SUNTRUST BANKS INC
Form 8-K
February 13, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

Current Report

Pursuant to Section 13 or 15(d)

of the Securities Exchange Act of 1934

February 7, 2019

Date of Report (Date of earliest event reported)

SunTrust Banks, Inc.

(Exact name of registrant as specified in its charter)

Georgia	**001-08918**	**58-1575035**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

303 Peachtree Street, N.E. **Atlanta, Georgia**	**30308**
(Address of principal executive offices)	**(Zip Code)**

(800) 786-8787

(Registrant s telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 1.01. Entry into a Material Definitive Agreement.

On February 7, 2019, SunTrust Banks, Inc., a Georgia corporation (SunTrust), entered into an Agreement and Plan of Merger (the Merger Agreement) with BB&T Corporation, a North Carolina corporation (BB&T). The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein, SunTrust will merge with and into BB&T (the Merger), with BB&T as the surviving entity in the Merger. Immediately following the Merger, SunTrust s wholly owned subsidiary, SunTrust Bank, will merge with and into BB&T s wholly owned subsidiary, Branch Banking and Trust Company (the Bank Merger), with Branch Banking and Trust Company as the surviving entity in the Bank Merger. The Merger Agreement was unanimously approved by the Board of Directors of each of BB&T and SunTrust.

Upon the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the Merger (the Effective Time), each share of common stock, par value, $1.00 per share, of SunTrust (SunTrust Common Stock) outstanding immediately prior to the Effective Time, other than certain shares held by SunTrust or BB&T, will be converted into the right to receive 1.295 shares of common stock (the Exchange Ratio), par value $5.00 per share, of BB&T (BB&T Common Stock). Holders of SunTrust Common Stock will receive cash in lieu of fractional shares.

At the Effective Time, (i) each outstanding share of perpetual preferred stock, Series A, Series B, Series F, Series G and Series H, of SunTrust (collectively, SunTrust Preferred Stock) will be converted into the right to receive one share of an applicable newly issued series of BB&T preferred stock having the same terms as such share of SunTrust Preferred Stock, and (ii) each outstanding SunTrust equity award granted under SunTrust s equity compensation plans will be converted into a corresponding award with respect to BB&T Common Stock, with the number of shares underlying such award (and, in the case of stock options, the applicable exercise price) adjusted based on the Exchange Ratio. Each such converted BB&T equity award will continue to be subject to the same terms and conditions as applied to the corresponding SunTrust equity award, except that, in the case of SunTrust performance stock unit awards, the number of shares underlying the converted BB&T equity award will be determined based on actual performance for the portion of the applicable performance period through the Effective Time and target performance for the balance of the applicable performance period and such award will continue to vest after the Effective Time solely based on continued service.

The Merger Agreement also provides, among other things, that effective as of the Effective Time, Kelly S. King, the current Chairman and Chief Executive Officer of BB&T, will continue to serve as Chairman and Chief Executive Officer of the surviving entity and of the surviving bank until September 12, 2021, at which time he will serve as Executive Chairman of the surviving entity and the surviving bank until March 12, 2022. The Merger Agreement also provides that, effective as of the Effective Time, William H. Rogers, Jr., the current Chairman and Chief Executive Officer of SunTrust, will be appointed as a director and as President and Chief Operating Officer of the surviving entity and the surviving bank and will serve in such role until Mr. King is no longer serving as Chief Executive Officer of the surviving entity or the surviving bank, at which time Mr. Rogers will become Chief Executive Officer of the surviving entity and the surviving bank. Mr. Rogers will also become Chairman of the board of directors of the surviving entity and the surviving bank at such time as Mr. King is no longer serving as Executive Chairman. In addition, the Board of Directors of the surviving entity will be comprised of 22 directors, of which 11 will be former members of the board of directors of SunTrust and of which 11 will be former members of the board of directors of BB&T.

The Merger Agreement provides that the headquarters of the surviving entity and the surviving bank will be located in Charlotte, North Carolina. In addition, the Merger Agreement provides that the hub for the surviving entity s and the surviving bank s wholesale business will be located in Atlanta, Georgia; the hub for the surviving entity s and the surviving bank s consumer and community banking business will be located in Winston-Salem, North Carolina; and the hub for the surviving entity s and the surviving bank s technology and innovation operations will be located in Charlotte, North Carolina.

The Merger Agreement contains customary representations and warranties from both BB&T and SunTrust, and each party has agreed to customary covenants, including, among others, covenants relating to (1) the conduct of its business during the interim period between the execution of the Merger Agreement and the Effective Time, (2) its obligation to call a meeting of its shareholders to adopt the Merger Agreement, and, subject to certain exceptions, to recommend that its shareholders adopt the Merger Agreement, and (3) its non-solicitation obligations related to alternative acquisition proposals.

The completion of the Merger is subject to customary conditions, including (1) adoption of the Merger Agreement by SunTrust s shareholders and by BB&T s shareholders, (2) authorization for listing on the New York Stock Exchange of the shares of BB&T Common Stock to be issued in the Merger, subject to official notice of issuance, (3) the receipt of required regulatory approvals, including the approval of the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the North Carolina Commissioner of Banks and the Georgia Department of Banking and Finance, (4) effectiveness of the registration statement on Form S-4 for the BB&T Common Stock to be issued in the Merger, and (5) the absence of any order, injunction, decree or other legal restraint preventing the completion of the Merger or making the completion of the Merger illegal. Each party s obligation to complete the Merger is also subject to certain additional customary conditions, including (a) subject to certain exceptions, the accuracy of the representations and warranties of the other party, (b) performance in all material respects by the other party of its obligations under the Merger Agreement and (c) receipt by such party of an opinion from its counsel to the effect that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended.

The Merger Agreement provides certain termination rights for both BB&T and SunTrust and further provides that a termination fee of $1.121 billion will be payable by either BB&T or SunTrust, as applicable, upon termination of the Merger Agreement under certain circumstances.

The foregoing description of the Merger Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Merger Agreement, which is attached hereto as Exhibit 2.1 and is incorporated herein by reference.

The representations, warranties and covenants of each party set forth in the Merger Agreement have been made only for the purposes of, and were and are solely for the benefit of the parties to, the Merger Agreement, may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Merger Agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Accordingly, the representations and warranties may not describe the actual state of affairs at the date they were made or at any other time, and investors should not rely on them as statements of fact. In addition, such representations and warranties (1) will not survive consummation of the Merger,

and (2) were made only as of the date of the Merger Agreement or such other date as is specified in the Merger Agreement. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in the parties public disclosures. Accordingly, the Merger Agreement is included with this filing only to provide investors with information regarding the terms of the Merger Agreement, and not to provide investors with any factual information regarding BB&T or SunTrust, their respective affiliates or their respective businesses. The Merger Agreement should not be read alone, but should instead be read in conjunction with the other information regarding BB&T, SunTrust, their respective affiliates or their respective businesses, the Merger Agreement and the Merger that will be contained in, or incorporated by reference into, the Registration Statement on Form S-4 that will include a Joint Proxy Statement of BB&T and SunTrust and a prospectus of BB&T, as well as in the Forms 10-K, Forms 10-Q and other filings that each of BB&T and SunTrust make with the Securities and Exchange Commission (SEC).

ITEM 9.01. Financial Statements and Exhibits.
(d) Exhibits

Exhibit No.	Description of Exhibit
2.1	Agreement and Plan of Merger, dated as of February 7, 2019, by and between SunTrust Banks, Inc. and BB&T Corporation.*

* Pursuant to Item 601(b)(2) of Regulation S-K, certain schedules and similar attachments have been omitted. The registrant hereby agrees to furnish a copy of any omitted schedule or similar attachment to the SEC upon request.

Forward Looking Statements

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding the financial condition, results of operations, business plans and the future performance of BB&T and SunTrust. Words such as anticipates, believes, estimates, expects, forecasts, intends, plans, could, may, should, will or other similar words and expressions are intended to identify these forward-looking statements. These forward-looking statements are based on BB&T s and SunTrust s current expectations and assumptions regarding BB&T s and SunTrust s businesses, the economy, and other future conditions. Because forward-looking statements relate to future results and occurrences, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. Many possible events or factors could affect BB&T s or SunTrust s future financial results and performance and could cause actual results or performance to differ materially from anticipated results or performance. Such risks and uncertainties include, among others: the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the definitive merger agreement between BB&T and SunTrust, the outcome of any legal proceedings that may be instituted against BB&T or SunTrust, delays in completing the transaction, the failure to obtain necessary regulatory approvals (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the transaction) and shareholder approvals or to satisfy any of the other conditions to the transaction on a timely basis or at all, the possibility that the anticipated benefits of the transaction are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy

and competitive factors in the areas where BB&T and SunTrust do business, the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events, diversion of management s attention from ongoing business operations and opportunities, potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the transaction, the ability to complete the transaction and integration of BB&T and SunTrust successfully, and the dilution caused by BB&T s issuance of additional shares of its capital stock in connection with the transaction. Except to the extent required by applicable law or regulation, each of BB&T and SunTrust disclaims any obligation to update such factors or to publicly announce the results of any revisions to any of the forward-looking statements included herein to reflect future events or developments. Further information regarding BB&T, SunTrust and factors which could affect the forward-looking statements contained herein can be found in BB&T s Annual Report on Form 10-K for the fiscal year ended December 31, 2017, its Quarterly Reports on Form 10-Q for the three-month periods ended March 31, 2018, June 30, 2018 and September 30, 2018, and its other filings with the SEC, and in SunTrust s Annual Report on Form 10-K for the fiscal year ended December 31, 2017, its Quarterly Reports on Form 10-Q for the three-month periods ended March 31, 2018, June 30, 2018 and September 30, 2018, and its other filings with the SEC.

Additional Information about the Merger and Where to Find It

In connection with the proposed merger with SunTrust, BB&T will file with the SEC a registration statement on Form S-4 to register the shares of BB&T s capital stock to be issued in connection with the merger. The registration statement will include a joint proxy statement/prospectus which will be sent to the shareholders of BB&T and SunTrust seeking their approval of the proposed transaction.

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT ON FORM S-4, THE JOINT PROXY STATEMENT/PROSPECTUS INCLUDED WITHIN THE REGISTRATION STATEMENT ON FORM S-4 AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION BECAUSE THESE DOCUMENTS DO AND WILL CONTAIN IMPORTANT INFORMATION ABOUT BB&T, SUNTRUST, AND THE PROPOSED TRANSACTION.

Investors and security holders may obtain copies of these documents free of charge through the website maintained by the SEC at www.sec.gov or from BB&T at its website, www.bbt.com, or from SunTrust at its website, www.suntrust.com. Documents filed with the SEC by BB&T will be available free of charge by accessing BB&T s website at http://bbt.com/ under the tab About BB&T and then under the heading Investor Relations or, alternatively, by directing a request by telephone or mail to BB&T Corporation, 200 West Second Street, Winston-Salem, North Carolina, (336) 733-3065, and documents filed with the SEC by SunTrust will be available free of charge by accessing SunTrust s website at http://suntrust.com/ under the tab Investor Relations, and then under the heading Financial Information or, alternatively, by directing a request by telephone or mail to SunTrust Banks, Inc., 303 Peachtree Street, N.E., Atlanta, Georgia 30308, (877) 930-8971.

Participants in the Solicitation

BB&T, SunTrust and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of BB&T and SunTrust in connection with the proposed transaction under the rules of the SEC. Certain information regarding the interests of these participants and a description of their direct and indirect interests, by security holdings or otherwise, will be included in the joint proxy statement/prospectus regarding the proposed transaction when it becomes available. Additional information about BB&T, and its directors and executive officers, may be found in the definitive proxy statement of BB&T relating to its 2018 Annual Meeting of Shareholders filed with the SEC on March 15, 2018, and other documents filed by BB&T with the SEC. Additional information about SunTrust, and its directors and executive officers, may be found in the definitive proxy statement of SunTrust relating to its 2018 Annual Meeting of Shareholders filed with the SEC on March 9, 2018, and other

documents filed by SunTrust with the SEC. These documents can be obtained free of charge from the sources described above.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SunTrust Banks, Inc.
(Registrant)

By: /s/ Curt Phillips
Name: Curt Phillips
Title: Senior Vice President, Assistant General Counsel and Assistant Corporate Secretary

Date: February 13, 2019