66,231 | 64,516 |
| Marketing and community relations | 57,210 | 48,042 | 51,944 |
| Postage and delivery | 34,129 | 32,402 | 32,471 |
| Operating supplies | 29,421 | 30,539 | 30,623 |
| Other noninterest expense | 235,221 | 264,817 | 295,734 |
| Total noninterest expense | 1,400,002 | 1,408,428 | 1,425,300 |
| Income before provision for income taxes | 781,965 | 700,662 | 575,768 |
| Provision for income taxes - Note 10 | 259,221 | 226,933 | 171,371 |
| NET INCOME | $522,744 | $473,729 | $404,397 |
| | | | |
| Average common equivalent shares | 119,632,524 | 125,656,064 | 129,306,731 |
| Net income per average common share | $4.37 | $3.77 | $3.13 |
| Dividends paid per common share | 1.32 | 1.16 | 1.03 |
| (1) Includes dividends on common stock of The Coca-Cola Company | 18,824 | 16,411 | 13,515 |

<FN>
<F1> See notes to consolidated financial statements.
</TABLE>



<TABLE>
CONSOLIDATED BALANCE SHEETS
<CAPTION>

| | At December 31 | |
|---|---|---|
| (Dollars in thousands) <F1> | 1994 | 1993 |
| <S> | <C> | <C> |
| ASSETS | | |
| Cash and due from banks | $2,595,071 | $2,363,694 |
| Interest-bearing deposits in other banks | 56,040 | 475,856 |
| Trading account | 98,110 | 112,522 |
| Investment securities(1) - Note 3 | 9,318,521 | 10,643,953 |
| Funds sold | 940,656 | 615,397 |
| Loans - Notes 4,12 and 13 | 28,548,887 | 25,292,078 |
| Reserve for loan losses - Note 5 | (647,016) | (561,191) |
| Net loans | 27,901,871 | 24,730,887 |
| Premises and equipment - Note 6 | 714,666 | 715,868 |
| Intangible assets | 237,416 | 206,460 |
| Customers' acceptance liability | 39,813 | 95,788 |
| Other assets | 806,921 | 767,952 |
| Total assets | $42,709,085 | $40,728,377 |
| | | |
| LIABILITIES | | |
| Noninterest-bearing deposits | $7,653,776 | $7,610,644 |
| Interest-bearing deposits | 24,564,640 | 22,875,161 |
| Total deposits | 32,218,416 | 30,485,805 |
| Funds purchased | 4,351,896 | 3,795,373 |
| Other short-term borrowings - Note 7 | 785,653 | 1,060,792 |
| Long-term debt - Note 8 | 930,447 | 630,350 |
| Acceptances outstanding | 39,813 | 95,788 |
| Other liabilities - Notes 9 and 10 | 929,529 | 1,050,686 |

| | | |
|---|---|---|
| Total liabilities | 39,255,754 | 37,118,794 |
| Commitments and contingencies - Notes 2, 8, 11, 12, 15 and 16 | | |
| SHAREHOLDERS' EQUITY - Note 11 | | |
| Preferred stock, no par value; 50,000,000 shares authorized; none issued | | |
| Common stock, $1.00 par value; 350,000,000 shares authorized(2) | 130,461 | 130,461 |
| Additional paid in capital | 438,309 | 444,941 |
| Retained earnings | 3,020,985 | 2,655,357 |
| Treasury stock and other(3) | (706,499) | (384,951) |
| Realized shareholders' equity | 2,883,256 | 2,845,808 |
| Unrealized gains(losses) on investment securities, net of taxes - Note 3 | 570,075 | 763,775 |
| Total shareholders' equity | 3,453,331 | 3,609,583 |
| Total liabilities and shareholders' equity | $42,709,085 | $40,728,377 |
| (1) Includes unrealized gains(losses) on investment securities | $916,578 | $1,235,344 |
| (2) Common shares outstanding | 115,679,426 | 122,468,085 |
| (3) Treasury shares of common stock | 14,781,218 | 7,992,559 |

<FN>
<F1> See notes to consolidated financial statements
</TABLE>



<TABLE>
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
<CAPTION>

| (In thousands) <F1> | Common Stock | Additional Paid in Capital | Retained Earnings | Treasury Stock and Other <F2> | Unrealized Gains (Losses) on Securities, Net of Taxes | Total |
|---|---|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| BALANCE, JANUARY 1, 1992 | $130,819 | $469,482 | $2,054,098 | ($31,569) | | $2,622,830 |
| Net income | - | - | 404,397 | - | | 404,397 |
| Cash dividends paid on common stock, $1.03 per share | - | - | (132,100) | - | | (132,100) |
| Proceeds from exercise of stock options | 50 | (3,300) | - | 9,545 | | 6,295 |
| Retirement of issued shares | (467) | (25,905) | - | 26,372 | | - |
| Acquisition of treasury stock | - | - | - | (139,072) | | (139,072) |
| Issuance of treasury stock for ESOP | - | 648 | - | 1,267 | | 1,915 |
| Issuance (net of forfeitures) of treasury stock as restricted stock | - | 3,921 | - | 5,628 | | 9,549 |
| Compensation element of restricted stock | - | - | - | (9,549) | | (9,549) |
| Amortization of compensation element of restricted stock | - | - | - | 5,438 | | 5,438 |
| BALANCE, DECEMBER 31, 1992 | 130,402 | 444,846 | 2,326,395 | (131,940) | | 2,769,703 |
| Net income | - | - | 473,729 | - | | 473,729 |
| Cash dividends paid on common stock, $1.16 per share | - | - | (144,767) | - | | (144,767) |
| Proceeds from exercise of stock options | 32 | (4,393) | - | 8,863 | | 4,502 |
| Conversion of debentures | 27 | 643 | - | - | | 670 |
| Acquisition of treasury stock | - | - | - | (285,669) | | (285,669) |
| Issuance of treasury stock for 401(k) | - | 2,238 | - | 19,770 | | 22,008 |
| Issuance (net of forfeitures) of treasury stock as restricted stock | - | 1,607 | - | 5,775 | | 7,382 |
| Compensation element of restricted stock | - | - | - | (7,382) | | (7,382) |
| Amortization of compensation element of restricted stock | - | - | - | 5,632 | | 5,632 |
| Change in unrealized gains(losses) on securities, net | - | - | - | - | 763,775 | 763,775 |
| BALANCE, DECEMBER 31, 1993 | 130,461 | 444,941 | 2,655,357 | (384,951) | 763,775 | 3,609,583 |
| Net income | - | - | 522,744 | - | | 522,744 |
| Cash dividends paid on common stock, $1.32 per share | - | - | (157,116) | - | | (157,116) |
| Proceeds from exercise of stock options | - | (7,092) | - | 11,115 | | 4,023 |
| Acquisition of treasury stock | - | - | - | (348,540) | | (348,540) |
| Issuance of treasury stock for 401(k) | - | 466 | - | 10,809 | | 11,275 |
| Issuance (net of forfeitures) of treasury stock as restricted stock | - | (6) | - | (1,023) | | (1,029) |
| Compensation element of restricted stock | - | - | - | 1,029 | | 1,029 |
| Amortization of compensation element of restricted stock | - | - | - | 5,062 | | 5,062 |
| Change in unrealized gains(losses) on securities, net | - | - | - | - | (193,700) | (193,700) |
| BALANCE, DECEMBER 31, 1994 | $130,461 | $438,309 | $3,020,985 | ($706,499) | $570,075 | $3,453,331 |

<FN>
<F1> See notes to consolidated financial statements.
<F2> Balance at December 31, 1994 includes $675,160 for treasury stock and $31,339 for compensation element of restricted stock.
</TABLE>

<TABLE>
CONSOLIDATED STATEMENTS OF CASH FLOW
<CAPTION>

| (In thousands)<F1> | Year Ended Ended December 31 1994 | 1993 | 1992 |
|---|---|---|---|
| <S> | <C> | <C> | <C> |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net income | $522,744 | $473,729 | $404,397 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 133,018 | 140,170 | 133,388 |
| Provision for loan losses | 137,841 | 189,064 | 234,242 |
| Provision for losses on other real estate | 14,138 | 19,534 | 29,364 |
| Deferred income tax benefit | (4,716) | (11,402) | (40,934) |
| Amortization of compensation element of restricted stock | 5,062 | 5,632 | 5,438 |
| Securities (gains) losses, net | 2,692 | (2,001) | (5,140) |
| (Gains) losses on sale of loans, equipment, other real estate and repossessed assets, net | (21,556) | (9,821) | (6,660) |
| Recognition of unearned loan income | (195,978) | (198,273) | (140,088) |
| Origination of loans for sale | (509,702) | (1,124,544) | (871,554) |
| Proceeds from sale of loans | 600,909 | 1,107,561 | 838,796 |
| Change in period-end balances of: | | | |
| Trading account | 14,412 | 175,351 | 51,712 |
| Interest receivable | (38,163) | 19,315 | 37,682 |
| Prepaid expenses | (51,129) | (24,904) | (10,671) |
| Other assets | (842) | 9,098 | (23,763) |
| Taxes payable | (8,123) | 21,549 | (1,811) |
| Interest payable | 31,999 | (7,179) | (37,346) |
| Other accrued expenses | (18,713) | 35,458 | 61,598 |
| Net cash provided by operating activities | 613,893 | 818,337 | 658,650 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from maturities of investment securities | 2,400,350 | 3,684,592 | 3,607,500 |
| Proceeds from sales of investment securities | 1,422,078 | 266,348 | 122,198 |
| Purchases of investment securities | (2,826,867) | (4,389,985) | (4,787,736) |
| Net (increase) decrease in loans | (2,900,890) | (1,173,242) | (1,114,795) |
| Capital expenditures | (105,420) | (118,391) | (100,398) |
| Proceeds from sale of equipment, other real estate and repossessed assets | 131,538 | 195,303 | 168,252 |
| Net funds (paid) received in acquisitions | (33,411) | 102,617 | (8,112) |
| Other | 23,215 | (24,980) | 3,149 |
| Net cash used by investing activities | (1,889,407) | (1,457,738) | (2,109,942) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Net increase (decrease) in deposits | 1,401,591 | (329,376) | 529,619 |
| Net increase (decrease) in funds purchased and other short-term borrowings | 239,826 | 838,179 | 1,001,507 |
| Proceeds from issuance of long-term debt | 580,572 | 42,865 | 208,938 |
| Repayment of long-term debt | (308,022) | (54,494) | (131,522) |
| Proceeds from the exercise of stock options | 4,023 | 4,502 | 6,295 |
| Payments to acquire treasury stock | (348,540) | (285,669) | (139,072) |
| Dividends paid | (157,116) | (144,767) | (132,100) |
| Net cash provided by financing activities | 1,412,334 | 71,240 | 1,343,665 |
| Net increase (decrease) in cash and cash equivalents | 136,820 | (568,161) | (107,627) |
| Cash and cash equivalents at beginning of year | 3,454,947 | 4,023,108 | 4,130,735 |
| Cash and cash equivalents at end of year | $3,591,767 | $3,454,947 | $4,023,108 |

<FN>
<F1> See notes to consolidated financial statements
</TABLE>



<TABLE>
SUPPLEMENTAL DISCLOSURE
CONSOLIDATED STATEMENTS OF CASH FLOW
<CAPTION>

| (In thousands)<F1> | Year Ended Ended December 31 1994 | 1993 | 1992 |
|---|---|---|---|
| <S> | <C> | <C> | <C> |
| Interest paid | $900,497 | $797,359 | $1,011,806 |
| Income taxes paid | 275,465 | 255,273 | 216,663 |

<FN>
<F1> See notes to consolidated financial statements
</TABLE>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ACCOUNTING POLICIES

Accounting policies that significantly affect the determination of results of operations, financial position, and cash flow are summarized below.

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated. Results of operations of companies purchased are included from the dates of acquisition.

Purchase Accounting: Following the purchase method of accounting, the assets and liabilities of purchased banks are stated at estimated fair values at the date of acquisition.

Trading Account: Trading account assets are carried at market value. Gains and losses are determined using the specific identification method.

Investment Securities: Investment securities are classified as available-for-sale and are carried at market value with unrealized gains and losses, net of any tax effect, added to or deducted from realized shareholders' equity to determine total shareholders' equity.

Loans: Interest income on all classifications of loans is accrued based upon the outstanding principal amounts except those classified as nonaccrual loans. Interest accrual is discontinued when it appears that future collection of principal or interest according to the contractual terms may be doubtful. Interest income on nonaccrual loans is recognized on a cash basis, if there is no doubt of future collection of principal. Fees and incremental direct costs associated with the loan origination and pricing process are deferred and amortized as level yield adjustments over the respective loan terms. Fees received for providing loan commitments and letters of credit facilities are deferred until the loan is advanced and then recognized over the term of the loan as an adjustment of the yield. Fees on commitments and letters of credit that are not expected to be funded are amortized into noninterest income by the straight-line method over the commitment period.

Statements of Financial Accounting Standards No. 114 (FAS 114) "Accounting by Creditors for Impairment of a Loan" and No. 118 (FAS 118) "Accounting by Creditors for Impairment of a Loan - Income Recognition and Disclosures" are effective for fiscal years beginning after December 15, 1994. FAS 114 and FAS 118 address the accounting by creditors for impairment of a loan and loans that are restructured in a troubled debt restructuring. SunTrust will adopt these standards in the first quarter of 1995. It is estimated that such adoption will have no material effect on the earnings or financial condition of the Company.

Reserve for Loan Losses: The reserve is that amount considered adequate to absorb possible losses in the portfolio based on management's evaluation of the size and current risk characteristics of the loan portfolio, the fair value of underlying collateral and prior loan loss experience as well as the impact of current economic conditions. A provision for loan losses is charged to operations based on management's periodic evaluation of these risks.



Premises and Equipment: Premises and equipment are stated at cost less accumulated depreciation and amortization. Depreciation has been calculated primarily using the straight-line method over the assets' estimated useful lives. Certain leases are capitalized as assets for financial reporting purposes. Such capitalized assets are amortized, using the straight-line method, over the terms of the leases. Maintenance and repairs are charged to expense and betterments are capitalized.

Intangible Assets: Intangible assets consist primarily of goodwill associated with purchased banks which is being amortized on the straight-line method over various periods ranging from fifteen to forty years. Intangible assets are evaluated regularly for other-than-temporary impairment. If circumstances suggest that their value may be impaired and the writedown would be material, an assessment of recoverability is performed prior to any writedown of the asset.

Income Taxes: Deferred income tax assets and liabilities result from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements that will result in taxable or deductible amounts in future years.

Earnings per Share: Earnings per common share are based on the weighted average number of common shares outstanding during each period, plus common shares calculated for stock options and restricted stock outstanding using the treasury stock method. Fully diluted per common share data are not materially different than the primary per common share data presented.

Cash Flow: For purposes of reporting cash flow, cash and cash equivalents include only those items with an original maturity of three months or less which includes cash and due from banks, interest-bearing deposits in other banks and funds sold.

Interest Rate Contracts: Amounts receivable or payable under interest rate contracts used to manage interest rate risks arising from the Company's financial assets and financial liabilities are accounted for on the accrual basis of accounting and recognized as an adjustment to interest income or expense depending on the specific instrument being hedged. Gains and losses on early terminations of contracts are included in the carrying amount of the related asset or liability and amortized as yield adjustments over their remaining terms.

NOTE 2 - ACQUISITIONS

On February 17, 1994, the Company purchased all the issued and outstanding stock of Regional Investment Corporation (RIC), the parent of Andrew Jackson Savings Bank located in Tallahassee, Florida for approximately $65.1 million in cash. At the date of purchase RIC had total assets of $436.8 million. The acquisition was accounted for as a purchase. The results of operations of RIC from the date of acquisition are included in the Company's financial statements.

On March 15, 1993, the Company merged The Flagler Bank Corporation (Flagler), located in West Palm Beach, Florida, into a subsidiary of SunTrust and issued 1,230,183 shares of SunTrust common stock for all the outstanding shares of Flagler. The merger was accounted for as a pooling-of-interests. At December 31, 1992, Flagler had assets of $452.2 million.

On February 22, 1993, the Company purchased all the issued and outstanding stock of Coast Federal Savings Bank (Coast) located in Sarasota, Florida in exchange for approximately $46 million in cash. At the date of



purchase Coast had total assets of $1.1 billion. The acquisition was accounted for as a purchase and the results of operations of Coast are included in the Company's financial statements from the date of acquisition.

On January 30, 1993, the Company merged First United Bancorp, Inc. (First United) located in Florence, Alabama with a subsidiary of SunTrust and issued 1,214,466 shares of SunTrust common stock for all the outstanding shares of First United. The merger was accounted for as a pooling-of-interests. At December 31, 1992, First United had assets of $384.1 million. First United was merged into TNC in December 1994.

On January 1, 1993, the Company merged HomeTrust Bank of Georgia (HomeTrust) located in Gainesville, Georgia into a subsidiary of SunTrust and issued 709,028 shares of SunTrust common stock for all the outstanding shares of HomeTrust. At December 31, 1992, HomeTrust had assets of $309.5 million. The merger was accounted for as a pooling-of-interests.

At December 31, 1994, the Company had an agreement to purchase all the issued and outstanding stock of Peoples State Bank (Peoples) located in New Port Richey, Florida in exchange for a combination of SunTrust common stock and cash. At December 31, 1994, Peoples had total assets of $123.2 million. The acquisition will be accounted for as a purchase.

NOTE 3 - INVESTMENT SECURITIES

Investment securities were as follows at December 31:

<TABLE>
<CAPTION>

| (In thousands) | 1994 Amortized Cost | Fair Value | Unrealized Gains | Unrealized Losses |
|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> |
| U.S. Treasury and other U.S. government agencies and corporations | $3,575,391 | $3,386,107 | $1,153 | $190,437 |
| States and political subdivisions | 958,201 | 972,181 | 29,090 | 15,110 |
| Mortgage-backed securities | 3,661,832 | 3,500,596 | 3,366 | 164,602 |
| Common stock of The Coca-Cola Company | 110 | 1,242,862 | 1,242,752 | - |
| Other securities | 206,409 | 216,775 | 12,374 | 2,008 |
| Total investment securities | $8,401,943 | $9,318,521 | $1,288,735 | $372,157 |

</TABLE>

<TABLE>
<CAPTION>

| (In thousands) | 1993 Amortized Cost | Fair Value | Unrealized Gains | Unrealized Losses |
|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> |
| U.S. Treasury and other U.S. government agencies and corporations | $3,774,360 | $3,813,946 | $40,615 | $1,029 |
| States and political subdivisions | 1,080,277 | 1,157,602 | 77,974 | 649 |
| Mortgage-backed securities | 4,319,345 | 4,343,360 | 36,780 | 12,765 |

| | | | | |
|---|---|---|---|---|
| Common stock of | | | | |
| The Coca-Cola Company | 110 | 1,076,946 | 1,076,836 | - |
| Other securities | 234,517 | 252,099 | 18,389 | 807 |
| Total investment securities | $9,408,609 | $10,643,953 | $1,250,594 | $15,250 |

</TABLE>



The amortized cost and fair value of debt securities at December 31, 1994, by contractual maturities are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

| (In thousands) | Amortized Cost | Fair Value |
|---|---|---|
| Due in one year or less | $553,114 | $558,428 |
| Due in one year through five years | 3,682,575 | 3,497,458 |
| Due after five years through ten years | 250,438 | 253,677 |
| After ten years | 47,465 | 48,725 |
| Mortgage-backed securities | 3,661,832 | 3,500,596 |
| Total | $8,195,424 | $7,858,884 |

Proceeds from sale of investments in debt securities were $1,422.1 million, $266.3 million and $122.2 million in 1994, 1993 and 1992. Gross realized gains were $4.6 million, $2.1 million and $5.2 million and gross realized losses on such sales were $7.3 million, $0.1 million and $0.1 million in 1994, 1993 and 1992.

The fair value of investment securities pledged to secure public deposits, trust and other funds was $4.5 billion and $5.3 billion at December 31, 1994 and 1993, respectively.

NOTE 4 - LOANS

The composition of the Company's loan portfolio at December 31, 1994 and 1993 was as follows:

| (In thousands) | 1994 | 1993 |
|---|---|---|
| Commercial, financial and agricultural: | | |
| Domestic | $9,279,163 | $8,190,274 |
| International | 273,235 | 197,783 |
| Real estate: | | |
| Construction | 1,151,114 | 1,083,220 |
| Mortgage, 1-4 family | 8,380,510 | 7,013,757 |
| Other | 4,516,304 | 4,456,788 |
| Lease financing | 411,001 | 328,062 |
| Credit card | 690,462 | 698,186 |
| Other consumer loans | 3,947,098 | 3,324,008 |
| Loans | $28,548,887 | $25,292,078 |

The gross amount of interest income that would have been recorded in 1994, 1993 and 1992 on nonaccrual and restructured loans at December 31 of each year, if all such loans had been accruing interest at the contractual rate, was $18.5, $23.8, and $31.3 million, while interest income actually recognized was $10.5, $10.7, and $11.8 million. Total nonaccrual and restructured loans at December 31, 1994 and 1993 were $187.6 and $261.8 million, respectively.

In the normal course of business, the Company's banking subsidiaries have made loans at prevailing interest rates and terms to directors and executive officers of the Company and its subsidiaries, and to their affiliates. The aggregate dollar amount of these loans, as defined, was $104.4 million at December 31, 1994 and $108.1 million at December 31, 1993. During 1994, $266.0 million of such loans were made and repayments totaled $269.7 million. None of these loans has been restructured, nor were any related party loans charged off during 1994.



NOTE 5 - RESERVE FOR LOAN LOSSES

Activity in the reserve for loan losses is summarized as follows:

| (In thousands) | 1994 | 1993 | 1992 |
|---|---|---|---|
| Balance at beginning of year | $561,191 | $474,179 | $380,982 |
| Reserve of purchased banks | 8,274 | 7,995 | 6,362 |
| Provision charged to operating expense | 137,841 | 189,064 | 234,242 |
| Loan charge-offs | (113,677) | (163,149) | (201,996) |
| Loan recoveries | 53,387 | 53,102 | 54,589 |
| Balance at end of year | $647,016 | $561,191 | $474,179 |

It is the opinion of management that the reserve was adequate at December 31, 1994, based on conditions reasonably known to management; however, the reserve may be increased or decreased based on loan growth, changes in internally generated credit quality ratings of the loan portfolio, or changes in general economic conditions.

NOTE 6 - PREMISES AND EQUIPMENT

Premises and equipment at December 31, 1994 and 1993 were as follows:

| (In thousands) | Useful Life | 1994 | 1993 |
|---|---|---|---|
| Land | | $206,125 | $201,577 |
| Buildings and improvements | 3-55 years | 547,203 | 540,071 |
| Leasehold improvements | 5-30 years | 104,588 | 99,114 |
| Furniture and equipment | 3-20 years | 571,704 | 538,584 |
| Construction in progress | | 19,057 | 15,514 |
| | | 1,448,677 | 1,394,860 |
| Less accumulated depreciation and amortization | | 734,011 | 678,992 |
| Total | | $714,666 | $715,868 |

Net premises and equipment include $23.8 million and $24.5 million at December 31, 1994 and 1993, respectively, related to capital leases. The carrying amounts of premises and equipment subject to mortgage indebtedness (included in long-term debt) were $2.4 million and $4.4 million at December 31, 1994 and 1993, respectively.

NOTE 7 - OTHER SHORT-TERM BORROWINGS

Other short-term borrowings at December 31, 1994 and 1993 consisted of the following:

| (In thousands) | 1994 | 1993 |
|---|---|---|
| Commercial paper, 1994 interest rates from 5.128% to 6.743% | $202,072 | $221,324 |
| Bank notes, 1994 interest rate of 3.50% | 250,000 | 700,000 |
| Other | 333,581 | 139,468 |
| Total | $785,653 | $1,060,792 |

At December 31, 1994, $240.0 million of unused borrowings under unsecured lines of credit from non-affiliated banks were available to the Parent Company to support the outstanding commercial paper and provide for general liquidity needs.



NOTE 8 - LONG-TERM DEBT

A summary of long-term debt at December 31, 1994 and 1993 is as follows:

| (In thousands) | 1994 | 1993 |
|---|---|---|
| PARENT COMPANY | | |
| 8.875% notes due 1994 | - | $100,000 |
| 8.375% notes due 1996 | 74,500 | 74,500 |
| 8.875% notes due 1998 | 94,500 | 100,000 |
| Floating rate notes due 1999 | 200,000 | - |
| 7.375% notes due 2002 | 200,000 | 200,000 |
| 7.50% debentures due 2002 | 12,168 | 12,973 |
| 6.125% notes due 2004 | 200,000 | - |
| Capital lease obligation | 6,568 | 6,888 |
| Total Parent Company | 787,736 | 494,361 |
| SUBSIDIARIES | | |
| Capital lease obligations | 23,992 | 24,634 |
| FHLB advances and other | 118,719 | 111,355 |
| Total subsidiaries | 142,711 | 135,989 |
| Total long-term debt | $930,447 | $630,350 |

Principal amounts due for the next five years on long-term debt at December 31, 1994 are: 1995 - $43.9 million; 1996 - $90.9 million; 1997 - $18.8 million; 1998 - $110.8 million; 1999 - $209.8 million.

The 7.50% debentures can be redeemed in varying amounts prior to their scheduled maturity dates, subject to payment of redemption premiums in certain cases.

Restrictive provisions of several long-term debt agreements prevent the Company from creating liens on, disposing of, or issuing (except to related parties) voting stock of subsidiaries. Further, there are restrictions on mergers, consolidations, certain leases, sales or transfers of assets, minimum shareholders' equity and maximum borrowings by the Company. As of December 31, 1994 the Company was in compliance with all covenants and provisions of long-term debt agreements.

TNC is subject to certain debt agreements for which the outstanding amounts are shown under "Parent Company" above. Under the most restrictive covenants of these agreements, approximately $302.3 million was available for dividend payments at December 31, 1994, by TNC to SunTrust. Sun and TCG have no restrictive debt covenants.

In the summary table of long-term debt, $281.4 million in 1994 and $120.4 million in 1993 qualify as Tier 2 capital as currently defined by Federal bank regulators. At December 31, 1994 the Company's capital exceeded all minimum regulatory requirements. Substantially all the Company's retained earnings are undistributed earnings of its banking subsidiaries, which are restricted by various regulations administered by Federal and state bank regulatory authorities. Retained earnings available for payment of cash dividends to Sun, TCG and TNC under these regulations were approximately $389.4 million at December 31, 1994. In addition, banks and bank holding companies are subject to minimum regulatory capital levels. SunTrust and each of its subsidiary banks are in compliance with all capital requirements.



NOTE 9 - INCOME TAXES

The provision for income taxes for the three years ended December 31, 1994 consisted of the following:

| (In thousands) | 1994 | 1993 | 1992 |
|---|---|---|---|
| Provision for federal income taxes: | | | |
| Current | $252,287 | $226,447 | $201,788 |
| Prepaid | (23,565) | (22,494) | (47,169) |
| Total provision for federal income taxes | 228,722 | 203,953 | 154,619 |
| Provision for state income taxes: | | | |
| Current | 11,650 | 11,888 | 10,517 |
| Deferred | 18,849 | 11,092 | 6,235 |
| Total provision for state income taxes | 30,499 | 22,980 | 16,752 |
| Total | $259,221 | $226,933 | $171,371 |

The Company's income before provision for income taxes from international operations was not significant.

The Company's provision for income taxes for the three years ended December 31, 1994 differs from the amount computed by applying the statutory federal income tax rate of 35% in 1994 and 1993 and 34% in 1992 to income before income taxes. A reconciliation of this difference is as follows:

| (In thousands) | 1994 | 1993 | 1992 |
|---|---|---|---|
| Tax provision at federal statutory rate | $273,689 | $245,232 | $195,761 |
| Increase (decrease) resulting from: | | | |
| Tax-exempt interest | (36,997) | (41,704) | (46,695) |
| Disallowed interest deduction | 3,183 | 3,061 | 4,136 |
| Income tax credits | (1,409) | (970) | (973) |
| State income taxes, net of federal benefit | 19,796 | 14,937 | 10,910 |
| Dividend exclusion | (5,154) | (4,341) | (3,529) |
| Other | 6,113 | 10,718 | 11,761 |
| Provision for income taxes | $259,221 | $226,933 | $171,371 |

Temporary differences create deferred tax assets and liabilities which are detailed below for December 31, 1994 and 1993:

| | Deferred Tax Assets (Liabilities) | |
|---|---|---|
| | 1994 | 1993 |
| (In thousands) | | |
| Loan loss reserve | $243,585 | $210,682 |
| Depreciation | (14,967) | (15,522) |
| Employee benefits | (54,568) | (45,742) |
| Unrealized gains (losses) on investment securities | (346,505) | (471,569) |
| Leasing | (78,609) | (72,106) |
| Other real estate | 19,949 | 21,592 |
| Other | (16,164) | (23,485) |
| Total deferred tax asset (liability) | $(247,279) | $(396,150) |

SunTrust and its subsidiaries file consolidated income tax returns where permissible. Each subsidiary remits current taxes to or receives current refunds from the Parent Company based on what would be required had the subsidiary filed an income tax return as a separate entity. The Company's federal and state income tax returns are subject to review and examination by government authorities. Various such examinations are now in progress



covering SunTrust's income tax returns for certain prior years. In the opinion of management, any adjustments which may result from these examinations will not have a material effect on the Company's consolidated financial statements.

NOTE 10 - RETIREMENT PLANS AND EMPLOYEE BENEFITS

SunTrust maintains a noncontributory qualified retirement plan (Plan) covering all employees meeting certain age and service requirements. The Plan provides benefits based on salary and years of service. The Company funds the Plan with at least the minimum amount required by ERISA. The Plan's net periodic expense is summarized as follows:

| | Year Ended December 31 | | |
|---|---|---|---|
| (In thousands) | 1994 | 1993 | 1992 |
| Service cost - benefits earned during the period | $21,754 | $19,401 | $18,200 |
| Interest cost on projected benefit obligations | 21,860 | 19,670 | 18,446 |
| Actual return on Plan assets | 11,053 | (31,515) | (18,945) |
| Net amortization and deferral | (48,184) | (1,873) | (12,340) |
| Net periodic Plan expense | $6,483 | $5,683 | $5,361 |

The funded status of the Plan at December 31 was as follows:

| (In thousands) | 1994 | 1993 |
|---|---|---|
| Actuarial present value of benefit obligations: | | |
| Accumulated benefit obligation, including vested benefits of $220,122 in 1994 and $202,674 in 1993 | ($255,874) | ($234,305) |
| Projected benefit obligation for service rendered to date | ($292,672) | ($270,653) |
| Plan assets at fair value | 347,408 | 350,075 |
| Plan assets in excess of projected benefit obligation | 54,736 | 79,422 |
| Unrecognized net (gain)loss since transition | 80,986 | 35,382 |
| Unrecognized prior service cost | (20,488) | (23,378) |
| Unrecognized net asset at transition being amortized over 14 years | (25,797) | (30,006) |
| Prepaid pension expense included in other assets | $89,437 | $61,420 |

At December 31, 1994, the Plan assets consisted of listed common stocks, U.S. government and agency securities and units of certain trust funds administered by subsidiary banks of the Company. No shares of SunTrust common stock were included in the assets of the Plan. The weighted-average discount rate and rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation were 8.25% and 4.5% in 1994, 7.5% and 4.5% in 1993 and 8.25% and 5.5% in 1992. The expected long-term rate of return on assets was 9.25% in 1994 and 9% in 1993 and 1992.

SunTrust also has a nonqualified defined benefit plan that covers key executives of the Company for which cost is accrued but is unfunded. At December 31, 1994 and 1993, the projected benefit obligation for this plan was $13.1 million and $10.9 million. Included in other liabilities at December 31, 1994 and 1993, is $10.0 million and $8.3 million representing accumulated benefit obligations. The expense of the nonqualified plan was $3.2 million, $2.6 million, and $2.9 million in 1994, 1993 and 1992.



Although not under contractual obligation, SunTrust provides certain health care and life insurance benefits to current and retired employees. As currently structured, substantially all employees become eligible for benefits upon full-time employment and, at the option of SunTrust, may continue them if they reach retirement age while working for the Company. Certain benefits are prefunded in taxable and tax-exempt trusts.

In the first quarter of 1993 SunTrust began charging postretirement benefits to expense during the years that the employees render service. Prior to this, SunTrust charged an amount to expense which was generally equal to benefits paid during the year. The Accumulated Postretirement Benefit Obligation was $61.2 million as of January 1, 1993 with an unrecognized net transition obligation of $57.9 million which is being amortized to expense over twenty years. The estimated annual expense is not significantly different from the previous amounts.

The Retiree Health Plan provides medical benefits for retirees and eligible dependents under an indemnity and managed care arrangement whose costs are shared by SunTrust and the retiree. For employees who retired on or prior to January 1, 1993, it is anticipated that future cost increases will be shared by SunTrust and these retirees through increased deductibles, co-insurance, and retiree contributions. For employees who retire after January 1, 1993, SunTrust's cost sharing will remain fixed at the 1993 level and future cost increases will be paid solely by these retirees.

The Retiree Life Plan provides a fixed life insurance amount to eligible current retirees and current active employees who reach retirement age while working for the Company. The cost of this benefit is entirely paid for by the Company.

The Retiree Health and Life Plans' net periodic expense for the two years ended December 31 were as follows:

| (In thousands) | 1994 | 1993 |
|---|---|---|

| | | |
|---|---|---|
| Service cost - benefits earned during the period | $1,809 | $1,302 |
| Interest cost on projected benefit obligations | 5,239 | 4,887 |
| Actual return on Plan assets | 3,110 | (5,589) |
| Deferral of asset gain (loss) | (9,047) | 71 |
| Amortization of transition obligation | 2,892 | 2,892 |
| Net cost | $4,003 | $3,563 |

The funded status of the Retiree Health and Life Plan at December 31 was as follows:

| (In thousands) | 1994 | 1993 |
|---|---|---|
| Accumulated postretirement benefit obligation (APBO): | | |
| Fully eligible actives | $(8,881) | $(7,666) |
| Other actives | (11,512) | (12,663) |
| Retirees | (47,214) | (38,503) |
| Total APBO | (67,607) | (58,832) |
| Plan assets at fair value | 93,063 | 80,899 |
| Plan assets in excess of APBO | 25,456 | 22,067 |
| Unrecognized net (gain) or loss | 14,031 | 9,932 |
| Unrecognized prior service cost | - | - |
| Unrecognized net transition obligation | 52,066 | 54,959 |
| Prepaid postretirement benefit expense included in other assets | $91,553 | $86,958 |
| Incremental effect of 1% increase in the health care trend rate: | | |
| On APBO | $(3,375) | $(3,256) |
| On service cost plus interest | 263 | 249 |



For the Retiree Health Plan, the weighted average discount rate used in determining the accumulated postretirement benefit obligation was 8.25% for 1994 and 7.5% for 1993. The assumed net health care cost trend rate used to measure the expected cost of pre-Medicare eligible benefits under the plan was 12% for 1995 and is assumed to decrease 0.75% per year beginning in 1996 until the ultimate health care trend of 5.5% is reached in the year 2004. The assumed net health care cost trend rate used to measure the expected cost of post-Medicare eligible benefits under the plan was 11.0% for 1995 and is assumed to decrease 0.50% per year starting in 1996 until the ultimate health care trend of 5.5% is reached in the year 2006. For the Retiree Life Plan, the weighted average discount rate for determining the accumulated postretirement benefit obligation was 8.25% for 1994 and 7.5% for 1993.

The Retiree Health and Life benefits are prefunded in a Voluntary Employees' Beneficiary Association (VEBA). As of December 31, 1994, these Plan assets consist of common trust funds, U.S. government securities, corporate bonds and notes and a cash equivalent cash reserve fund. The assumed weighted average long-term rate of return on the assets was 6.5%.

Under various qualified plans, SunTrust provides profit sharing or incentive compensation to eligible participating employees. Award amounts are based on eligible compensation and earnings performance. The expense under these plans, classified as salaries and other compensation, was $34.1 million for 1994, $42.8 million for 1993 and $52.1 million for 1992.

In addition SunTrust has a Management Incentive Plan for key executives that provides for annual cash awards, if any, based on eligible compensation and earnings performance. SunTrust also has a Performance Unit Plan for key executives for which awards, if any, are based on multi-year earnings performance in relation to earnings goals as established by the Compensation Committee of the SunTrust Board of Directors. SunTrust's expenses under these plans, classified as salaries and other compensation, were $16.1 million for 1994, $17.5 million for 1993 and $15.4 million for 1992.

NOTE 11 - EXECUTIVE STOCK PLAN

The Company has an Executive Stock Plan (Stock Plan) under which the Compensation Committee of the Board of Directors has the authority to grant stock options and restricted stock to key employees of the Company. Eight million shares of common stock are reserved for issuance under the Stock Plan of which no more than three million shares may be issued as restricted stock.

Options granted are at no less than the fair market value of a share of stock on the grant date and may be either tax qualified incentive stock options or nonqualified options. There was no expense recorded as a result of the grant or exercise of any of the stock options. The following table presents information on stock options:



<TABLE>
<CAPTION>

| | Total | Exercisable | Option |
|---|---|---|---|

| | Option Shares | Option Shares | Price Range |
|---|---|---|---|
| Options outstanding at January 1, 1992 | 2,383,368 | 2,127,068 | $6.14 - 35.75 |
| Granted | 88,900 | - | 40.75 |
| Options which became exercisable | - | 176,300 | 22.375 - 35.75 |
| Exercised | (454,078) | (454,078) | 6.14 - 35.75 |
| Options outstanding at December 31, 1992 | 2,018,190 | 1,849,290 | 13.50 - 40.75 |
| Granted | 97,600 | - | 43.25 |
| Options which became exercisable | - | 108,900 | 22.375 - 40.75 |
| Exercised | (245,026) | (245,026) | 13.50 - 40.75 |
| Cancelled or expired | (38) | (38) | 16.45 |
| Options outstanding at December 31, 1993 | 1,870,726 | 1,713,126 | 13.625 - 43.25 |
| Granted | 162,600 | - | 47.125-49.375 |
| Options which became exercisable | - | 227,400 | 22.375-49.375 |
| Exercised | (347,130) | (347,130) | 13.625-43.25 |
| Cancelled or expired | (1,000) | (1,000) | 43.25 |
| Options outstanding at December 31, 1994 | 1,685,196 | 1,592,396 | $16.375-49.375 |

</TABLE>

With respect to Performance Restricted Stock (Performance Stock), shares must be granted, awarded and vested before participants take full title to the Performance Stock. After Performance Stock is granted by the Compensation Committee (Committee) of the Board of Directors, specified portions are awarded based on increases in the average market value of SunTrust common stock from the initial price specified by the Committee. Awards vest on the earlier of: (i) fifteen years after the date shares are awarded to participants; (ii) attaining age 64; (iii) death or disability of a participant; or (iv) a change in control of the Company as defined in the Stock Plan. Dividends are paid on awarded and unvested Performance Stock and participants may exercise voting privileges on such shares. The compensation element for Performance Stock is equal to the fair market value of the shares at the date of award and is being amortized to compensation expense over the period from the award date to age 64 or the 15th anniversary of the award date, whichever comes first.

Amortization of the compensation element is included in salaries and other compensation and the unamortized deferred compensation element is included in treasury stock and other as a reduction of shareholders' equity. The following table presents information on restricted stock:



| (In thousands) | Restricted Shares | Deferred Compensation |
|---|---|---|
| Balance at January 1, 1992 | 1,181,400 | $31,569 |
| Granted | 271,600 | 10,558 |
| Forfeited | (27,000) | - |
| Vested | (32,000) | (1,009) |
| Amortization of compensation element | - | (5,438) |
| Balance at December 31, 1992 | 1,394,000 | 35,680 |
| Granted | 154,400 | 7,508 |
| Forfeited | (4,000) | (126) |
| Vested | (32,600) | - |
| Amortization of compensation element | - | (5,632) |
| Balance at December 31, 1993 | 1,511,800 | 37,430 |
| Forfeited | (31,000) | (1,029) |
| Vested | (60,200) | - |
| Amortization of compensation element | - | (5,062) |
| Balance at December 31, 1994 | 1,420,600 | $31,339 |

The SunTrust Banks, Inc. 1995 Executive Stock Plan ("the 1995 Stock Plan") was adopted by the Board of Directors of the Company on November 8, 1994, subject to and effective upon approval by the shareholders at the 1995 Annual Meeting. Upon approval of the 1995 Stock Plan by the shareholders, management anticipates that no further grants will be made under the Stock Plan currently in place. Grants that may be made under the 1995 Stock Plan are not currently determinable.

NOTE 12 - OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

In the normal course of business, the Company utilizes various financial instruments to meet the needs of customers and to manage the Company's exposure to interest rate and other market risks. These financial instruments, which consist of derivatives contracts and credit-related arrangements, involve, to varying degrees, elements of credit and market risk in excess of the amount recorded on the balance sheet in accordance with generally accepted accounting principles.

Credit risk represents the potential loss that may occur because a party to a transaction fails to perform according to the terms of the contract. Market risk is the possibility that a change in interest or currency exchange rates will cause the value of a financial instrument to decrease or become more costly to settle. The contract/notional amounts of financial instruments, which are not included in the consolidated balance sheet, do not necessarily represent credit or market risk. However, they can be used to measure the extent of involvement in various types of financial instruments.

The Company controls the credit risk of its off-balance sheet portfolio by limiting the total amount of arrangements outstanding by individual counterparty; by monitoring the size and maturity structure of the portfolio; by obtaining collateral based on management's credit assessment of the counterparty; and by applying uniform credit standards maintained for all activities with credit risk. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment, and income-producing commercial properties. In addition, the Company enters into master netting agreements which incorporate the right of set-off to provide for the net settlement of covered contracts with the same counterparty in the event of default or other termination of the agreement.



<TABLE>
<CAPTION>

| (In millions) | At December 31, 1994 Contract or Notional Amount End User | For Customers | Credit Risk Amount | At December 31, 1993 Contract or Notional Amount End User | For Customers | Credit Risk Amount |
|---|---|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> | <C> | <C> |
| Derivatives contracts: | | | | | | |
| Interest rate contracts: | | | | | | |
| Swaps | $1,838 | $888 | $53 | $2,188 | $989 | $85 |
| Futures and forwards | - | - | - | 477 | - | - |
| Options written | - | 370 | - | - | 416 | - |
| Options purchased | - | 360 | - | - | 401 | 4 |
| Total interest rate contracts | 1,838 | 1,618 | 53 | 2,665 | 1,806 | 89 |
| Foreign exchange rate contracts | 170 | - | 22 | 117 | - | 16 |
| Total derivatives contracts | $2,008 | $1,618 | 75 | $2,782 | $1,806 | 105 |
| Credit-related arrangements: | | | | | | |
| Commitments to extend credit | $12,670 | | 12,670 | $10,826 | | 10,826 |
| Standby letters of credit and similar arrangements | 2,618 | | 2,618 | 2,243 | | 2,243 |
| Total credit-related arrangements | $15,288 | | 15,288 | $13,069 | | 13,069 |
| When issued securities: | | | | | | |
| Commitments to sell | $16 | | - | $353 | | - |
| Commitments to purchase | 6 | | - | 395 | | 395 |
| Total credit risk amount | | | $15,363 | | | $13,569 |

</TABLE>

Derivatives

The Company enters into various derivatives contracts in managing its own interest rate risk and in a dealer capacity as a service for customers. Where contracts have been created for customers, the Company enters into offsetting positions to eliminate its exposure to market risk.

Interest rate swaps are contracts in which a series of interest rate flows, based on a specific notional amount and a fixed and floating interest rate, are exchanged over a prescribed period. Interest rate options, which include caps and floors, are contracts which transfer, modify, or reduce interest rate risk in exchange for the payment of a premium when the contract is issued. The notional or contract amount of interest rate contracts is not a measure of credit risk. The true measure of credit exposure is the replacement cost of contracts which have become favorable to the Company, the mark-to-market exposure amount.

The Company monitors its sensitivity to changes in interest rates and uses interest rate swap contracts to limit the volatility of net interest income. Due to the characteristics of the Company's funding sources, the majority of swaps involve the Company receiving a fixed rate and paying a floating rate. At December 31, 1994 and 1993 there were no deferred gains or losses relating to terminated interest rate swap contracts. The Company records all swap income and expense in the interest expense category. The total reduction of interest expense for 1994, 1993 and 1992 related to interest rate swaps was $30.6 million, $43.6 million, and $36.3 million. Included in those amounts are $0.4 million, $0.5 million, and $0.3 million representing income from swaps entered into for customers.



Futures and forwards are contracts for the delayed delivery of securities or money market instruments in which the seller agrees to deliver on a specified future date, a specified instrument, at a specified price or yield. The credit risk inherent in futures is the risk that the exchange may default. Futures contracts settle in cash daily; therefore, there is minimal credit risk to the Company. The credit risk inherent in forwards arises from the potential inability of counterparties to meet the terms of their contracts. Both futures and forwards are also subject to the risk of movements in interest rates or the value of the underlying securities or instruments.

The Company also enters into transactions involving "when-issued securities". When-issued securities are commitments to purchase or sell securities authorized for issuance but not yet actually issued. Accordingly, they are not recorded on the balance sheet until issued. The credit risk in commitments to purchase is represented by the contract amount since the underlying instrument that the Company is obligated to buy is subject to credit risk.

Credit-Related Arrangements

In meeting the financing needs of its customers, the Company issues commitments to extend credit, standby and other letters of credit and guarantees, and also provides securities lending services. For these instruments, the contractual amount of the financial instrument represents the maximum potential credit risk if the counterparty does not perform according to the terms of the contract. A large majority of these contracts expire without being drawn upon. As a result, total contractual amounts do not represent future credit exposure or liquidity requirements.

Unfunded commitments to extend credit are agreements to lend to a customer who has complied with predetermined contractual conditions. Commitments generally have fixed expiration dates.

Standby letters of credit and guarantees are conditional commitments issued by the Company generally to guarantee the performance of a customer to a third party in borrowing arrangements, such as commercial paper, bond financing, construction and similar transactions. The credit risk involved in issuing standby letters of credit is essentially the same as that involved in extending loan facilities to customers and may be reduced by selling participations to third parties. The Company holds collateral to support those standby letters of credit and guarantees for which collateral is deemed necessary.

NOTE 13 - CONCENTRATIONS OF CREDIT RISK

Credit risk represents the maximum accounting loss that would be recognized at the reporting date if counterparties failed completely to perform as contracted and any collateral or security proved to be of no value. Concentrations of credit risk (whether on or off-balance sheet) arising from financial instruments exist in relation to certain groups of customers. A group concentration arises when a number of counterparties have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Company does not have a significant exposure to any individual customer or counterparty. The major concentrations of credit risk for the company arise by collateral type in relation to loans and credit commitments. The only significant concentration that exists is in loans secured by real estate. At December 31, 1994 the Company had $14.0 billion in loans and an additonal $1.7 billion in commitments to extend credit for loans secured by real estate. A geographic concentration arises because the Company operates primarily in the southeastern region of the United States.



NOTE 14 - FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and fair values of the Company's financial instruments at December 31, 1994 and 1993:

<TABLE>
<CAPTION>

| (In thousands) | 1994 Carrying Amount | 1994 Fair Value | 1993 Carrying Amount | 1993 Fair Value |
|---|---|---|---|---|
| <S> | <C> | <C> | <C> | <C> |
| Financial assets: | | | | |
| Cash and short-term investments | $3,591,767 | $3,591,767 | $3,454,947 | $3,454,947 |
| Trading account | 98,110 | 98,110 | 112,522 | 112,522 |
| Investment securities | 9,318,521 | 9,318,521 | 10,643,953 | 10,643,953 |
| Loans | 28,548,887 | 28,317,927 | 25,292,078 | 25,403,676 |
| Financial liabilities: | | | | |
| Deposits | 32,218,416 | 32,193,724 | 30,485,805 | 30,552,911 |
| Short-term borrowings | 5,137,549 | 5,137,549 | 4,856,165 | 4,856,165 |
| Long-term debt | 930,447 | 890,041 | 630,350 | 674,933 |
| Off-balance sheet financial instruments: | | | | |
| Interest rate swaps: | | | | |
| In a net receivable position | | 18,125 | | 70,088 |
| In a net payable position | | (16,383) | | (3,031) |
| Commitments to extend credit | | 6,837 | | 7,592 |
| Standby letters of credit | | 1,238 | | 1,457 |
| Other | | 22 | | 16 |

</TABLE>

The following methods and assumptions were used by the Company in estimating the fair value of financial instruments.

* Short-term financial instruments are valued at their carrying amounts reported in the balance sheet, which are reasonable estimates of fair value due to the relatively short period to maturity of the instruments. This approach applies to cash and short-term investments, trading account, short-term borrowings and certain other liabilities.

* Investment securities and trading account assets are valued at quoted market prices where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments except in the case of certain options and swaps where pricing models are used.

* Loans are valued on the basis of estimated future receipts of principal and interest, discounted at rates currently being offered for loans with similar terms and credit quality. Loan prepayments are assumed to occur at the same rate as in previous periods when interest rates were at levels similar to current levels. The fair values for certain mortgage loans and credit card loans are based on quoted market prices of similar loans sold in conjunction with securitization transactions, adjusted for differences in loan characteristics. The carrying amount of accrued interest approximates its fair value.



* Deposit liabilities with no defined maturity such as demand deposits, NOW/money market accounts and savings accounts have a fair value equal to the amount payable on demand at the reporting date, i.e., their carrying amounts. Fair values for certificates of deposit are estimated using a discounted cash flow calculation that applies current interest rates to a schedule of aggregated expected maturities. The intangible value of long-term relationships with depositors is not taken into account in estimating the fair values disclosed.

* Fair values for long-term debt are based on quoted market prices for similar instruments or estimated using discounted cash flow analyses and the Company's current incremental borrowing rates for similar types of instruments.

* Fair values for off-balance-sheet instruments (futures, swaps, forwards, options, guarantees, and lending commitments) are based on quoted market prices, current settlement values, or pricing models or other formulas.

NOTE 15 - LEASE COMMITMENTS

Minimum payments, by year and in aggregate, under capital leases and noncancelable operating leases with initial or remaining terms in excess of one year as of December 31, 1994, were as follows:

| (In thousands) | Capital Leases | Operating Leases |
|---|---|---|
| 1995 | $4,292 | $45,109 |
| 1996 | 4,288 | 42,850 |
| 1997 | 4,457 | 40,579 |
| 1998 | 4,473 | 38,719 |
| 1999 | 4,475 | 39,166 |
| Thereafter | 56,009 | 195,991 |
| Total minimum lease payments | 77,994 | $402,414 |
| Amounts representing interest | (47,434) | |
| Present value of net minimum lease payments | $30,560 | |

Rental expense for all operating leases (including contingent rental expense and reduced by sublease rental income, both of which were not significant) amounted to $41.5 million, $38.4 million and $45.4 million for 1994, 1993 and 1992.

NOTE 16 - LITIGATION

The Company and its subsidiaries are parties to numerous claims and lawsuits arising in the course of their normal business activities, some of which involve claims for substantial amounts. Although the ultimate outcome of these suits cannot be ascertained at this time, it is the opinion of management that none of these matters, when resolved, will have a material effect on the Company's consolidated results of operations or financial position.

NOTE 17 - SUNTRUST BANKS, INC. (PARENT COMPANY ONLY) FINANCIAL INFORMATION

STATEMENTS OF INCOME

| (In thousands) | Year Ended December 31 1994 | 1993 | 1992 |
|---|---|---|---|
| OPERATING INCOME | | | |
| From subsidiaries: | | | |
| Dividends - substantially all from banking subsidiaries | $330,318 | $336,250 | $306,469 |
| Service fees | 41,327 | 41,263 | 39,645 |
| Interest on loans | 8,088 | 4,162 | 4,942 |
| Other income | 162 | 176 | 164 |
| Other income | 7,966 | 2,106 | 3,030 |
| Total operating income | 387,861 | 383,957 | 354,250 |
| OPERATING EXPENSE | | | |
| Interest on short-term borrowings | 9,913 | 8,340 | 5,459 |
| Interest on long-term debt | 53,101 | 42,018 | 44,903 |
| Salaries and employee benefits | 27,957 | 26,358 | 25,883 |
| Amortization of intangible assets | 7,686 | 7,712 | 7,712 |
| Service fees to subsidiaries | 7,769 | 5,308 | 4,628 |
| Other operating expense | 26,404 | 11,952 | 13,794 |
| Total operating expense | 132,830 | 101,688 | 102,379 |
| Income before income taxes and equity in undistributed income of subsidiaries | 255,031 | 282,269 | 251,871 |
| Income tax benefit | 23,499 | 9,174 | 9,503 |
| Income before equity in undistributed income of subsidiaries | 278,530 | 291,443 | 261,374 |
| Equity in undistributed income of subsidiaries | 244,214 | 182,286 | 143,023 |
| NET INCOME | $522,744 | $473,729 | $404,397 |



<TABLE>
BALANCE SHEETS
<CAPTION>

| (Dollars in thousands) <S> | December 31 1994 <C> | 1993 <C> |
|---|---|---|
| ASSETS | | |
| Cash in subsidiary banks | $258 | $210 |
| Interest-bearing deposits in banks | 6,525 | 693 |
| Funds purchased | - | 1,750 |
| Loans to subsidiaries | 171,135 | 186,843 |
| Investment in capital stock of subsidiaries stated on the basis of the Company's equity in subsidiaries' capital accounts: | | |
| Banking subsidiaries | 3,676,584 | 3,671,304 |
| Nonbanking and holding company subsidiaries | 480,520 | 388,003 |
| Premises and equipment | 14,530 | 10,302 |
| Intangible assets | 130,131 | 139,281 |
| Other assets - Note 10 | 247,086 | 211,120 |
| Total Assets | $4,726,769 | $4,609,506 |
| LIABILITIES | | |
| Short-term borrowings from: | | |
| Subsidiaries | $8,582 | $9,447 |
| Non-affiliated companies - Note 7 | 252,897 | 292,324 |
| Long-term debt - Note 8 | 787,736 | 494,361 |
| Other liabilities - Note 10 | 224,223 | 203,791 |
| Total Liabilities | 1,273,438 | 999,923 |
| SHAREHOLDERS' EQUITY - Note 11 | | |
| Preferred stock, no par value; 50,000,000 shares authorized; none issued | - | - |
| Common stock, $1.00 par value; 350,000,000 shares authorized(1) | 130,461 | 130,461 |
| Additional paid in capital | 438,309 | 444,941 |
| Retained earnings | 3,020,985 | 2,655,357 |
| Treasury stock and other(2) | (706,499) | (384,951) |
| Realized shareholders' equity | 2,883,256 | 2,845,808 |
| Unrealized gains(losses) on investment securities, net of taxes | 570,075 | 763,775 |
| Total shareholders' equity | 3,453,331 | 3,609,583 |
| Total liabilities and shareholders' equity | $4,726,769 | $4,609,506 |
| (1) Common shares outstanding | 115,679,426 | 122,468,085 |
| (2) Treasury shares of common stock | 14,781,218 | 7,992,559 |

</TABLE>

<TABLE>
STATEMENTS OF CASH FLOW
<CAPTION>

| (In thousands) | Year Ended December 31 1994 | 1993 | 1992 |
|---|---|---|---|
| <S> | <C> | <C> | <C> |
| CASH FLOW FROM OPERATING ACTIVITIES: | | | |
| Net income | $522,744 | $473,729 | $404,397 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Equity in undistributed income of subsidiaries | (251,532) | (182,286) | (143,023) |
| Depreciation and amortization | 9,869 | 15,225 | 14,807 |
| Bond portfolio securities gains | (3) | - | - |
| Deferred income tax benefit | 4,917 | 11,012 | 13,254 |
| Changes in period-end balances of: | | | |
| Prepaid expenses | (29,744) | (26,936) | (10,229) |
| Other assets | (11,340) | 413 | (20,565) |
| Taxes payable | (8,732) | 48,841 | 18,756 |
| Interest payable | 1,387 | 202 | 3,582 |
| Other accrued expenses | 39,198 | (16,178) | 21,722 |
| Net cash provided by operating activities | 276,764 | 324,022 | 302,701 |
| CASH FLOW FROM INVESTING ACTIVITIES: | | | |
| Proceeds from sales and maturities of investment securities | 71 | 118,924 | 24,205 |
| Purchase of investment securities | (111) | (104,171) | (33,286) |
| Net change in loans to subsidiaries | 15,708 | (72,381) | (30,056) |
| Proceeds from sale of premises and equipment | - | 8 | - |
| Net funds paid in acquisitions | - | (69,827) | - |
| Capital expenditures | (6,758) | (1,521) | (915) |
| Capital contributions to subsidiaries | (120,094) | (6,198) | (41,524) |
| Other, net | 87,100 | (3,857) | (2,731) |
| Net cash used in investing activities | (24,084) | (139,023) | (84,307) |
| CASH FLOW FROM FINANCING ACTIVITIES: | | | |
| Net change in short-term borrowings | (40,292) | 180,891 | (14,405) |
| Proceeds from issuance of long-term debt | 400,000 | - | 200,000 |
| Repayment of long-term debt | (106,625) | (22,570) | (129,094) |
| Proceeds from the exercise of stock options | 4,023 | 4,502 | 6,295 |
| Payments to acquire treasury stock | (348,540) | (285,669) | (139,072) |
| Dividends paid | (157,116) | (144,767) | (132,100) |
| Net cash used in financing activities | (248,550) | (267,613) | (208,376) |
| Net increase (decrease) in cash and cash equivalents | 4,130 | (82,614) | 10,018 |
| Cash and cash equivalents at beginning of year | 2,653 | 85,267 | 75,249 |
| Cash and cash equivalents at end of year | $6,783 | $2,653 | $85,267 |
| SUPPLEMENTAL DISCLOSURE | | | |
| Income taxes received from subsidiaries | $288,394 | $266,695 | $240,521 |
| Income taxes paid by Parent Company | (266,064) | (250,170) | (210,434) |
| Net income taxes received by Parent Company | 22,330 | 16,525 | 30,087 |
| Interest paid | $60,993 | $49,667 | $46,243 |

</TABLE>



REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of SunTrust Banks, Inc.
We have audited the accompanying consolidated balance sheets of SunTrust Banks, Inc. (a Georgia corporation) and subsidiaries as of December 31, 1994 and 1993 and the related consolidated statements of income, shareholders' equity and cash flow for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of SunTrust Banks, Inc. and subsidiaries as of December 31, 1994 and 1993, and the results of their operations and their cash flow for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, effective December 31, 1993, the Company changed its method of accounting for investment securities.

ARTHUR ANDERSEN LLP

Atlanta, Georgia
January 31, 1995



Corporate Headquarters
SunTrust Banks, Inc.
25 Park Place, N.E.
Atlanta, Georgia 30303-2917
(404) 588-7711

Corporate Mailing Address
SunTrust Banks, Inc.
P.O. Box 4418
Atlanta, Georgia 30302-4418

Notice of Annual Meeting
The Annual Meeting of Shareholders will be held on Tuesday, April 18, 1995, at 9:30 a.m. in Room 10 at the Corporate Headquarters.

Shareholder Services
Shareholders desiring to change the name, address, or ownership of stock, to report lost certificates, or to consolidate accounts, should contact the Transfer Agent:

Trust Company Bank
P. O. Box 4625
Atlanta, Georgia 30302-4625
(404) 588-7815
(800) 568-3476

Dividend Reinvestment
SunTrust offers a Dividend Reinvestment Plan for automatic reinvestment of dividends in the stock of the Company. For details of the Plan, including an authorization form, call (404) 588-7822 or (404) 588-7822 or write to:

Corporate Trust Department
Trust Company Bank
P.O. Box 4625
Atlanta, Georgia 30302-4625

Stock Trading
SunTrust Banks, Inc. common stock is traded on the New York Stock Exchange under the symbol "STI".

Shareholders of Record
SunTrust had 28,552 shareholders of record as of December 31, 1994.

Financial Information
Analysts, investors, news media and others seeking financial information should contact:

James C. Armstrong
(404) 588-7425
or
Margaret L. Fisher
(404) 586-6416

Independent Public Accountants
Arthur Andersen & Co.
Atlanta, Georgia

Corporate Counsel
King & Spalding
Atlanta, Georgia

SunTrust and its subsidiaries are Equal Opportunity Employers.

Banks in the SunTrust group are members of the Federal Deposit Insurance Corporation.

Subsidiaries of the Registrant as of February 14, 1995.

SunTrust Banks, Inc. (29 banks in total)
- 100% Sun Banks, Inc.
  - 100% Sun Bank, N.A.
  - 100% Sun Bank and Trust Company
  - 100% Sun Bank/Gulf Coast
    - 100% Beneva Investments
    - 100% CFS Ventures
    - 100% Coast Financial Incorporated
  - 100% Sun Bank/Miami, N.A.
    - 100% Florida Aviation, Inc.
    - 100% Kasalta Miramar, Inc.
  - 100% Sun Bank/South Florida, N.A.
  - 100% Sun Bank of Tampa Bay
  - 100% Sun Bank of Volusia County
    - 100% Service of Volusia County, Inc.
  - 100% Sun Bank/Mid-Florida, N.A.
  - 100% Sun Bank/North Florida, N.A.
  - 100% Sun Bank/North Central Florida
  - 100% Sun Bank/Southwest Florida
  - 50% Sun Bank/Tallahassee, N.A.
    - 100% Ox Bottom Land Company
  - 100% Sun Bank/Treasure Coast, N.A.
  - 100% Sun Bank/West Florida
  - 100% Premium Assignment Corporation
- 100% Trust Company of Georgia
  - 100% Trust Company Bank
    - 100% TCB Holdings, Inc.
    - 100% Trusco Capital Management, Inc.
  - 100% Trust Company Bank of South Georgia, N.A.
  - 100% Trust Company Bank of Northeast Georgia, N.A.
  - 100% Trust Company Bank of Augusta, N.A.
  - 100% Trust Company Bank of Southeast Georgia, N.A.
  - 100% Trust Company Bank of Columbus, N.A.
  - 100% Trust Company Bank of Middle Georgia, N.A.
  - 100% Trust Company Bank of Northwest Georgia, N.A.
  - 100% Trust Company of Georgia Bank of Savannah, N.A.
  - 100% Preferred Surety Holdings, Inc.
    - 100% Preferred Surety Corporation
- 100% Third National Corporation
  - 100% Third National Bank in Nashville
    - 100% Third Lease Corporation
  - 100% American National Bank and Trust Company of Chattanooga
  - 100% Hamilton Bank of Upper East Tennessee
  - 100% Third National Bank of East Tennessee
    - 100% Acquisition and Equity Corporation
  - 100% Third National Bank of South Central Tennessee

100% Trust Company of Tennessee (inactive)
100% The First National Bank of Florence
100% SBF Agency, Inc.
100% SunBank Capital Management, N.A.
100% STI Trust & Investment Operations, Inc.
100% SunTrust BankCard, N.A.
100% SunTrust Capital Markets, Inc.

100% SunTrust Insurance Company
100% SunTrust International Services, Inc.
100% SunTrust Mortgage, Inc.
100% SunTrust Properties, Inc.
100% SunTrust Securities, Inc.
100% SunTrust Service Corporation*

* SunTrust Service Corporation is 100% owned by certain subsidiary banks of SunTrust Banks, Inc. None of this nonbank subsidiary's stock is owned by SunTrust Banks, inc. (Parent Company).

Consent of Independent Public Accountants

As independent public accountants, we hereby consent to the incorporation of our report included in this Form 10-K, into the Registrant's previously filed Registration Statement Nos. 2-92421, 33-5317 and 33-28250 on Form S-8 and Registration Statement No. 33-54493 on Form S-3.

ARTHUR ANDERSEN & CO.

Atlanta, Georgia
February 15, 1995

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