

SUNTRUST BANKS INC

Form S-4

March 05, 2003

As filed with the Securities and Exchange Commission on March 5, 2003

Registration No. 333-

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Form S-4**

**REGISTRATION STATEMENT**

**UNDER  
THE SECURITIES ACT OF 1933**

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**SunTrust Banks, Inc.**

*(Exact name of registrant as specified in its charter)*

**Georgia**  
*(State or other jurisdiction of  
incorporation or organization)*

**6711**  
*(Primary Standard Industrial  
Classification Code Number)*

**58-1575035**  
*(I.R.S. Employer  
Identification Number)*

**303 Peachtree Street, N.E.**

**Atlanta, Georgia 30308**  
**(404) 588-7711**  
*(Address, including zip code, and telephone number, including area code,  
of registrant's principal executive offices)*

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**RAYMOND D. FORTIN**  
**Senior Vice President and General Counsel**  
**303 Peachtree Street, N.E.**  
**Atlanta, Georgia 30308**  
**(404) 588-7165**  
*(Name, address, including zip code, and telephone number, including area code,  
of agent for service)*

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*Copies to:*

**C. WILLIAM BAXLEY**  
**King & Spalding LLP**  
**191 Peachtree Street**  
**Atlanta, GA 30303**  
**(404) 572-4600**

**JOHN C. VORYS**  
**Vorys, Sater, Seymour and Pease LLP**  
**52 East Gay Street, P.O. Box 1008**  
**Columbus, OH 43216-1008**  
**(614) 464-6211**

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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective date of this registration statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$1.00 par value per share	2,000,000(1)	N/A	\$22,604,281(2)	\$1,831(2)

(1) This amount is based upon the number of shares of common stock anticipated to be issued upon completion of the transactions contemplated in the Agreement and Plan of Merger and Reorganization dated as of January 21, 2003 (the Merger Agreement), by and among SunTrust Banks, Inc. (SunTrust), Lighthouse Financial Services, Inc. (Lighthouse) and SunTrust Bank Holding Company.

(2) Determined pursuant to Rule 457(f)(2) under the Securities Act of 1933, as amended, solely for the purpose of calculating the registration fee, based on the book value of Lighthouse Financial Services, Inc., common stock, \$1.00 par value per share, as of December 31, 2002. Pursuant to Rule 457(f)(3), the cash portion of the consideration to be paid by SunTrust pursuant to the Merger Agreement has been deducted from the value of the securities to be received by Lighthouse stockholders in the transaction.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This proxy statement/ prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such State.

[Lighthouse logo]  
**Lighthouse Financial Services, Inc.**  
**Proxy Statement**

[SunTrust logo]  
**SunTrust Banks, Inc.**  
**Prospectus**

Dear Lighthouse Stockholders:

You are cordially invited to attend the special meeting of stockholders of Lighthouse Financial Services, Inc., which will be held at [location], [address], on , , 2003, at .m., local time. The accompanying notice of the special meeting, proxy statement/ prospectus and proxy card set forth the formal business to be transacted at the special meeting. Please review these materials carefully and attend the special meeting.

At the special meeting, you will be asked to vote upon a proposal to adopt and approve a merger agreement, a related plan of merger and a merger of Lighthouse into a wholly owned subsidiary of SunTrust Banks, Inc. If the merger is completed, each share of Lighthouse common stock you hold will be exchanged for either (1) \$42.7962 in cash, (2) shares of SunTrust common stock with a market value of \$42.7962, based on the market price of SunTrust common stock during a pre-closing measurement period or (3) a combination consisting of cash and shares of SunTrust common stock with a total value of \$42.7962. You will be asked to choose your form of payment. Regardless of your choice, however, elections will be limited by the requirements that not less than 50% or more than 55% of the aggregate shares of Lighthouse common stock owned by Lighthouse stockholders be exchanged for SunTrust common stock and that not less than 45% or more than 50% of the aggregate shares of Lighthouse common stock owned by Lighthouse stockholders be exchanged for cash.

SunTrust common stock is listed on the New York Stock Exchange under the symbol STI . On March 4, 2003, the closing price of a share of SunTrust common stock was \$55.45.

**Your vote is very important.** The Lighthouse board of directors has determined that the merger agreement, the related plan of merger and the merger are in the best interests of Lighthouse and its stockholders and recommends that you vote FOR the adoption and approval of the merger agreement, the related plan of merger and the merger. The merger cannot be completed unless the holders of a majority of the outstanding shares of Lighthouse common stock vote in favor of the adoption and approval of the merger agreement, the related plan of merger and the merger.

Whether or not you plan to attend the special meeting, please take the time to vote by promptly submitting the enclosed form of proxy. If you sign, date and mail your proxy card without indicating how you want to vote, your Lighthouse shares will be counted as a vote in favor of adoption and approval of the merger agreement, the related plan of merger and the merger. If you do not submit your proxy, the effect will be a vote against the merger agreement, the related plan of merger and the merger. Returning your proxy does not deprive you of your right to attend the meeting and to vote your shares in person if you should decide to do so. Granting your proxy will impact your dissenters' rights as discussed in the accompanying proxy statement/ prospectus.

The proposed merger is discussed in detail in the accompanying proxy statement/ prospectus. We encourage you to read this entire document carefully. You can also obtain more information about SunTrust in documents that it has filed with the Securities and Exchange Commission.

On behalf of your board of directors, we encourage you to vote FOR the adoption and approval of the merger agreement, the related plan of merger and the merger.

/s/  
Cartha D. DeLoach  
Chairman

/s/  
Jerry T. Caldwell  
Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities regulator has approved the shares of common stock to be issued by SunTrust in the merger, as described in this proxy statement/ prospectus or passed upon the adequacy or accuracy of this proxy statement/ prospectus. Any representation to the contrary is a criminal offense.

The shares of SunTrust common stock to be issued in the merger are not savings or deposit accounts or other obligations of any bank or savings association or non-bank subsidiary of SunTrust and are not insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund, the Bank Insurance Fund or any other governmental agency.

You should read **Risk Factors** beginning on page 12 for a description of the factors that may affect the value of the SunTrust common stock to be issued in the merger and other risk factors that should be considered with respect to the merger.

This proxy statement/ prospectus is dated \_\_\_\_\_, 2003, and it is first being mailed to Lighthouse stockholders, along with the enclosed form of proxy card, on or about \_\_\_\_\_, 2003.

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**REFERENCES TO ADDITIONAL INFORMATION**

This proxy statement/ prospectus incorporates important business and financial information about SunTrust from documents that it has filed with the Securities and Exchange Commission and that have not been included in or delivered with this proxy statement/ prospectus. This information is available to you without charge upon your written or oral request. You can obtain documents incorporated by reference in this proxy statement/ prospectus, other than exhibits to those documents, by requesting them in writing or by telephone from SunTrust at the following address:

SunTrust Banks, Inc.

303 Peachtree Street  
Mail Code GA-Atlanta-0634  
Atlanta, GA 30308  
Attention: Gary Peacock  
Telephone: (404) 658-4879

**If you would like to request documents, please do so prior to \_\_\_\_\_, 2003, in order to receive them before the special meeting.**

See [Where You Can Find More Information](#) for more information about the documents referred to in this proxy statement/ prospectus.

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[Lighthouse Financial Services, Inc. letterhead]

Lighthouse Financial Services, Inc.

Notice of Special Meeting  
, 2003

To the Stockholders of Lighthouse Financial Services, Inc.:

A special meeting of stockholders of Lighthouse Financial Services, Inc. will be held at [location], [address], on \_\_\_\_\_, 2003 at \_\_\_\_\_ .m., local time, and at any adjournments or postponements thereof, to consider and act upon the following matters:

(1) To consider and vote upon a proposal to approve and adopt (a) the Agreement and Plan of Merger and Reorganization dated as of January 21, 2003, by and among Lighthouse, SunTrust Banks, Inc. and SunTrust Bank Holding Company, a wholly owned subsidiary of SunTrust, pursuant to which Lighthouse will, upon satisfaction of certain conditions, merge into SunTrust Bank Holding Company, with SunTrust Bank Holding Company surviving the merger as a wholly owned subsidiary of SunTrust, (b) the related plan of merger contemplated by the Agreement and Plan of Merger and Reorganization and (c) the merger. As a result of the merger, each share of Lighthouse common stock (other than treasury shares, shares held by SunTrust or any of the subsidiaries of SunTrust or Lighthouse (other than in a fiduciary capacity) and shares held by dissenting stockholders) will be converted into the right to receive either (x) \$42.7962 in cash, (y) shares of SunTrust common stock having a market value of \$42.7962, based on the market price of SunTrust common stock during a pre-closing measurement period or (z) a combination consisting of cash and shares of SunTrust common stock with a total value of \$42.7962.

(2) To reelect Richard C. Mizer and George F. Reid to the Lighthouse board of directors for terms expiring at the annual meeting in 2006.

(3) Any other business properly brought before the special meeting or any adjournment or postponement thereof.

The Lighthouse board of directors has fixed the close of business on \_\_\_\_\_, 2003 as the record date for the determination of stockholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. Therefore, only stockholders of record on \_\_\_\_\_, 2003 are entitled to notice of, and to vote at, the special meeting. A list of stockholders entitled to vote will be available at Lighthouse's offices for a period of ten days prior to the special meeting as well as at the special meeting for examination by any stockholder, his agent or his attorney.

The accompanying proxy statement/prospectus describes the terms and conditions of the merger agreement and includes a complete text of the merger agreement and the related plan of merger as Annex A-1 and Annex A-2, respectively. We urge you to read the enclosed materials carefully for a complete description of the merger agreement, the plan of merger, and the merger. The accompanying proxy statement/prospectus forms a part of this notice.

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**Your vote is very important.** The merger agreement, the related plan of merger and the merger must be adopted and approved by the holders of a majority of the outstanding shares of Lighthouse common stock. Even if you plan to attend the special meeting, we urge you to submit a valid proxy promptly so that your shares will be voted.

**Your board of directors unanimously recommends that you vote FOR the adoption and approval of the merger agreement, the related plan of merger and the merger.**

By Order of the Board of Directors

/s/ GEORGE F. REID

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George F. Reid  
Its Secretary

Hilton Head Island, South Carolina  
, 2003

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<b>Annex A-1</b>	<b>Agreement and Plan of Merger and Reorganization dated as of January 21, 2003 by and among Lighthouse Financial Services, Inc., SunTrust Banks, Inc. and SunTrust Bank Holding Company</b>
<b>Annex A-2</b>	<b>Plan of Merger by and among Lighthouse Financial Services, Inc., SunTrust Banks, Inc. and SunTrust Bank Holding Company</b>
<b>Annex B</b>	<b>Form of Voting Agreement</b>
<b>Annex C</b>	<b>Opinion of Keefe, Bruyette &amp; Woods, Inc.</b>
<b>Annex D</b>	<b>Section 262 of the Delaware General Corporation Law</b>

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This proxy statement/ prospectus and the documents that are made part of this proxy statement/ prospectus by reference to other documents filed with the Securities and Exchange Commission include various forward-looking statements about SunTrust and Lighthouse that are subject to risks and uncertainties. Forward-looking statements include the information concerning future financial performance, business strategy, projected plans and objectives of SunTrust and Lighthouse.

Statements preceded by, followed by or that otherwise include the words believes, expects, anticipates, intends, estimates, plans, may increase, may fluctuate, will likely result, and similar expressions or future or conditional verbs such as will, should, would, and could are generally forward-looking in nature and not historical facts. You should understand that the following important factors, in addition to those discussed elsewhere in this proxy statement/ prospectus and in the documents which are incorporated by reference into this proxy statement/ prospectus, could affect the future results of the combined company following the merger, and could cause results to differ materially from those expressed in such forward-looking statements:

the effect of economic conditions and interest rates on a national, regional or international basis;

the performance of SunTrust's businesses following the merger;

the timing of the implementation of changes in operations to achieve enhanced earnings or effect cost savings;

the ability of SunTrust and Lighthouse to successfully integrate their operations, the compatibility of the operating systems of the combining companies, and the degree to which existing administrative and back-office functions and costs of SunTrust and Lighthouse are complementary or redundant;

the ability to satisfy all conditions precedent to the merger (including stockholder and various regulatory approvals);

competitive pressures in the consumer finance, commercial finance, insurance, financial services, asset management, retail banking, mortgage lending, auto lending, corporate and investment banking and capital industries;

the financial resources of, and products available to, competitors;

changes in laws and regulations, including changes in accounting standards;

changes in policy by regulatory agencies;

changes in the securities and foreign exchange markets; and

opportunities that may be presented to and pursued by the combined company following the merger.

Management of each of SunTrust and Lighthouse believes the forward-looking statements about its company are reasonable. However, you should not place undue reliance on them. Any forward-looking statements in the proxy statement/ prospectus are not guarantees of future performance. They involve risks, uncertainties and assumptions, and actual results, developments and business decisions may differ from those contemplated by those forward-looking statements. Many of the factors that will determine these results are beyond SunTrust's and Lighthouse's ability to control or predict. SunTrust and Lighthouse disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section.

**QUESTIONS AND ANSWERS ABOUT THE MERGER**

**Q: What is the proposed transaction for which I am being asked to vote?**

A: You are being asked to vote to adopt and approve an agreement and plan of merger and reorganization among SunTrust, SunTrust Bank Holding Company and Lighthouse, a related plan of merger and the merger contemplated thereby. In this proxy statement/ prospectus, we refer to the agreement and plan of merger and reorganization and the related plan of merger as the merger agreement. In the merger, Lighthouse will be merged into SunTrust Bank Holding Company, a wholly owned subsidiary of SunTrust. After the merger, SunTrust Bank Holding Company will be the surviving corporation and will remain a wholly owned subsidiary of SunTrust.

**Q: Who is SunTrust?**

A: SunTrust is a diversified financial services holding company whose businesses provide a broad range of financial services to consumer and corporate customers in Alabama, Florida, Georgia, Maryland, Tennessee, Virginia and the District of Columbia. SunTrust was incorporated in 1984 under the laws of the State of Georgia.

**Q: What will I receive in exchange for my Lighthouse common stock in the merger?**

A: In the merger, your shares of Lighthouse common stock will be exchanged for either \$42.7962 in cash for each share of Lighthouse common stock, shares of SunTrust common stock having a market value of \$42.7962, based on the market price of SunTrust common stock during a pre-closing measurement period, for each share of Lighthouse common stock or a combination of cash for 45% of your shares of Lighthouse common stock and SunTrust common stock for 55% of your shares of Lighthouse common stock.

**Q: Can I elect the type of consideration I will receive in the merger?**

A: Yes. Subject to the allocation procedures described in this proxy statement/ prospectus, you may elect to receive all cash, all shares of SunTrust common stock or a combination of cash and SunTrust common stock in exchange for your shares of Lighthouse common stock.

Under the merger agreement, the number of shares of Lighthouse common stock in the aggregate to be exchanged for cash must not be less than 45% or more than 50% of the total number of shares of Lighthouse common stock outstanding immediately prior to the effective time of the merger. The number of shares of Lighthouse common stock in the aggregate to be exchanged for shares of SunTrust common stock must not be less than 50% or more than 55% of the total number of shares of Lighthouse common stock outstanding immediately prior to the effective time of the merger.

**Q: If I elect to receive SunTrust common stock in the merger, how many shares will I receive?**

A: Subject to the allocation procedures described in this proxy statement/ prospectus, if you elect to receive SunTrust common stock in exchange for all or a portion of your Lighthouse common stock, the number of shares of SunTrust common stock that you will receive for each share of Lighthouse common stock will be equal to an exchange ratio determined by dividing \$42.7962 by the average closing price per share of SunTrust common stock for the ten trading days ending on and including the third business day prior to the effective time of the merger. For example, the average closing sale price of a share of SunTrust common stock for the ten-day trading period ending March 3, 2003 was \$56.109, which would result in an exchange ratio of .7627.

You will not receive a fractional share of SunTrust common stock. Instead, you will be paid cash for such fraction based on the average closing price of SunTrust common stock over the ten day trading period ending on and including the third business day prior to the effective time of the merger.

For instance, using the hypothetical exchange ratio of .7627 described above, a Lighthouse stockholder who elects to receive SunTrust common stock in exchange for 1000 shares of Lighthouse common stock would receive 762 shares of SunTrust common stock, plus \$39.28 in cash instead of a fractional share.

**Q: How do I elect the form of consideration I prefer to receive? When should I send in my stock certificates?**

A: A form of election is being mailed to you concurrently with the mailing of this proxy statement/ prospectus. If your shares of Lighthouse common stock are registered in your own name, complete and sign the form of election and send it to SunTrust Bank, the exchange agent for the merger, together with the stock certificates representing the shares you wish to exchange for cash, SunTrust common stock or a combination of cash and SunTrust common stock.

**Q: Is there a deadline for making an election?**

A: Yes. Your completed election form and Lighthouse stock certificates must be received by the exchange agent not later than 5:00 p.m. eastern time on the last business day prior to the effective time of the merger.

**Q: What if I do not send an election form or it is not received before the deadline?**

A: If the exchange agent does not receive from you a properly completed election form, together with certificates representing your shares of Lighthouse common stock, before the deadline, then it will be assumed that you have elected to receive a combination of cash for 45% of your shares of Lighthouse common stock and SunTrust common stock for the remaining 55% of your shares of Lighthouse common stock. **You bear the risk of delivery and should send any election form by courier, by hand or by fax, with certificates delivered by courier or by hand, to the appropriate addresses shown in the election form.**

Promptly after the effective time of the merger, the exchange agent will provide stock certificate transmittal materials to the holders of Lighthouse common stock who have not already completed the form of election and surrendered their stock certificates. The transmittal materials will contain instructions for use in effecting the surrender to the exchange agent of Lighthouse common stock certificates in exchange for the merger consideration.

**Q: What happens if the aggregate number of shares for which cash elections are made exceeds 50% of the outstanding shares of Lighthouse common stock or if the number of shares for which stock elections are made exceeds 55% of the outstanding shares of Lighthouse common stock?**

A: If the aggregate number of shares for which cash elections are made exceeds 50% of the outstanding shares of Lighthouse common stock, then all shares of Lighthouse common stock for which cash elections are made will be exchanged on a pro rata basis for a combination of cash and SunTrust common stock so that the total number of Lighthouse shares exchanged for cash does not exceed 50% of the outstanding shares of Lighthouse common stock.

If the aggregate number of shares for which stock elections are made exceeds 55% of the outstanding shares of Lighthouse common stock, then all shares of Lighthouse common stock for which stock elections are made will be exchanged on a pro rata basis for a combination of cash and SunTrust common stock so that the total number of Lighthouse shares exchanged for stock does not exceed 55% of the outstanding shares of Lighthouse common stock.

**Q: What are the United States federal income tax consequences of the merger to Lighthouse stockholders?**

A: The tax consequences to you of the transaction will depend on your particular facts and circumstances and the form of merger consideration you receive. You should consult your tax advisor for a full understanding of the tax consequences of the merger.

Assuming that the merger is completed as currently contemplated, you will not recognize any gain or loss for United States federal income tax purposes if you exchange your Lighthouse shares solely for SunTrust shares in the merger (including any fractional share of SunTrust common stock), except with respect to cash received in lieu of a fractional SunTrust share. You will recognize gain or loss if you exchange your Lighthouse shares solely for cash in the merger. You will recognize gain, but not loss, if you exchange your Lighthouse shares for a combination of SunTrust shares and cash, but not in excess of the cash you receive in the merger.

**Q: Am I entitled to dissenters' rights?**

A: Yes. If you wish, you may dissent from the merger agreement and obtain a cash payment for the fair value of your shares. To exercise dissenters' rights, you must **not** vote in favor of the adoption and approval of the merger agreement and the merger, and you must strictly comply with all of the applicable requirements of Delaware law summarized under the heading "The Merger - Dissenters' Rights." The fair value of your shares, as determined by a court, may be more or less than the consideration to be paid in the merger.

We have included a copy of Section 262 of the Delaware General Corporation Law as Annex D to this proxy statement/ prospectus.

**Q: When and where is the special meeting?**

A: The Lighthouse special meeting is scheduled to take place at [location], [address] on \_\_\_\_\_, 2003 at \_\_\_\_\_ .m., local time.

**Q: Who can vote on the merger?**

A: Holders of record of Lighthouse common stock at the close of business on \_\_\_\_\_, 2003 can vote at the special meeting. On that date, \_\_\_\_\_ shares of Lighthouse common stock were outstanding and entitled to vote.

**Q: What vote is required for approval?**

A: The merger agreement and the merger must be adopted and approved by a majority of the outstanding shares of Lighthouse common stock. Therefore, if you abstain or fail to vote, it will be the same as voting against the merger agreement and the merger.

**Q: When do you expect the merger to be completed?**

A: We are working to complete the merger as promptly as possible. We expect to complete the merger promptly after we receive Lighthouse stockholder approval at the special meeting and after we receive all necessary regulatory approvals. We currently expect this to occur during the second quarter of 2003. Fulfilling some of the conditions to closing the merger, such as receiving certain governmental clearances or regulatory approvals, and receipt of an opinion of our tax counsel, is not entirely within our control. If all the conditions to completion of the merger are not fulfilled during the second quarter of 2003, we expect to complete the merger as quickly as practicable once the conditions are fulfilled.

**Q: What do I need to do now?**

A: After carefully reading and considering the information contained in this proxy statement/ prospectus, please complete and mail your proxy card as soon as possible so that your shares may be voted at the special meeting. Your proxy card will instruct the persons named on the proxy card to vote your shares at the special meeting as you direct. If you sign and send in your proxy card and do not indicate how you want to vote, your proxy will be voted FOR the adoption and approval of the merger agreement and the merger. If you do not vote or if you abstain, the effect will be a vote against the merger agreement and the merger. **Your vote is very important.**

**Q: May I change my vote after I have mailed my signed proxy card?**

A: You may change your vote at any time before your proxy is voted at the special meeting. If your shares of Lighthouse common stock are registered in your own name, you can do this in one of three ways:

first, you can send a written notice stating that you want to revoke your proxy;

second, you can complete and submit a new proxy card; or

third, you can attend the Lighthouse special meeting and vote in person. Simply attending the meeting, however, will not revoke your proxy; you must vote at the meeting.

If you choose either of the first two methods, you must submit your notice of revocation or your new proxy card to:

Lighthouse Financial Services, Inc.

Attention: George F. Reid, Secretary  
5 Office Park Road  
Hilton Head Island,  
South Carolina 29928

**Q: If I plan to attend the Lighthouse special meeting in person, should I still grant my proxy?**

A: Yes. Whether or not you plan to attend the special meeting, you should grant your proxy as described above. The failure of a Lighthouse stockholder to vote in person or by proxy will have the same effect as a vote against the adoption and approval of the merger agreement and the merger.

**Q: What does Lighthouse's board of directors recommend?**

A: Lighthouse's board of directors has unanimously determined that the proposed merger is advisable and in the best interests of Lighthouse and its stockholders and recommends that you vote FOR the proposal to adopt and approve the merger agreement and the merger.

**Q: Who can help answer my questions?**

A: If you have any questions about the merger or if you need additional copies of this proxy statement/ prospectus or the enclosed proxy card, you should contact:

Jerry T. Caldwell  
Chief Executive Officer  
Lighthouse Financial Services, Inc.  
5 Office Park Road  
Hilton Head Island, South Carolina 29928  
1-888-686-5505 (toll free)





## SUMMARY

*This summary highlights selected information from this proxy statement/prospectus and may not contain all the information that is important to you. For a more complete understanding of the merger and for a more complete description of the legal terms of the merger and the merger agreement, you should read this entire document carefully, as well as the additional documents to which we refer you. See Where You Can Find More Information.*

### The Companies

*SunTrust Banks, Inc.*

*SunTrust Bank Holding Company  
303 Peachtree Street, NE  
Atlanta, GA 30308  
404-588-7711*

SunTrust is a diversified financial services holding company whose businesses provide a broad range of financial services to consumer and corporate customers in Alabama, Florida, Georgia, Maryland, Tennessee, Virginia and the District of Columbia. SunTrust was incorporated in 1984 under the laws of the State of Georgia. As of December 31, 2002, SunTrust had total assets of \$117.3 billion, deposits of \$79.7 billion and total shareholders' equity of \$8.8 billion. For financial statements and a discussion of SunTrust's recent results of operations, see SunTrust's Annual Report on Form 10-K for the year ended December 31, 2002, which is incorporated by reference in this proxy statement/prospectus.

SunTrust Bank Holding Company is the wholly owned subsidiary through which SunTrust conducts all of its business. SunTrust Bank Holding Company was incorporated in Florida in 1966 as First Orlando Corporation.

*Lighthouse Financial Services, Inc.*

*5 Office Park Road  
Hilton Head Island, S.C. 29928  
843-341-3000*

Lighthouse offers a broad array of financial service products through its wholly owned subsidiaries. Lighthouse's principal subsidiary, Lighthouse Community Bank, or LCB, is engaged in the financial services business with an emphasis on mortgage banking and retail banking services. In addition to originating loans, Lighthouse invests in U.S. Government and agency obligations, corporate bonds, mortgage-backed securities, and interest-bearing deposits in other financial institutions. LCB sells a significant amount of the mortgage loans it originates to commercial banks, savings banks and other institutional purchasers, including the Federal Home Loan Mortgage Corporation, or FHLMC. LCB retains ownership of its remaining loan production and generally retains servicing rights to mortgage loans that it sells. LCB presently has five branch offices serving the southern Beaufort County, South Carolina community and is currently the largest independent financial institution serving its primary market area.

Lighthouse was incorporated under Delaware law in 1994 and commenced operations as a unitary thrift holding company in 1996 under the name Carolina Bancshares, Inc. Lighthouse's name was changed from Carolina Bancshares, Inc. to Lighthouse Financial Services, Inc. in March 1998.

### The Merger (pages 21 through 40)

Under the terms of the merger agreement, Lighthouse will be merged into SunTrust Bank Holding Company. After the merger, SunTrust Bank Holding Company will be the surviving corporation and will continue its corporate existence under Florida law as a wholly owned subsidiary of SunTrust. The merger agreement and the plan of merger are attached to this document as Annex A-1 and Annex A-2, respectively, and are incorporated in this proxy statement/prospectus by reference. We encourage you to read the merger agreement carefully, as it is the legal document that governs the merger.

**What You Will Receive in the Merger (page 41)**

The merger agreement provides that holders of shares of Lighthouse common stock, other than SunTrust or any of the subsidiaries of SunTrust or Lighthouse (other than in a fiduciary capacity) and any person who has perfected dissenters' rights with respect to shares of Lighthouse common stock, will be entitled to receive either:

cash in an amount equal to \$42.7962, without interest, for each share of Lighthouse common stock;

for each share of Lighthouse common stock, the number of shares of SunTrust common stock equal to an exchange ratio determined by dividing \$42.7962 by the average closing price per share of SunTrust common stock for the ten trading days ending on and including the third business day prior to the effective time of the merger; or

cash consideration for 45% of such holder's shares of Lighthouse common stock and stock consideration for 55% of such holder's shares of Lighthouse common stock.

Under the merger agreement, however, the number of shares of Lighthouse common stock in the aggregate to be exchanged for cash must not be less than 45% or more than 50% of the total number of shares of Lighthouse common stock outstanding immediately prior to the effective time of the merger, and the number of shares of Lighthouse common stock in the aggregate to be exchanged for shares of SunTrust common stock must not be less than 50% or more than 55% of the total number of shares of Lighthouse common stock outstanding immediately prior to the effective time of the merger.

If the aggregate number of shares for which cash elections are made exceeds 50% of the outstanding shares of Lighthouse common stock, then all shares of Lighthouse common stock for which cash elections are made will be exchanged on a pro rata basis for a combination of cash and SunTrust common stock so that the total number of Lighthouse shares exchanged for cash does not exceed 50% of the outstanding shares of Lighthouse common stock. If the aggregate number of shares for which stock elections are made exceeds 55% of the outstanding shares of Lighthouse common stock, then all shares of Lighthouse common stock for which stock elections are made will be exchanged on a pro rata basis for a combination of cash and SunTrust common stock so that the total number of Lighthouse shares exchanged for stock does not exceed 55% of the outstanding shares of Lighthouse common stock.

If you would like to receive cash or stock for any or all of your Lighthouse shares and your Lighthouse shares are registered in your own name, you must fill out and return to the exchange agent the form of election mailed to you concurrently with this proxy statement/prospectus, together with the stock certificates representing the shares you wish to exchange. The form of election and related stock certificates must be received by the exchange agent not later than 5:00 p.m. eastern time on the last business day prior to the effective time of the merger. If the merger does not take place for any reason, your stock certificates will be returned to you.

If the exchange agent does not receive from you a properly completed election form, together with certificates representing your shares of Lighthouse common stock, before the deadline for submission of those materials, then it will be assumed that you have elected to receive a combination of cash for 45% of your shares of Lighthouse common stock and SunTrust common stock for the remaining 55% of your shares of Lighthouse common stock.

**The Special Meeting**

The Lighthouse special meeting will be held at **[location]**, **[address]** on \_\_\_\_\_, \_\_\_\_\_, 2003 at \_\_\_\_\_ .m., local time. At the meeting, the holders of Lighthouse common stock will be asked to vote upon a proposal to adopt and approve the merger agreement and the merger and a proposal to reelect Richard C. Mizer and George F. Reid to the Lighthouse board of directors. The Lighthouse board of directors has fixed the close of business on \_\_\_\_\_, 2003 as the record date for the determination of stockholders entitled to notice of, and to vote at, the special meeting. At the record date, approximately \_\_\_\_\_ shares of Lighthouse common stock were issued and outstanding and entitled to vote. Each

share of Lighthouse common stock is entitled to one vote on any matter that may properly come before the meeting. The affirmative vote of a majority of the outstanding shares of Lighthouse common stock is required to adopt and approve the merger agreement and the merger. The two nominees who receive the greatest number of votes will be elected as directors.

**Vote of Management Owned Shares (page 19 and 20)**

As of the record date, the directors and executive officers of Lighthouse and their respective affiliates collectively owned approximately 22% of the outstanding shares of Lighthouse common stock, including shares subject to options currently exercisable but not exercised. All of the directors of Lighthouse have entered into voting agreements with SunTrust pursuant to which they have agreed to vote all of their shares, except for shares held in a certain trust, in favor of the adoption and approval of the merger agreement and the merger, representing approximately 20% of the outstanding shares of Lighthouse common stock, including shares subject to options held by these persons. SunTrust and Lighthouse have been informed that all of the approximately 22% of the outstanding shares of Lighthouse common stock owned by the directors and executive officers of Lighthouse and their respective affiliates will be voted in favor of the approval and adoption of the merger agreement and the merger. A form of the voting agreement is attached as Annex B to this proxy statement/ prospectus.

**Recommendation of the Lighthouse Board; Lighthouse's Reasons for the Merger (pages 21 through 25)**

Lighthouse's board of directors has unanimously approved the merger agreement and the merger. Lighthouse's board of directors believes that the merger is advisable and in the best interests of Lighthouse and its stockholders and recommends that Lighthouse's stockholders vote for the adoption and approval of the merger agreement and the merger. In reaching its decision, the Lighthouse board considered a number of factors, which are described in more detail in The Merger Recommendation of the Lighthouse Board; Lighthouse's Reasons for the Merger beginning on page . The Lighthouse board of directors did not assign relative weights to the factors described in that section or the other factors considered by it. In addition, the Lighthouse board did not reach any specific conclusion on each factor considered, but conducted an overall analysis of these factors. Individual members of the Lighthouse board of directors may have given different weights to different factors.

**Opinion of Lighthouse's Financial Advisor (pages 26 through 33)**

In deciding to approve the merger agreement and the merger, the Lighthouse board of directors considered the opinion dated January 21, 2003, of its financial advisor, Keefe, Bruyette & Woods, Inc., that, as of that date, the aggregate merger consideration to be received by all of the holders of Lighthouse common stock under the merger agreement was fair from a financial point of view to those holders.

The written opinion of Keefe, Bruyette & Woods, Inc. is attached as Annex C to this proxy statement/ prospectus. We encourage you to read this opinion carefully and in its entirety.

**Material United States Federal Income Tax Consequences (pages 33 through 35)**

If the merger is completed as currently contemplated, then, in general, the material United States federal income tax consequences to you will be as follows:

if you exchange Lighthouse common stock solely for cash, you will recognize capital gain or loss equal to the difference between the amount of cash received and your tax basis in the stock surrendered;

if you exchange Lighthouse common stock solely for SunTrust common stock (including any fractional share of SunTrust common stock), you will not recognize any gain or loss, except to the extent of the cash received in lieu of a fractional share; and

if you exchange Lighthouse common stock for a combination of cash and SunTrust common stock, you will recognize gain (but not loss), and the gain will be equal to the lesser of (1) the excess of

the sum of the cash and the fair market value of the SunTrust common stock received over your tax basis in the Lighthouse stock surrendered, or (2) the amount of cash received.

**Conditions to the Merger (pages 53 through 55)**

The obligations of SunTrust and Lighthouse to complete the merger are conditioned on the following conditions being fulfilled:

adoption and approval of the merger agreement and the merger by the Lighthouse stockholders;

the registration statement, of which this document is a part, having become effective under the Securities Act, and no stop order or proceedings seeking a stop order having been entered or pending by the SEC;

receipt of all governmental consents and approvals required to complete the merger;

absence of any legal prohibition on the completion of the merger; and

receipt of an opinion of King & Spalding LLP, SunTrust's outside counsel, that the merger will qualify as a reorganization for United States federal income tax purposes.

In addition, Lighthouse's obligation to complete the merger is subject to, among other things:

the representations and warranties of SunTrust being true and correct, in all material respects, as of the closing;

the performance by SunTrust in all material respects of all obligations and covenants required by the merger agreement; and

the shares of SunTrust common stock to be issuable pursuant to the merger having been approved for listing on the NYSE.

In addition, SunTrust's obligation to complete the merger is subject to, among other things:

the representations and warranties of Lighthouse in the merger agreement being true and correct, with certain representations and warranties being true and correct in all material respects, as of the closing;

the absence of any regulatory approval imposing any condition or requirement which would render completion of the merger inadvisable or unduly burdensome;

the performance by Lighthouse in all material respects of all obligations and covenants required by the merger agreement;

the absence of any pending or threatened legal proceeding in which a governmental authority is a party or is involved, and the absence of any receipt by Lighthouse or SunTrust of any communication from any governmental authority indicating the possibility of commencing any legal proceeding or other action relating to the completion of the merger; and

Lighthouse having stockholders' equity of not less than \$29,500,000.

**Termination of the Merger Agreement (page 56)**

The merger agreement may be terminated and the merger may be abandoned at any time prior to the effective time of the merger:

by the mutual written consent of SunTrust and Lighthouse;

by either SunTrust or Lighthouse if:

there has been either (1) a material breach by the other party of any covenant or agreement contained in the merger agreement, or (2) an inaccuracy of any representation or warranty of the other party contained in the merger agreement which would provide the nonbreaching party the

ability to refuse to complete the merger under the standard set forth in the merger agreement, and, in either case, if the breach or inaccuracy has not been cured by the earlier of thirty days following written notice of the breach to the party committing the breach or the effective time of the merger;

any of the conditions precedent to the obligations of the other party to complete the merger cannot be satisfied prior to closing, and the party giving notice is not in material breach of the merger agreement;

any of the applications for prior approval referred to in the merger agreement are denied, and no appeals or reconsiderations are possible;

the merger is not approved by Lighthouse's stockholders;

the merger is not completed by September 30, 2003 other than because of a breach of the merger agreement caused by the terminating party; or

by SunTrust if Lighthouse's board of directors:

withdraws, modifies or qualifies, or proposes publicly to withdraw, modify or qualify, the approval of the merger agreement, the merger or the recommendation in this proxy statement/prospectus that Lighthouse's stockholders vote to adopt and approve the merger agreement and the merger;

takes any action inconsistent with its approval or recommendation, in any case whether or not permitted by the terms of the merger agreement;

approves or recommends a third party takeover proposal; or

fails to recommend against a third party takeover proposal.

#### **Termination Fees (page 56)**

Lighthouse must pay to SunTrust a termination fee of \$3,000,000, plus SunTrust's out of pocket expenses, if:

SunTrust terminates the merger agreement because the board of directors of Lighthouse withdrew, modified or qualified, or proposed publicly to do any of the same, the approval of the merger agreement, the merger or its recommendation to the stockholders of Lighthouse;

either party elects to terminate the merger agreement because the stockholders of Lighthouse did not approve the merger at a meeting duly convened and a takeover proposal had been disclosed, announced, submitted or made; or

within 12 months after termination of the merger agreement, Lighthouse enters into any acquisition agreement with any person or entity, other than SunTrust, unless the termination was pursuant to mutual agreement of the parties, was by Lighthouse due to a material breach of the merger agreement by SunTrust, or was by either SunTrust or Lighthouse because of the failure to obtain necessary regulatory approvals solely due to SunTrust.

Lighthouse is required to pay to SunTrust a termination fee equal to \$2,000,000, plus SunTrust's actual out-of-pocket expenses incurred in connection with the merger, if either party terminates the merger agreement due to a failure to obtain regulatory approval, other than a failure solely due to SunTrust, and Lighthouse enters into an acquisition agreement with another person or entity within six months of such termination.

#### **Interests of Certain Persons in the Merger (pages 39 through 40)**

In addition to their interests as stockholders, the directors and executive officers of Lighthouse may have interests in the merger that are different from, or in addition to, your interests. These interests exist

because of rights they may have under individual employment agreements, under compensation and benefit plans, including the Lighthouse stock option plan, and under the merger agreement. These interests include, among other things:

the payment of cash amounts of \$1,385,763 to Jerry T. Caldwell, the Chief Executive Officer of Lighthouse, and of \$1,387,234 to Terry L. Rohlfling, the President of Lighthouse, in exchange for a waiver and release of certain rights under their current employment agreements upon completion of the merger;

an employment and consulting agreement entered into by SunTrust and Mr. Caldwell, in connection with the execution of the merger agreement, pursuant to which Mr. Caldwell has agreed to serve as Chief Executive Officer of the Hilton Head market for a period commencing on the completion of the merger and ending on December 4, 2004, in exchange for an annual salary of \$300,000, plus a bonus potential of an additional \$300,000 per year during the employment term. At the end of the employment term, Mr. Caldwell would continue to serve in a consulting capacity commencing on December 4, 2004, and ending five years from the date of the completion of the merger in exchange for consulting fees equal to \$300,000 per year;

an employment and consulting agreement entered into by SunTrust and Mr. Rohlfling in connection with the execution of the merger agreement pursuant to which Mr. Rohlfling agreed to serve as President of the Hilton Head market for a period commencing on the completion of the merger and ending on December 4, 2003, in exchange for an annual salary equal to \$300,000, plus a bonus potential of an additional \$300,000 per year during the employment term. At the end of the employment term, Mr. Rohlfling would continue to serve in a consulting capacity commencing December 4, 2003, and ending five years from the date of the completion of the merger in exchange for consulting fees equal to \$300,000 per year;

the exchange of options to purchase shares of Lighthouse common stock for options to purchase shares of SunTrust common stock;

the appointment of all non-employee directors of Lighthouse as members of an advisory board of SunTrust;

SunTrust's agreement to honor indemnification obligations of Lighthouse, as well as to purchase liability insurance for Lighthouse's directors and officers following the merger, subject to the terms of the merger agreement; and

an amendment to the existing management agreement entered into by Carswell and each of William C. Thomas and John B. Vann, in connection with the execution of the merger agreement. The amendments extend the terms of Mr. Thomas and Mr. Vann's respective management agreements until the third and fifth anniversary, respectively, of the effective time of the merger, each with an additional one year extension unless either party to the agreement provides 60 days prior notice. Each of Mr. Thomas and Mr. Vann will receive an annual salary of \$300,000, plus a bonus potential of an additional \$100,000 per year during the term of the amended management agreement.

The members of the Lighthouse board of directors knew of these additional interests, and considered them when they approved the merger agreement.

**Dissenters' Rights (pages 36 through 39)**

Under Delaware law, Lighthouse stockholders have the right to dissent from the merger agreement and obtain payment for the fair value of their shares of Lighthouse common stock in connection with the merger. A discussion of these dissenters' rights is included in this proxy statement/ prospectus beginning on page 36. The relevant provisions of the Delaware General Corporation Law are included as Annex D to this proxy statement/ prospectus.



## RISK FACTORS

*In addition to the other information included in this proxy statement/prospectus, you should carefully consider the matters described below in determining whether to adopt and approve the merger agreement and the merger.*

### **You may receive a form of consideration different from the form of consideration you elect.**

The consideration to be received by Lighthouse stockholders in the merger is subject to the requirement that not less than 50% or more than 55% of the shares of Lighthouse common stock in the aggregate be exchanged for SunTrust common stock and that not less than 45% or more than 50% be exchanged for cash. The merger agreement contains proration and allocation methods to achieve this desired result. If you elect all cash and the available cash is oversubscribed, then you will receive a portion of the merger consideration in SunTrust common stock. If you elect all stock and the available stock is oversubscribed, then you will receive a portion of the merger consideration in cash. Therefore, you may not receive exactly the form of consideration that you elect.

### **Because the market price of SunTrust common stock may fluctuate, you cannot be sure of the market value of the SunTrust common stock that you receive in the merger.**

Upon the closing of the merger, each of your shares of Lighthouse common stock will automatically be converted into the right to receive either shares of SunTrust common stock or \$42.7962 in cash or a combination of both SunTrust common stock and cash. The number and value of shares of SunTrust common stock to be exchanged for each share of Lighthouse common stock will be based on the average closing price of SunTrust common stock over a ten-day trading period ending on the third business day prior to completion of the merger. Changes in the price of SunTrust common stock during the ten day period will determine the average and will affect the market value of SunTrust common stock that you will receive in the merger. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in SunTrust's businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond SunTrust's control. In addition, there will be a time period between the completion of the merger and the time when Lighthouse stockholders receiving stock consideration actually receive certificates evidencing SunTrust common stock. Until stock certificates are received, Lighthouse stockholders will not be able to sell their SunTrust shares in the open market and, thus, will not be able to avoid losses resulting from any decline in the trading price of SunTrust common stock during this period.

### **The directors and some executive officers of Lighthouse have additional and different interests.**

You should be aware that the directors and some executive officers of Lighthouse have interests in the merger that are different from, or in addition to, the interests of stockholders generally. For example, some executive officers have entered into agreements that provide for a lump sum payment and continued employment following the merger. These agreements may create potential conflicts of interest. These and certain other additional interests of Lighthouse's directors and executive officers may cause some of these persons to view the proposed transaction differently than you view it. For a discussion of these interests, see *The Merger-Interests of Certain Persons in the Merger*. Despite these additional or different interests, the directors of Lighthouse believe that the merger is in the best interests of Lighthouse and its stockholders.

## SELECTED HISTORICAL FINANCIAL DATA OF SUNTRUST

The following selected financial data for each of the five years in the period ended December 31, 2002, have been derived from SunTrust's audited consolidated financial statements. This data should be read together with the audited consolidated financial statements of SunTrust, including the notes thereto, incorporated herein by reference and with the Management's Discussion and Analysis of Financial Condition and Results of Operations of SunTrust contained in, or incorporated in, the annual reports and other information that SunTrust has filed with the SEC.

	Year Ended December 31,				
	2002	2001	2000	1999	1998
(In millions, except per share and other data)					
<b>Statement of Operations Data:</b>					
Interest and dividend income	\$5,135.2	\$6,279.6	\$6,845.4	\$5,960.2	\$5,675.9
Interest expense	1,891.5	3,027.0	3,736.9	2,814.7	2,746.8
Net interest income	3,243.7	3,252.6	3,108.5	3,145.5	2,929.1
Provision for loan losses	469.8	275.2	134.0	170.4	214.6
Net interest income after provision for loan losses	2,773.9	2,977.4	2,974.5	2,975.1	2,714.5
Noninterest income(1)	2,391.7	2,155.8	1,773.6	1,625.9	1,653.9
Noninterest expense(2)(4)	3,342.3	3,113.5	2,828.5	2,905.3	2,870.1
Income before provision for income taxes and extraordinary gain	1,823.3	2,019.7	1,919.6	1,695.7	1,498.3
Provision for income taxes	491.5	650.5	625.5	571.7	527.3
Income before extraordinary gain	1,331.8	1,369.2	1,294.1	1,124.0	971.0
Extraordinary gain, net of taxes(3)		6.3		202.6	
Net income	\$ 1,331.8	\$ 1,375.5	\$ 1,294.1	\$ 1,326.6	\$ 971.0
Net interest income (taxable-equivalent)	\$3,283.2	\$3,293.4	\$3,148.4	\$3,188.0	\$2,973.5
<b>Per Share Data:</b>					
Diluted					
Income before extraordinary gain	\$ 4.66	\$ 4.70	\$ 4.30	\$ 3.50	\$ 3.04
Extraordinary gain		0.02		0.63	
Net income	4.66	4.72	4.30	4.13	3.04
Basic					
Income before extraordinary gain	4.71	4.76	4.35	3.54	3.08
Extraordinary gain		0.02		0.64	
Net income	4.71	4.78	4.35	4.18	3.08
Dividends declared	1.72	1.60	1.48	1.38	1.00

## Year Ended December 31,

	2002	2001	2000	1999	1998
(In millions, except per share and other data)					
<b>Balance Sheet Data (as of the end of the period):</b>					
Total assets	\$ 117,322.5	\$ 104,740.6	\$ 103,660.4	\$ 95,390.0	\$ 93,169.9
Earning assets	104,759.6	93,327.5	92,147.8	85,193.4	81,295.1
Loans	73,167.9	68,959.2	72,239.8	66,002.8	61,540.6
Allowance for loan losses	930.1	867.1	874.5	871.3	944.6
Deposits	79,706.6	67,536.4	69,533.3	60,100.5	59,033.3
Long-term debt	11,879.8	12,660.6	8,945.4	6,017.3	5,807.9
Realized shareholders equity	7,260.0	6,704.3	6,296.4	6,064.0	6,090.4
Total shareholders equity	8,769.5	8,359.6	8,239.2	7,626.9	8,178.6
<b>Ratios and Other Data:</b>					
Return on average assets less net unrealized gains on securities	1.26%	1.37%	1.35%	1.48%	1.18%
Return on average total assets	1.23	1.34	1.32	1.43	1.14
Return on average realized stockholders equity	19.07	21.74	21.46	20.83	17.21
Return on average total shareholders equity	15.26	17.04	17.25	16.20	12.36
Net interest margin	3.41	3.58	3.55	3.88	3.97
Efficiency ratio	58.90	56.96	57.47	60.35	62.02
Total shareholders equity to assets	7.47	7.98	7.95	8.00	8.78
Allowance to year-end loans	1.27	1.26	1.21	1.32	1.53
Nonperforming assets to total loans plus OREO and other repossessed assets	0.74	0.87	0.61	0.43	0.40
Common dividend payout ratio	36.8	33.7	34.3	33.4	32.9
Full-service banking offices	1,184	1,128	1,129	1,114	1,079
ATMs	2,286	1,994	1,991	1,968	1,839
Full-time equivalent employees	27,622	28,391	28,268	30,222	30,452
Average common shares diluted (thousands)	286,052	291,584	300,956	321,174	319,711
Average common shares basic (thousands)	282,495	287,702	297,834	317,079	314,908

- (1) Includes securities gains of \$204.5 million and \$100.2 million and securities losses of \$114.9 million related to the securities portfolio repositioning in 2002, 2001 and 1999, respectively. An additional \$52.9 million security gain was recorded in 2001 on the sale of Star Systems, Inc.
- (2) Includes merger-related expenses of \$16.0 million related to the acquisition of Huntington Bancshares, Inc. and \$42.4 million in 2000, \$45.6 million in 1999 and \$119.4 million in 1998 related to the acquisition of Crestar Financial Corporation.
- (3) Represents the gain on the early extinguishment of long-term debt in 2001, net of \$3.4 million in taxes, and the gain on sale of SunTrust's consumer credit card portfolio in 1999, net of \$124.6 million in taxes.
- (4) Includes expenses of \$32.0 million from the proposal to acquire the former Wachovia Corporation in 2001.

## SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA OF LIGHTHOUSE

The following selected consolidated financial data as of and for the years ended September 30, 2000 through September 30, 2002, inclusive, has been derived from Lighthouse's audited consolidated financial statements and related notes for the respective periods which are included elsewhere in this proxy statement/ prospectus. The following selected consolidated financial data as of and for the years ended September 30, 1998 through September 30, 1999, inclusive, has been derived from Lighthouse's audited consolidated financial statements and related notes from the respective periods which are not included in this proxy statement/ prospectus. The consolidated financial data as of December 31, 2002 and for the three-month periods ended December 31, 2002 and 2001 are unaudited. However, in the opinion of management, Lighthouse has made all adjustments, none of which were other than normal recurring accruals, necessary for a fair presentation of financial position and results of operations. The selected operating data for the three-month period ended December 31, 2002, is not necessarily indicative of the results that may be expected for future periods.

	Three Months Ended December 31,		For the Year Ended September 30,				
	2002	2001	2002	2001	2000	1999	1998
(In thousands, except share data)							
<b>Statement of Operations Data:</b>							
Total interest income	\$8,541	\$8,498	\$31,818	\$34,807	\$30,440	\$17,932	\$9,968
Total interest expense	4,197	4,814	17,144	22,946	21,610	11,387	6,214
Net interest income	4,344	3,684	14,674	11,861	8,830	6,545	3,754
Provision for losses on loans	194	262	688	1,642	996	646	184
Net interest income after provision for losses on loans	4,150	3,422	13,986	10,219	7,834	5,899	3,570
Other income	4,278	2,230	11,200	9,343	7,215	6,362	6,408
General, administrative and other expense	4,565	3,706	14,789	13,618	11,081	9,404	8,146
Earnings before income taxes	3,863	1,946	10,397	5,944	3,968	2,857	1,832
Income taxes	1,470	778	3,994	2,393	1,618	1,150	684
Net earnings	\$2,393	\$1,168	\$6,403	\$3,551	\$2,350	\$1,707	\$1,148
Earnings per share(1)							
Basic	\$ .92	\$ .45	\$ 2.47	\$ 1.37	\$ .88	\$ .64	\$ .43
Diluted	\$ .85	\$ .41	\$ 2.27	\$ 1.27	\$ .80	\$ .59	\$ .40