

SUNTRUST BANKS INC

Form 424B3

March 27, 2003

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Registration number: 333-103619

**Lighthouse Financial Services, Inc.  
Proxy Statement**

**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 the offices of Lighthouse Financial Services, 5 Office Park Road, Hilton Head Island, South Carolina, on Tuesday, April 29, 2003, at 8 a.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 25, 2003, the closing price of a share of SunTrust common stock was \$54.82.

**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.

Cartha D. DeLoach  
Chairman

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.**

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**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 March 26, 2003, and it is first being mailed to Lighthouse stockholders, along with the enclosed form of proxy card, on or about March 28, 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 April 22, 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.**

**Notice of Special Meeting  
April 29, 2003**

To the Stockholders of Lighthouse Financial Services, Inc.:

A special meeting of stockholders of Lighthouse Financial Services, Inc. will be held at the offices of Lighthouse Financial Services, located at 5 Office Park Road, Hilton Head Island, South Carolina, on Tuesday, April 29, 2003 at 8:00 a.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 March 26, 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 March 26, 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  
March 26, 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>

**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 25, 2003 was \$54.475, which would result in an exchange ratio of .7856.

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 .7856 described above, a Lighthouse stockholder who elects to receive SunTrust common stock in exchange for 1000 shares of Lighthouse common stock would receive 785 shares of SunTrust common stock, plus \$32.69 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 the offices of Lighthouse Financial Services located at 5 Office Park Road, Hilton Head Island on April 29, 2003 at 8:00 a.m., local time.

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

A: Holders of record of Lighthouse common stock at the close of business on March 26, 2003 can vote at the special meeting. On that date, 2,704,761 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 an 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 22 through 41)

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 42)**

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 you will be deemed to 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 (page 20)**

The Lighthouse special meeting will be held at the offices of Lighthouse Financial Services located at 5 Office Park Road, Hilton Head Island on Tuesday, April 29, 2003 at 8:00 a.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 March 26, 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 2,704,761 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 20 and 21)**

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 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 22 through 26)**

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 Background and Reasons for the Merger beginning on page 22. 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 27 through 34)**

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 34 through 36)**

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 54 through 56)**

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:

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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 (pages 56 and 57)**

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 40 through 41)**

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. Rohlffing, 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. Rohlffing in connection with the execution of the merger agreement pursuant to which Mr. Rohlffing 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. Rohlffing 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 37 through 40)**

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 37. 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.

## 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.

## 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



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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

	At December 31,	At September 30,				
	2002	2002	2001	2000	1999	1998
(In thousands)						
<b>Balance Sheet Data:</b>						
Total amount of:						
Assets	\$624,053	\$577,383	\$456,307	\$406,064	\$364,865	\$185,302
Cash and cash equivalents	20,202	20,479	17,058	22,708	8,423	9,610
Investment securities available for sale	10,374	10,406	7,787	16,702	18,205	8,580

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Mortgage-backed securities available for sale	24,132	41,261	23,670	4,067	14,640	
Loans receivable, net(2)	548,272	485,409	392,081	347,348	312,020	158,949
Deposits	408,634	377,634	321,448	277,223	242,550	120,795
FHLB advances and other borrowings	175,004	161,784	104,207	102,617	99,826	44,019
Stockholders equity net	31,636	29,187	21,963	17,703	16,935	15,754

(1) Basic earnings per share is based on 2,607,972, 2,590,823, 2,593,695, 2,593,585, 2,680,765, 2,680,765, and 2,655,585 weighted average shares outstanding for the three months ended December 31, 2002 and 2001, and the years ended September 30, 2002, 2001, 2000, 1999 and 1998, respectively. Diluted earnings per share is based on 2,824,125, 2,820,161, 2,820,342, 2,803,433, 2,922,780, 2,889,848, and 2,848,825 weighted average shares outstanding for the three months ended December 31, 2002 and 2001, and the years ended September 30, 2002, 2001, 2000, 1999 and 1998, respectively.

(2) Includes loans held for sale.

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	At or for the Three Months Ended December 31,		At or for the Year Ended September 30,				
	2002	2001	2002	2001	2000	1999	1998
<b>Other Data:(1)</b>							
Interest rate spread	2.79%	2.80%	2.83%	2.46%	2.01%	2.45%	2.49%
Net interest margin	2.97	3.09	3.05	2.78	2.28	2.16	2.48
Return on average equity	31.50	20.72	25.66	17.85	13.23	9.22	6.80
Return on average assets	1.62	.97	1.30	.81	.60	.45	.62
Stockholders' equity to assets	5.07	4.60	5.06	4.81	4.36	4.65	8.50
Average interest-earning assets to average interest-bearing liabilities	106.42	107.09	106.12	105.85	104.99	100.51	102.58
Net interest income to general, administrative and other expense	95.16	99.41	99.22	87.09	79.69	69.60	46.08
General, administrative and other expense to average total assets	3.08	3.08	3.01	3.11	2.83	3.72	3.76
Nonperforming assets to total assets	1.80	1.67	1.01	.79	.35	.40	.54
Allowance for loan losses to nonperforming loans	43.95	65.62	94.81	101.36	141.83	101.10	39.01

(1) Annualized as appropriate.

### COMPARATIVE PER SHARE DATA

The following tables present historical diluted per share data of Lighthouse and SunTrust as of and for the periods set forth below. The data presented below should be read together with the historical financial statements of Lighthouse and SunTrust included or incorporated by reference in this proxy statement/ prospectus.

Diluted earnings per share data are calculated using the diluted weighted average equivalent shares. Because the number of shares of SunTrust common stock to be issued in the merger will not be known until three trading days prior to the completion of the merger, Lighthouse's equivalent per share data cannot be computed at this time. Hypothetical Lighthouse equivalent per share data is presented below using the average closing sale price of a share of SunTrust common stock for the ten-day trading period ending March 25, 2003 which was \$54.475 and a resulting hypothetical exchange ratio of .7856. The hypothetical Lighthouse equivalent per share data was calculated by multiplying the actual SunTrust per share data by the hypothetical exchange ratio of .7856. No pro forma SunTrust information giving effect to the merger is presented because the merger will not materially change the SunTrust historical amounts presented.

Lighthouse historically has not paid cash dividends on its common stock.

	<u>Income</u>	<u>Per Share Book Value (as of End of Period)</u>	<u>Dividends</u>
Lighthouse Historical			
<i>Year ended September 30, 2002</i>	\$2.27	\$ 11.22	
<i>Three months ended December 31, 2002</i>	0.85	11.89	
SunTrust Historical			
<i>Year ended December 31, 2002</i>	\$4.66	\$31.04	\$ 1.72
Hypothetical Lighthouse Equivalent			
<i>Twelve months ended December 31, 2002</i>	\$3.66	\$24.38	\$ 1.35

**COMPARATIVE STOCK PRICES AND DIVIDENDS**

SunTrust's common stock is listed and traded on the NYSE under the symbol STI. The following table sets forth, for the periods indicated, the high, low and closing sales prices per share of SunTrust common stock and the quarterly cash dividends per share declared by SunTrust with respect to its common stock.

	Market Price			Dividends
	High	Low	Close	
<b>2001</b>				
First Quarter	\$68.07	\$57.29	\$64.80	\$0.40
Second Quarter	66.38	59.25	64.78	0.40
Third Quarter	72.35	60.10	66.60	0.40
Fourth Quarter	67.93	58.10	62.70	0.40
<b>2002</b>				
First Quarter	\$68.47	\$58.32	\$66.37	\$0.43
Second Quarter	70.20	65.10	67.72	0.43
Third Quarter	69.12	55.90	61.48	0.43
Fourth Quarter	63.72	51.48	56.92	0.43
<b>2003</b>				
First Quarter (through March 25, 2003)	\$59.95	\$52.13	\$54.82	\$0.45

On January 21, 2003, the last trading day prior to the public announcement of the execution of the merger agreement, the last sales price of SunTrust common stock was \$58.13 per share. On March 25, 2003, the most recent practicable trading day prior to the printing of this proxy statement/ prospectus, the last sales price of SunTrust common stock was \$54.82 per share. The market price of shares of SunTrust common stock is subject to fluctuation. As a result, Lighthouse stockholders are urged to obtain current market quotations. On January 31, 2003, there were approximately 282,373,390 shares of SunTrust common stock outstanding held by 36,443 holders of record.

The holders of SunTrust common stock receive dividends if and when declared by the SunTrust board of directors out of funds legally available therefor. SunTrust expects to continue paying quarterly cash dividends on SunTrust common stock. The declaration and payment of dividends after the merger will depend upon business conditions, operating results and the SunTrust board of directors' consideration of other relevant factors. On February 11, 2003, the SunTrust board of directors declared a quarterly cash dividend of \$0.45 per share payable on March 14, 2003 to SunTrust shareholders of record on February 28, 2003.

Shares of Lighthouse common stock do not trade in any established public market, and Lighthouse has never declared cash dividends.

## THE SPECIAL MEETING

### Purpose, Time and Place

This proxy statement/ prospectus is being furnished to you in connection with the solicitation of proxies by the Lighthouse board of directors from holders of Lighthouse common stock, the only class of Lighthouse capital stock outstanding, for use at the special meeting to be held at the offices of Lighthouse Financial Services located at 5 Office Park Road, Hilton Head Island on April 29, 2003, at 8:00 a.m. local time and at any adjournments or postponements of the special meeting. At the special meeting, holders of Lighthouse common stock will be asked to consider and vote upon:

a proposal to adopt and approve the merger agreement and the merger;

the reelection of Richard C. Mizer and George F. Reid to our board of directors; and

such other matters as may properly come before the meeting.

### Record Date; Voting Power

The Lighthouse board of directors has fixed the close of business on March 26, 2003 as the record date for determining the holders of Lighthouse common stock entitled to notice of, and to vote at, the special meeting. Only holders of record of Lighthouse common stock at the close of business on the record date will be entitled to notice of, and to vote at, the special meeting.

On the record date, 2,704,761 shares of Lighthouse common stock were issued and outstanding and entitled to vote at the special meeting. Each share of Lighthouse common stock is entitled to one vote on any matter which may properly come before the special meeting. Votes may be cast at the special meeting in person or by proxy.

### Quorum

The presence at the special meeting, either in person or by proxy, of the holders of a majority of the outstanding Lighthouse common stock entitled to vote is necessary to constitute a quorum in order to transact business at the special meeting. However, if a quorum is not present at the special meeting, it is expected that the meeting will be adjourned or postponed in order to solicit additional proxies.

### Votes Required

Approval of the proposal to adopt and approve the merger agreement and the merger will require the affirmative vote of a majority of the outstanding shares of Lighthouse common stock. Under applicable Delaware law, in determining whether the proposal to adopt and approve the merger agreement and the merger has received the requisite number of affirmative votes, abstentions and failures to vote will have the same effect as a vote against the proposal.

The two nominees who receive the greatest number of votes cast at the meeting will be elected as directors. Abstentions and failures to vote will have no impact on the election of directors.

Lighthouse stockholders may not cumulate votes on the election of directors.

### Share Ownership of Management and Certain Stockholders

As of the date hereof, Lighthouse's directors and executive officers and their affiliates may be deemed to be the beneficial owners of approximately 657,319 outstanding shares of Lighthouse common stock, including shares subject to options not exercised but currently exercisable (collectively representing approximately 22% of the voting power of the common stock). The directors of Lighthouse are parties to voting agreements with SunTrust whereby they agreed to vote those shares, except for shares held in a certain trust, for adoption and approval of the merger agreement and the merger, representing

approximately 13% of the shares of Lighthouse common stock outstanding on the record date. SunTrust and Lighthouse have been informed that all 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.

**Voting of Proxies**

Shares represented by properly executed proxies received in time for the special meeting will be voted at the special meeting in the manner specified by such proxies. If your proxy is properly executed but does not contain voting instructions, your proxy will be voted FOR adoption and approval of the merger agreement and the merger and for the election of the nominees for directors. If other matters are properly presented before the special meeting, the persons named in such proxy will have authority to vote in accordance with their judgment on any other such matter, including without limitation, any proposal to adjourn or postpone the meeting or otherwise concerning the conduct of the special meeting. Please note, however, that a proxy that has been designated to vote against the adoption and approval of the merger agreement and the merger will not be voted, either directly or through a separate proposal, to adjourn the meeting to solicit additional votes. It is not expected that any matter other than as described in this proxy statement/ prospectus will be brought before the special meeting.

**Revocability of Proxies**

The grant of a proxy on the enclosed proxy card does not preclude a stockholder from voting in person at the special meeting. You may revoke a proxy at any time prior to your proxy being voted at the special meeting by:

delivering, prior to the special meeting, a written notice of revocation bearing a later date or time than the proxy to the Secretary of Lighthouse at 5 Office Park Road, Hilton Head Island, South Carolina 29928;

submitting another proxy by mail that is later dated and properly signed; or

attending the special meeting and voting in person.

Attendance at the special meeting will not by itself constitute revocation of a proxy. If an adjournment or postponement occurs, it will have no effect on the ability of stockholders of record as of the record date to exercise their voting rights or to revoke any previously delivered proxies.

**Solicitation of Proxies**

Lighthouse generally will bear the cost of solicitation of proxies. In addition to solicitation by mail, the directors, officers and employees of Lighthouse and its subsidiaries may solicit proxies from stockholders by telephone, facsimile or in person.



## THE MERGER

The discussion in this proxy statement/ prospectus of the merger and the principal terms of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement and the related plan of merger, copies of which are attached to this proxy statement/ prospectus as Annex A-1 and A-2, respectively.

### General

On January 20, 2003, the Lighthouse board of directors unanimously approved the merger agreement and the merger. If all of the conditions set forth in the merger agreement are satisfied or waived and if the merger is otherwise completed, Lighthouse will merge into SunTrust Bank Holding Company, a wholly owned subsidiary of SunTrust. After completion of 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.

At the effective time of the merger each share of Lighthouse common stock, outstanding immediately before the effective time of the merger (except as provided below) will, by virtue of the merger and without any action on the part of any stockholder, be converted into the right to receive (1) \$42.7962 in cash, without interest, (2) shares of SunTrust common stock, plus cash in lieu of any fractional share interest, or (3) a combination of SunTrust common stock and cash. The number of shares of SunTrust common stock into which each Lighthouse share will be exchanged will be based on the price of SunTrust common stock over a measurement period prior to closing. The measurement period will consist of the ten trading days ending on the third business day prior to the closing date. The number of shares of SunTrust common stock to be exchanged for each share of Lighthouse common stock will be determined by dividing \$42.7962 by the average closing price of SunTrust common stock over the measurement period.

Lighthouse stockholders will have the opportunity to elect the form of consideration to be received for all shares of Lighthouse common stock held by them, subject to allocation procedures set forth in the merger agreement which are intended to ensure that not less than 50% or more than 55% of the outstanding shares of Lighthouse common stock in the aggregate will be converted into the right to receive SunTrust common stock and that not less than 45% or more than 50% of the outstanding shares of Lighthouse common stock in the aggregate will be converted into the right to receive cash. Shares of Lighthouse common stock held by SunTrust or Lighthouse or their subsidiaries, other than in a fiduciary capacity, or by Lighthouse stockholders who have elected dissenters or appraisal rights will not be converted into the right to receive the merger consideration upon completion of the merger.

### Background and Reasons for the Merger

Since the formation of Lighthouse in 1994, the Lighthouse board of directors has routinely participated with management in the strategic planning process. The purpose of the planning has been to project the performance of Lighthouse over a limited future period for the purpose of assessing the ways in which stockholder value could be safely maximized. As a result of the planning sessions, Lighthouse pursued various business ventures which enhanced the financial performance of Lighthouse, including the formation of Lighthouse Community Bank and the acquisition of Carswell of Carolina, Inc.

During 1999, Lighthouse and SunTrust entered into a revolving credit agreement pursuant to which Lighthouse could borrow up to \$12,500,000 from SunTrust primarily for the purpose of increasing the regulatory capital of Lighthouse Community Bank. As a result of the lender-borrower relationship, SunTrust and Lighthouse exchanged financial and other information in the ordinary course of business on a regular basis. During the course of such information exchange, management of Lighthouse discussed informally with SunTrust representatives during the summer of 2002 the possibility of a business combination of Lighthouse and SunTrust. In view of the informal nature of the conversations, however, the Lighthouse board of directors did not discuss the possibility at the time.

In late August 2002, the Lighthouse board of directors met to continue the periodic planning. Unlike past sessions, however, the Lighthouse board decided to retain a financial advisor to guide them through a more formal strategic planning process. While strategic planning had been relatively straightforward in the past, the increasing complexity of the Lighthouse businesses and the growing need to obtain capital to support the historic Lighthouse growth convinced the directors that professional assistance was appropriate. After interviewing several financial advisors, the Lighthouse board of directors decided to retain KBW at a meeting held on September 6, 2002.

Between September 6 and early October 2002, Lighthouse provided KBW with substantial information on Lighthouse and its historic and projected financial performance. At a meeting on October 22, 2002, KBW presented to the Lighthouse board of directors a hypothetical valuation of Lighthouse based on various scenarios. Among such scenarios were the continuation of the business of Lighthouse in the ordinary course; the commencement of an initial public offering to raise additional capital to support sustained rapid growth and to create a liquid market for the outstanding stock of Lighthouse; the issuance of trust preferred securities to institutional investors to raise additional capital without dilution in the voting interests of Lighthouse stockholders; the acquisition by Lighthouse of another financial institution; a merger of equals with another similarly sized thrift or bank holding company; and the merger of Lighthouse in a transaction in which the independence of Lighthouse would be terminated.

The directors discussed the financial impact of each of the alternatives at length. Focusing first on the continuation of the Lighthouse businesses in the ordinary course, the directors recognized that future growth would be dependent upon the maintenance of the high levels of earnings necessary to increase capital. The directors realized, however, that the maintenance of such earnings would be subject to a variety of risks beyond their control, including general and local economic conditions, fluctuations in interest rates and the possibility of a deterioration in asset quality. Moreover, the absence of liquidity in the Lighthouse stock was an increasing concern of the directors.

After a discussion of the foregoing, the Lighthouse board of directors turned its attention to the possibility of conducting an initial public offering of Lighthouse common stock. Although the initial public offering scenario would address the stock liquidity concerns of the Lighthouse board of directors, the public offering price of Lighthouse common stock suggested by KBW was below the amount which would be reasonable to expect in a sale of Lighthouse. Consequently, existing stockholders would not receive an immediate financial benefit from the offering, other than an increase in the liquidity of the Lighthouse stock.

The scenario of the trust preferred securities issuance was then discussed. While the sale of such securities to institutional investors would increase the capital of Lighthouse to support further asset growth, such sale would saddle Lighthouse with additional liabilities at a time when the directors believed debt reduction was prudent. The Lighthouse board of directors then focused on the possibility of pursuing an acquisition of another financial institution. An examination of the financial performance of each realistic acquisition candidate revealed that such performance was substantially inferior to the financial performance of Lighthouse. As a result, the Lighthouse board of directors concluded that an acquisition would precipitate an unacceptable dilution in the per share earnings of the existing Lighthouse stockholders.

Finally, the Lighthouse board of directors considered the possibility of pursuing a merger of Lighthouse with a larger bank or thrift holding company. KBW presented a hypothetical range of values which Lighthouse stockholders could reasonably expect to receive in such a transaction. The range of values was primarily based upon an analysis of various pending and completed merger transactions, each of which might be comparable to a merger transaction involving Lighthouse. The Lighthouse board of directors took note of the hypothetical range of values, particularly in view of the capital investment of Lighthouse stockholders in 1994 and 1996. However, the Lighthouse board of directors was reluctant to commence a process which could lead to the sale of Lighthouse without having an opportunity to ponder at length the best interests of all Lighthouse stockholders. Accordingly, the directors adjourned the meeting to consider all alternatives based upon the information presented by KBW.

On November 7, 2002, the Lighthouse board of directors met to continue the discussion of strategic alternatives. The Lighthouse board of directors noted that their intention in commencing the planning process in the summer of 2002 was either to continue the historic business of Lighthouse or to find a way to raise additional capital. Having had an opportunity to digest the financial impact of the various alternatives presented by KBW, however, the Lighthouse board decided that the exploration of the possibility of combining with another larger financial institution was in the best interest of Lighthouse stockholders, particularly in view of the KBW hypothetical range of values.

On November 26, 2002, the Lighthouse board of directors met with KBW to identify a number of institutions which might have an interest in a merger or other combination with Lighthouse. Following an extensive discussion of the various institutions and an analysis of the financial condition of each, the Lighthouse board of directors identified ten possible bank holding companies which might have an interest in a transaction with Lighthouse. The Lighthouse board of directors then authorized management to work with KBW to prepare a confidential memorandum on Lighthouse and to disseminate such information to the ten candidates upon the receipt of a suitable confidentiality agreement from each.

In late November 2002, preliminary non-binding indications of interest were submitted to Lighthouse, each of which was subject to a due diligence analysis of the books and records of Lighthouse. At a meeting on November 27, 2002, KBW reviewed with the Lighthouse board of directors the parameters of the proposals. Of the three indications examined by the Lighthouse board of directors, the first candidate proposed an all cash merger transaction. The second candidate proposed a part stock, part cash merger transaction in an amount substantially higher than the all cash proposal of the first candidate. SunTrust also proposed a part stock, part cash merger transaction for all of the outstanding shares and options to purchase shares of Lighthouse stock. At a value of approximately \$120 million, the SunTrust proposal was higher than the proposal of the second candidate.

During the extensive discussion and analysis of the three proposals, the directors recognized that the all cash offer of the first candidate would subject each Lighthouse stockholder to a tax, in most cases a capital gains tax, equal to the excess of the cash received in the transaction over the stockholder's tax basis in the Lighthouse common stock surrendered. While the receipt of cash in a part stock, part cash merger transaction would also result in taxable gains to most stockholders, stockholders would not be required to recognize taxable gains in excess of the cash received. The directors understood, however, that any gain realized on the eventual sale of the stock received in such a merger transaction would be taxable at the time of such sale.

In view of the lower value and the all cash nature of the proposal of the first candidate, the Lighthouse board of directors decided to focus its attention primarily on the proposals of the second candidate and of SunTrust. The two proposals were compared in detail. After such comparison, the Lighthouse board of directors agreed to ask each of the candidates to increase its offer, to invite both to conduct a due diligence review of the books and records of Lighthouse and to present a final, non-binding indication of interest to the Lighthouse board of directors upon completion of the review.

When informed of the invitation to perform due diligence, SunTrust and Lighthouse discussed the request by Lighthouse to increase the value of the SunTrust proposal. The parties agreed that SunTrust would increase its non-binding indication of interest by \$10 million from \$120 million to \$130 million and that Lighthouse would permit SunTrust to conduct due diligence on an exclusive basis.

While the directors recognized that a competitive bidding process could possibly increase the value of both proposals, KBW reminded the Lighthouse board of directors that the second candidate's indication of interest may not be increased. The Lighthouse board of directors then concluded that the \$10 million increase created enough of a disparity between the values of the proposals of SunTrust and the second candidate to permit SunTrust to commence and complete due diligence before the second candidate. If the SunTrust \$130 million proposal were reduced for any reason after diligence, the Lighthouse board of directors agreed that the second candidate would be invited back into the process.

Between December 4 and December 17, 2002, SunTrust performed a comprehensive review of the books and records of Lighthouse. At such time, the Lighthouse directors reviewed publicly available information on SunTrust, including the Annual Reports to Shareholders for the last three fiscal years, the Annual Reports on Form 10-K for the last three fiscal years, the Quarterly Reports on Form 10-Q for the last three quarters, proxy statements used in connection with the last two meetings of SunTrust shareholders and various analysts reports on SunTrust.

On December 20, 2002, SunTrust presented its final indication of interest to the Lighthouse board of directors. The proposal remained at \$130 million for all of the outstanding shares and options to purchase shares of Lighthouse. On a per share basis for all of the outstanding shares, the proposal equaled approximately \$42.80, payable in part cash and part stock. The Lighthouse board of directors noted that the proposal provided that the stock portion of the merger consideration would be determined by reference to the average market price of SunTrust during the ten trading days ending three days before closing of the merger transaction. As a result, fluctuation in the market value of SunTrust between the date of the execution of the Agreement and the date of the closing three to eight months later would not materially affect the value of the stock component of the merger consideration.

The directors carefully reviewed the proposal with KBW, revisited all of the other valuation scenarios for the various future Lighthouse alternatives and discussed their review of and concerns about some of the information in the SunTrust public reports. Based primarily on the comparison of such scenarios and analysis of comparable transactions, the Lighthouse board of directors preliminarily concluded that the \$130 million value would be in the best interest of shareholders and authorized counsel and management to commence negotiations of a definitive merger agreement with SunTrust and to coordinate Lighthouse's additional due diligence on SunTrust.

On January 2, 2003, SunTrust delivered a draft of a proposed merger agreement to Lighthouse. Lighthouse and its counsel considered the proposed merger agreement and during the week of January 6, 2003, SunTrust and Lighthouse and their respective counsel exchanged comments on, and met to discuss, the proposed merger agreement.

On January 13, 2003, the Lighthouse board of directors met with counsel and KBW to review in detail the drafts of the proposed merger agreement and all of the related documents. During the meeting, the Lighthouse board of directors devoted substantial time to the analysis of the various financial terms, including the break-up fee. Upon the completion of such review, the Lighthouse board of directors considered the due diligence analysis of the books and records of SunTrust conducted by management and KBW between December 20, 2002, and January 13, 2003. Following such consideration, the Lighthouse board of directors agreed that negotiations with SunTrust should continue and that the Lighthouse board of directors would meet on January 20, 2003, to consider the status of the negotiations.

At the meeting on January 20, 2003, the Lighthouse board of directors reviewed the terms and conditions of the Lighthouse merger agreement, all other relevant documents and the contemplated transaction in general. Following such review, KBW again analyzed the financial terms of the transaction at length, stating that the merger consideration was fair, from a financial point of view, to the stockholders of Lighthouse. Based upon the foregoing, the Lighthouse board of directors concluded that the terms and conditions of the merger agreement were fair to and in the best interest of Lighthouse and its stockholders, voted to approve and adopt the merger agreement and the transactions contemplated thereby, including the merger, and authorized the execution of the merger agreement and related documents.

In summary, the reasons for the recommendation by the Lighthouse board of directors that the stockholders of Lighthouse approve and adopt the merger agreement and the merger include the following:

in order to continue to sustain Lighthouse's rapid growth, a high level of earnings or increased capital from another source would be necessary;

the maintenance of earnings at historic levels would be subject to many factors outside of the control of the Lighthouse board of directors and management, including general and local economic conditions, fluctuations in interest rates and the possibility of a deterioration in asset quality;

the absence of a liquid market for Lighthouse's common stock makes disposition of shares difficult;

although an initial public offering of Lighthouse common stock would provide capital growth and increase the liquidity of Lighthouse common stock, the public offering price suggested by KBW was below the amount that would be reasonable to expect in a sale of Lighthouse;

the financial performance of each potential acquisition candidate was inferior to that of Lighthouse, as a result of which an acquisition would result in an unacceptable dilution in the per share earnings of the existing Lighthouse stockholders; and

the price offered by SunTrust presents an attractive return on the investment of Lighthouse's stockholders.

The foregoing discussion of the information and factors considered by the Lighthouse board of directors is not intended to be exhaustive, but constitutes the material factors considered by the Lighthouse board of directors. In reaching its decision to approve and recommend the adoption and approval of the merger agreement to the Lighthouse stockholders, the Lighthouse board of directors did not assign any relative or specific weights to the foregoing factors, and individual directors may have weighed factors differently. The terms of the merger agreement were the product of arm's length negotiations between representatives of Lighthouse and SunTrust.

FOR THE REASONS SET FORTH ABOVE, THE LIGHTHOUSE BOARD OF DIRECTORS RECOMMENDS THAT THE LIGHTHOUSE STOCKHOLDERS VOTE FOR THE APPROVAL AND ADOPTION OF THE MERGER AGREEMENT, THE PLAN OF MERGER AND THE MERGER.

#### **SunTrust's Reasons for the Merger**

On January 13, 2003, the Executive Committee of the SunTrust board of directors approved the merger agreement, the merger and the other transactions contemplated by those agreements. In connection with its approval of the merger, the Executive Committee of the SunTrust board of directors recognized that:

the merger will expand SunTrust's businesses into one of the most attractive markets in the Southeast;

the merger will increase SunTrust's core deposit base by \$200 million, an important funding source;

the merger will provide SunTrust with the leading residential mortgage market originator in Beaufort County, South Carolina, and includes the oldest and largest insurance agency on Hilton Head Island; and

the merger is expected to break even to SunTrust's GAAP earnings in 2003 and accretive thereafter.

The Executive Committee of the SunTrust board of directors also considered the following risks associated with the merger in connection with its deliberations of the proposed transaction:

the challenges of integrating Lighthouse's businesses, operations and workforce with those of SunTrust;

the increased exposure to the South Carolina market; and

whether or not SunTrust would be able to retain key management of Lighthouse.

The foregoing discussion of the factors considered by the Executive Committee of the SunTrust board of directors is not intended to be exhaustive, but, rather, includes all principal factors considered by the Executive Committee of the SunTrust board of directors. In reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, the Executive Committee of the SunTrust board of directors did not quantify or assign any relative weights to the factors

considered, and individual directors may have given different weights to different factors. The Executive Committee of the SunTrust board of directors considered all these factors as a whole, and overall considered them to be favorable to, and to support, its determination.

**Opinion of Lighthouse's Financial Advisor**

In November, 2002, Lighthouse engaged Keefe, Bruyette & Woods, Inc. to act as its exclusive financial advisor in connection with the strategic planning which eventually led to the decision to pursue the merger. Lighthouse selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger and is familiar with Lighthouse and its business. As part of its investment banking business, KBW is continually engaged in the valuation of financial businesses and their securities in connection with mergers and acquisitions.

On January 20, 2003, the Lighthouse board of directors held a meeting to evaluate the proposed merger with SunTrust. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered an oral opinion, which was subsequently confirmed in writing on January 21, 2003, that the merger consideration was fair to Lighthouse and its stockholders from a financial point of view.

The full text of KBW's written opinion is attached as Annex C to this document and is incorporated herein by reference. Lighthouse's stockholders are urged to read the opinion in its entirety for a description of the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW.

**KBW's opinion is directed to the Lighthouse board of directors and addresses only the fairness, from a financial point of view, of the merger consideration to the Lighthouse stockholders. It does not address the underlying business decision to proceed with the merger and does not constitute a recommendation to any Lighthouse stockholder as to how the stockholder should vote at the Lighthouse special meeting on the merger or any related matter.**

In rendering its opinion, KBW:

reviewed, among other things:

the merger agreement;

annual reports to shareholders and annual reports on Form 10-K for the three years ended December 31, 2001, 2000 and 1999 of SunTrust;

audited financial reports for the three years ended September 30, 2002, 2001 and 2000 of Lighthouse;

quarterly reports on Form 10-Q of SunTrust; and

certain interim reports to stockholders of Lighthouse;

held discussions with members of senior management of Lighthouse and SunTrust regarding:

past and current business operations;

regulatory relationships;

financial condition; and

future prospects of the respective companies;

reviewed the market prices, valuation multiples, publicly reported financial condition and results of operations for SunTrust and compared them with those of certain publicly traded companies that KBW deemed to be relevant;

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reviewed the publicly reported financial condition and results of operations for Lighthouse and compared them with those of certain publicly traded companies that KBW deemed to be relevant;

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compared the proposed financial terms of the merger with the financial terms of certain other transactions that KBW deemed to be relevant; and

performed other studies and analyses that it considered appropriate.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information provided to or otherwise made available to KBW or that was discussed with, or reviewed by or for KBW, or that was publicly available. KBW did not attempt or assume any responsibility to verify the information independently. KBW relied upon the management of Lighthouse as to the reasonableness and achievability of the financial and operating forecasts and projections (and assumptions and bases therefor) provided to KBW. KBW assumed, without independent verification, that the aggregate allowances for loan and lease losses for SunTrust and Lighthouse are adequate to cover those losses. KBW did not make or obtain any evaluations or appraisals of any assets or liabilities of SunTrust or Lighthouse, and KBW did not examine any books and records or review individual credit files.

The projections furnished to KBW and used by it in certain of its analyses were prepared by Lighthouse's senior management. Lighthouse does not publicly disclose internal management projections of the type provided to KBW in connection with its review of the merger. As a result, the projections were not prepared with a view towards public disclosure. The projections were based on numerous variables and assumptions which are inherently uncertain, including factors related to general economic and competitive conditions. Accordingly, actual results could vary significantly from those set forth in the projections.

For purposes of rendering its opinion, KBW assumed that, in all respects material to its analyses:

the merger will be completed substantially in accordance with the terms set forth in the merger agreement;

the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement are true and correct;

each party to the merger agreement and all related documents will perform all of the covenants and agreements required to be performed by it under the documents;

all conditions to the completion of the merger will be satisfied without any waivers; and

in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger, no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, will be imposed that will have a material adverse effect on the future results of operations or financial condition of the combined entity or the contemplated benefits of the merger, including the cost savings, revenue enhancements and related expenses expected to result from the merger.

KBW further assumed that the merger will be accounted for as a purchase transaction under generally accepted accounting principles. KBW's opinion is not an expression of an opinion as to the prices at which shares of Lighthouse common stock or shares of SunTrust common stock will trade following the announcement of the merger or the actual value of the shares of common stock of the combined company when issued pursuant to the merger, or the prices at which the shares of common stock of the combined company will trade following the completion of the merger.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of KBW, Lighthouse and SunTrust. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the



Lighthouse board of directors in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the Lighthouse board of directors or management of Lighthouse with respect to the fairness of the merger consideration.

The following is a summary of the material analyses presented by KBW to the Lighthouse board of directors on January 20, 2003 in connection with its January 20, 2003 oral opinion. The summary is not a complete description of the analyses underlying the KBW opinion or the presentation made by KBW to the Lighthouse board of directors, but summarizes the material analyses performed and presented in connection with the opinion. The preparation of a fairness opinion is a complex analytic process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. The financial analyses summarized below include information presented in tabular format. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion. The tables alone do not constitute a complete description of the financial analyses.

**Transaction Summary.** KBW calculated the merger consideration to be paid as a multiple of Lighthouse's book value per share and last twelve months' earnings per share and as a Core Deposit Premium. Core Deposit Premium is the difference between the aggregate merger consideration and Lighthouse's tangible equity divided by total domestic, non-brokered deposits less time deposit accounts greater than \$100,000. The merger consideration was based on a fixed deal value of \$130.0 million for 100% of the Lighthouse common stock and outstanding options to purchase. Based on these assumptions, this analysis indicated that Lighthouse stockholders would receive 100% stock, 100% cash or 55% stock and 45% cash worth \$42.7962 for each share of Lighthouse common stock held, and that this amount would represent 381.5% of Lighthouse's book value per share, a core deposit premium of 53.1% and a multiple of price to latest twelve months' earnings of 18.9x. These results were based on Lighthouse's stated book value per share, core deposits and latest twelve months earnings per share as of September 30, 2002 of \$11.22, \$189.7 million and \$2.27, respectively.

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**Selected Transaction Analysis.** KBW reviewed certain financial data related to the following set of comparable regional bank and thrift transactions announced since December 31, 1999 with deal values between \$100 million and \$300 million (15 transactions).

Date Announced	Acquiror	Target	Deal Value (\$MM)
08/29/02	Royal Bank of Canada	Admiralty Bancorp, Inc.	149.7
05/28/02	Colonial BancGroup, Inc.	Palm Beach National Holding Company	105.5
05/22/02	BB&T Corporation	Regional Financial Corporation	274.6
03/26/02	Royal Bank of Canada	Eagle Bancshares, Inc.	153.0
03/21/02	South Financial Groups, Inc. (The)	Gulf West Banks, Inc.	115.0
09/10/01	Bank Atlantic Bancorp, Inc.	Community Savings Bankshares, Inc.	171.2
07/16/01	National Commerce Financial Corp.	SouthBanc Shares, Inc.	124.8
07/10/01	BB&T Corporation	Community First Banking Company	127.5
06/29/01	SouthTrust Corporation	Community Bankshares, Incorporated	117.5
05/04/01	SouthTrust Corporation	CENIT Bancorp, Inc.	121.6
03/05/01	First Virginia Banks, Inc.	James River Bankshares, Inc.	110.7
01/24/01	BB&T Corporation	Virginia Capital Bancshares, Inc.	180.5
12/13/00	Trustmark Corporation	Barret Bancorp, Inc.	102.5
09/06/00	BB&T Corporation	FirstSpartan Financial Corp.	103.9
08/23/00	BB&T Corporation	BankFirst Corporation	149.7

KBW compared multiples of price to various factors for the SunTrust-Lighthouse merger to the same multiples for the comparable group's mergers at the time those mergers were announced. The results were as follows:

### Comparable Transactions:

	Median	Low	High	SunTrust/ Lighthouse Merger
Price/Stated Book Value	195.6%	110.5%	318.3%	381.5%
Core Deposit Premium	14.9	7.1	26.7	53.1
Price/Latest Twelve Months Earnings Per Share	18.7x	13.2x	33.3x	18.9x

KBW also analyzed the financial data for the period ended September 30, 2002 for Lighthouse and the three months reporting period prior to the announcement of each transaction for each target in the Selected Transactions Analysis. The results were as follows:

### Comparable Targets:

	Median	Low	High	Lighthouse
Equity/Assets	10.00%	6.37%	28.58%	5.05%
Non-Performing Assets/Assets	0.61	0.13	1.58	0.97
Return on Average Assets	1.06	0.57	1.50	1.51
Return on Average Equity	10.93	4.87	16.75	