Disclosure Statement **Dated: June 1, 2016**

SunTrust Bank
Index-Linked and Step Up Certificates of Deposit

SunTrust Bank (the "**Bank**") may offer its Index-Linked and Step Up Certificates of Deposit (together the "**CDs**"), from time to time. We will specify the terms and conditions of each series of the CDs in a supplement to this Disclosure Statement (a "**supplement**"). Each CD is a deposit obligation of the Bank, the deposits and accounts of which are insured by the Federal Deposit Insurance Corporation (the "**FDIC**"), subject to the limitations and restrictions set forth herein. See "Deposit Insurance".

The full amount of the deposit principal of a CD (the "**Deposit Amount**") will be returned to you on the Stated Maturity Date (as defined herein), subject to the credit risk of the Bank. The Bank may have the ability to call the CDs at its option (a "**Call Feature**") on the call dates (the "**Call Dates**") and at the call prices (the "**Call Prices**") specified in the applicable supplement. Interest payable on the CDs on the Stated Maturity Date will be based upon the performance of one or more indices or other market measures identified in the applicable supplement, such as individual stocks, baskets of stocks, individual stock indices or baskets of stock indices, an individual commodity or commodities, a commodity index, individual interest rate indices or a basket of interest rate indices, an individual currency, or a basket of currencies (an "**Index**" or "**Indices**"). The performance of the relevant Index will be measured over a specified period of time and subject to certain terms and conditions. We refer to the amount of interest (if any) payable on the Stated Maturity Date based on the performance of an Index as the "**Indexed Amount**". The Indexed Amount may be subject to the application of a Participation Rate (as defined herein), which will reduce or increase the Indexed Amount, or a Maximum Appreciation Rate or a Periodic Return Cap (each as defined herein), which will limit the possible returns on the CDs. If specified in the applicable supplement, a CD may pay a minimum interest amount (a "**Minimum Interest Amount**") at maturity equal to a specified percentage of the Deposit Amount (a "**Minimum Interest Rate**") if the Minimum Interest Amount is greater than the Indexed Amount. In addition, if specified in the applicable supplement, a CD may pay interest ("**Contingent Interest**") on one or more specified interest payment dates ("**Interest Payment Dates**") at a fixed or floating rate of interest contingent upon the performance of an Index (a "**Contingent Interest Rate**"). If specified in the applicable supplement, a CD may pay periodic interest ("**Periodic Interest**") during the term of the CD on specified Interest Payment Dates at a fixed or floating rate of interest without regard to the performance of an Index (a "**Periodic Interest Rate**"). The CDs are not automatically renewable and no interest will be earned after the Stated Maturity Date or any earlier Call Date. The Stated Maturity Date, any Call Date or any Interest Payment Date may be subject to adjustment as set forth herein. The specific terms of the CDs, including whether the CDs will pay Periodic Interest, Contingent Interest or a Minimum Interest Amount, will be set forth in the applicable supplement. See "Description of the CDs".

The FDIC has taken the position that any Indexed Amount or other interest that has not yet been ascertained and become due at the time of a depository institution's failure is not insured by the FDIC. See "Deposit Insurance".

Unless otherwise specified in the applicable supplement, early withdrawal of a CD will only be available in the event of the death or adjudication of incompetence of a beneficial owner of the CD. See "Description of the CDs—Additions and Withdrawals". Although a Broker or its affiliates may purchase the CDs from you, none of the Brokers is obligated to do so. The Brokers and their affiliates are not obligated to, and do not intend to, make a market for the CDs. You may not be able to sell your CDs readily or at a price that will enable you to realize your desired yield. Only CDs held to the Stated Maturity Date or CDs that are the subject of a permitted early withdrawal will be entitled to the return of the full Deposit Amount.

In making an investment decision, investors must rely on their own examination of the Bank and the terms of the CDs, including the merits and risks involved. We encourage you to read "Risk Factors" herein and the risks described in the applicable supplement. The CDs are obligations solely of the Bank, and are not obligations of or guaranteed by SunTrust Banks, Inc. or any other affiliate of the Bank or any Broker. The CDs have not been nor will they be registered under the Securities Act of 1933, and are not required to be so registered. Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of the CDs or passed upon the accuracy or adequacy of this Disclosure Statement. Any representation to the contrary is a criminal offense.

The CDs may be made available through SunTrust Robinson Humphrey, Inc., SunTrust Investment Services, Inc. and certain other brokers (each, a "**Broker**"), as specified in the applicable supplement. SunTrust Robinson Humphrey, Inc. and SunTrust Investment Services, Inc. are affiliates of the Bank.

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ABOUT THIS DISCLOSURE STATEMENT

This Disclosure Statement, together with the applicable supplement, describe the terms of the CDs offered hereby and thereby. These documents contain information you should carefully consider when making your investment decision. You should rely only on the information contained in this Disclosure Statement and the applicable supplement. Prior to delivery of the final supplement for a CD, during the marketing of the CDs, we may provide you with a preliminary supplement subject to completion which describes the anticipated terms of the CD. To the extent that any information in the applicable supplement is inconsistent with the information contained in this Disclosure Statement, the information in the applicable supplement will control. Neither the Bank nor any Broker has authorized anyone to provide you with different or additional information. If anyone provides you with different or inconsistent information, you should not rely on it. The information contained in this Disclosure Statement and the applicable supplement may not be modified by any oral representation made prior to or subsequent to your purchase of a CD.

This Disclosure Statement and the applicable supplement do not constitute an offer to sell or the solicitation of an offer to buy the CDs in any circumstances in which such offer or solicitation is unlawful.

The information in this Disclosure Statement and the applicable supplement may change after the date on the front of the applicable document. You should not interpret the delivery of this Disclosure Statement or the applicable supplement or the sale of the CDs as an indication that there has been no change in the information set forth herein or therein since those dates.

AVAILABLE INFORMATION

SunTrust Bank

SunTrust Bank (the "**Bank**") is a Georgia-chartered bank and a member of the Federal Reserve System. The Bank offers a full range of financial services for consumers and businesses through its branches located primarily in Florida, Georgia, Maryland, North Carolina, South Carolina, Tennessee, Virginia and the District of Columbia. The principal executive offices of the Bank are located at 303 Peachtree Street, N.E., Atlanta, Georgia. The Bank files Consolidated Reports of Condition and Income (the "**Call Reports**") on Federal Financial Institutions Examination Council ("**FFIEC**") Form 031 with its primary federal regulator. Each Call Report consists of a Balance Sheet, Income Statement, Changes in Equity Capital and other supporting schedules as of the end of or for the period to which the Call Report relates. The Call Reports are prepared in accordance with regulatory instructions issued by the FFIEC. These instructions in most, but not all, cases follow generally accepted accounting principles, including the opinions and statements of the Accounting Principles Board and the Financial Accounting Standards Board. While the Call Reports are supervisory and regulatory documents, not primarily accounting documents, and do not provide a complete range of financial disclosure about the Bank, the Call Reports nevertheless provide important information concerning the financial condition and results of operations of the Bank. The Call Reports are publicly available upon written request to the FDIC, 3501 North Fairfax Drive, Room E-1002, Arlington, Virginia 22226, Attention: Public Information Center, or by calling the FDIC Public Information Center at 877-275-3342 or 703-562-2200. The call reports are also available on the Internet website of the FFIEC at https://cdr.ffiec.gov/public.

SunTrust Banks, Inc.

The Bank is a wholly-owned indirect subsidiary of SunTrust Banks, Inc., a financial holding company under the Bank Holding Company Act of 1956, as amended, incorporated under the laws of the State of Georgia. SunTrust Banks, Inc. is a leading financial services firm providing investment banking, securities and investment management services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. **The CDs are deposit obligations of the Bank and are not obligations of, or guaranteed by, SunTrust Banks, Inc., or any other affiliate of the Bank.**

DESCRIPTION OF THE CDs

This section summarizes the material terms that will apply generally to the CDs. Each particular CD will have financial and other terms specific to it, and the specific terms of each CD will be described in a supplement that will accompany this Disclosure Statement. Those terms may vary from the terms described here. When we refer to your "**supplement**", we mean the Disclosure Statement Supplement describing the specific terms of the CDs you purchase. Prior to delivery of the final supplement for a CD, during the marketing of the CDs, we may provide you with a preliminary supplement subject to completion which describes the anticipated terms of the CD. The terms we use in any supplement that we also use in this document will have the meanings we give them in this Disclosure Statement, unless we say otherwise in your supplement. **You should carefully review the applicable supplement for a description of the terms of the CD being offered**.

General

The terms of each CD will be specified in the applicable supplement. Unless otherwise specified in the applicable supplement, the CDs will be made available in denominations of $1,000 and integral multiples of $1,000 in excess thereof.

The term of any CD will commence on the date specified in the applicable supplement, which we call the "**Issue Date**". The CDs will mature on the maturity date specified in the applicable supplement (the "**Stated Maturity Date**"). The Bank may have the ability to call the CDs at its option (a "**Call Feature**") on the call dates (the "**Call Dates**") and at the call prices (the "**Call Prices**") specified in the applicable supplement.

The Stated Maturity Date or any Interest Payment Date for a CD (or a Call Date if applicable) may be subject to certain adjustments, such as a market disruption event ("**Market Disruption Event**") or an index adjustment event ("**Index Adjustment Event**"), as may be specified in the applicable supplement and, where any such adjustment applies, no interest shall accrue as a result of the delayed payment. The Market Disruption Events and Index Adjustment Events applicable to a particular CD will be specified in the applicable supplement. See "Risk Factors—The Calculation Agent Can Postpone an Interest Payment Date or the Stated Maturity Date if a Market Disruption Event or an Index Adjustment Event Occurs".

The CDs will not be automatically renewed or rolled over and Periodic Interest or Contingent Interest (if applicable), any Indexed Amount or the Minimum Interest Amount, if any, on the CDs will not accrue after the Stated Maturity Date or any earlier Call Date. The Bank will not compound any interest earned on the CDs.

If an Interest Payment Date or the Stated Maturity Date or any earlier Call Date falls on a day that is not a Business Day, any payments otherwise due on your CDs on such day will be remitted on the next day that is a Business Day, without any interest or other payment with respect to the delay. A "**Business Day**" is any day other than a Saturday, Sunday, legal holiday or day on which banking institutions are required or authorized by law or regulation to close in New York, New York or Atlanta, Georgia. Payments on the CDs will be remitted by the Bank to the Depository Trust Company ("**DTC**") when due. Upon receipt in full of such amounts by DTC, the Bank will be discharged from any further obligation with regard to such payments. Such payments will be credited through DTC's procedures to participant firms and thereafter will be remitted to the Broker through whom you purchased your CD, so long as such Broker acts as your nominee, authorized representative, agent or custodian, and credited to your account with such Broker. See "Legal Ownership and Payment".

No CD account will be established by the Bank until the later of (i) the Bank's receipt of the proceeds thereof from a Broker and (ii) the settlement of a CD through the facilities of DTC on the Issue Date thereof (the "**Settlement Date**"). Furthermore, the Bank has the right, exercisable in its own discretion at or prior to the Settlement Date, to reject any such proceeds, without regard to its earlier receipt thereof. Any such rejection of funds after receipt thereof may result from a determination made solely by the Bank in good faith that market conditions as of the Settlement Date would render issuance of the relevant CD uneconomic to the Bank on the terms set forth in the relevant supplement. Any such funds rejected by the Bank will be returned without the accrual of any interest.

The CDs are obligations solely of the Bank and are not obligations of, and are not guaranteed by, SunTrust Banks, Inc. or any other affiliate of the Bank or any Broker.

You should compare the terms of the CDs to other available investments before deciding to purchase a CD. The rate of return ultimately realized on the CDs may be lower than the rates on other deposits available through the Bank or your Broker.

Interest

The Indexed Amount, if any, and/or Contingent Interest payable on the CDs will be determined by reference to the performance of one or more Indices set forth in the applicable supplement. The manner in which the performance of an Index will be measured and calculated will be specified in the applicable supplement. The date or dates on which the relevant Index will be measured will be specified in the applicable supplement as one or more index observation dates (the "**Index Observation Date(s)**").

The Indexed Amount, Contingent Interest and other calculations related to the CDs will be determined by the calculation agent specified in the applicable supplement (the "**Calculation Agent**"). It is anticipated that the Calculation Agent will be the Bank, although we may specify one or more affiliates or third parties as the Calculation Agent in the relevant supplement. All determinations made by the Calculation Agent shall be at the sole discretion of the Calculation Agent and, in the absence of manifest error, shall be conclusive for all purposes and binding on the beneficial owners of the CDs. The Calculation Agent may exercise significant discretion in calculating amounts payable with respect to the CDs. See "Risk Factors—The Calculation Agent May Have an Adverse Economic Interest".

While the performance of one or more Indices will be used to determine the amount of any Contingent Interest and/or Indexed Amount paid on each CD, purchasers of a CD will not own or be entitled to an interest in the securities or other instruments included in an Index.

Indexed Amount

The interest payable on each CD on the Stated Maturity Date will be the Indexed Amount, if any, as described in the applicable supplement or, if greater, the Minimum Interest Amount, if so specified. The Minimum Interest Amount, if specified in your supplement, will be paid as a one-time payment on the Stated Maturity Date in lieu of the Indexed Amount if such Minimum Interest Amount is greater than the Indexed Amount.

The method of determining and calculating the level of an Index will be specified in the applicable supplement. If the Indexed Amount, as determined in accordance with the specified methodology, is negative, it shall be deemed to be zero. The Indexed Amount will generally be calculated using the level or the arithmetic average of the levels of one or more Indices on one or more specified Index Observation Dates during the term of the CD. The Indexed Amount may also be calculated by multiplying the performance of one or more Indices by a participation rate (a "**Participation Rate**") set forth in the applicable supplement. If your supplement specifies a Participation Rate that is greater than 100%, the Participation Rate will have the effect of increasing your participation in any increase in the value or level of the Index. If your supplement specifies a Participation Rate that is less than 100%, the Participation Rate will have the effect of decreasing your participation in any increase in the value or level of the Index.

In addition, the applicable supplement may specify that the Indexed Amount is subject to a maximum appreciation rate over the term of the CD (a "**Maximum Appreciation Rate**") or a periodic return cap (a "**Periodic Return Cap**") for the periods between one or more Index Observation Dates or other caps or limitations on your return. See "Risk Factors—Your Return on the CDs May be Limited by a Maximum Rate".

We may specify one or more "**Reference Sources**" to determine the level or price of an Index on one or more Index Observation Dates, such as the Bloomberg screen, the Reuters screen or any other Reference Source as specified in the applicable supplement. The "**Bloomberg screen**" means, when used in connection with any designated pages, the display page so designated on the Bloomberg service (or any other page as may replace that page on that service, or any other service as may be nominated as the information vendor). The "**Reuters screen**" means, when used in connection with any designated page, the display page so designated on the Reuters service (or any other page as may replace that page on that service, or any other service as may be nominated as the information vendor).

The Bank's obligation to pay the Indexed Amount, if any, depends on the percentage increase of the levels of one or more Indices. There is no assurance that the Indexed Amount will be greater than the Minimum Interest Amount, if any. If the CDs do not have a Minimum Interest Amount, there is no assurance that you will receive any Indexed Amount on your CDs and you may only receive the Deposit Amount at maturity.

Periodic Interest

Unless otherwise specified in the applicable supplement, the CDs will not pay any Periodic Interest. If the applicable supplement for your CDs specifies the payment of Periodic Interest, the specific method of calculating the Periodic Interest and the Periodic Interest Rate will be set forth in the applicable supplement. Periodic Interest payments, if applicable, will be payable on the Interest Payment Dates specified in the applicable supplement and may be paid in addition to, or instead of, any Indexed Amount, Contingent Interest, or Minimum Interest Amount, if any, as specified in the supplement.

Contingent Interest

Unless otherwise specified in the applicable supplement, the CDs will not pay any Contingent Interest. Contingent Interest may be payable on the CDs on each Interest Payment Date specified in the relevant supplement based on the performance of an Index. If the applicable supplement for your CDs specifies the payment of Contingent Interest, the specific method of calculating the Contingent Interest and the Contingent Interest Rate (which may vary each year) will be set forth in the applicable supplement. Unless otherwise specified in the relevant supplement, if your CDs pay Contingent Interest, if the price or level of the Index on the relevant Index Observation Date was greater than or equal to the initial price or specified level of the Index, the Bank will pay a Contingent Interest payment on the following Interest Payment Date equal to the Deposit Amount multiplied by the applicable Contingent Interest Rate. If the price or level of the Index on the relevant Index Observation Date is less than the initial level or specified price of the Index, then you will not receive a Contingent Interest payment on your CD on the following Interest Payment Date (unless otherwise specified in the supplement).

Additions and Withdrawals

No additions are permitted to be made to any CD.

No withdrawals of principal or interest will be permitted prior to the Stated Maturity Date, except, if so specified in the applicable supplement, in the event of the death of the beneficial owner of a CD, or the adjudication of incompetence of any such beneficial owner by a court or other administrative body of competent jurisdiction, which we refer to as the "**Estate Feature**". In such event, early withdrawal of the full Deposit Amount of the CD of such beneficial owner will be permitted, without penalty; provided, however, that, with respect to any beneficial owner, the Bank has the right to limit to $250,000 the combined aggregate Deposit Amount of CDs in respect of which it will accept an exercise of the Estate Feature. Partial withdrawals will not be permitted. For example, if the applicable CD is held through an IRA with multiple beneficiaries, the Estate Feature will not be permitted to be exercised unless all of the beneficiaries validly complete the procedures required to exercise the Estate Feature. The amount payable by the Bank upon a withdrawal pursuant to the Estate Feature will equal the Deposit Amount of the withdrawn CD. No Indexed Amount or other interest will be payable with respect to such withdrawal (unless otherwise specified in your supplement). Your Broker will require appropriate documentation evidencing the death or adjudication of incompetence of a beneficial owner of the CD.

Pursuant to the Internal Revenue Code of 1986, as amended, the beneficiary of an IRA (but not a Roth IRA) must begin making withdrawals from the IRA after age 70-1/2. **CDs held in an IRA are not eligible for early withdrawal simply because the beneficiary must begin making mandatory withdrawals from the IRA**. IRA beneficiaries should be careful to only purchase CDs with stated maturities that correspond to the mandatory withdrawal requirements.

Call Feature

If a CD is designated as a callable CD in the applicable supplement (a "Callable CD"), the Callable CD generally will be callable at our option during the periods or on the specific dates specified in the applicable supplement, on written notice given as provided in the applicable supplement. Unless otherwise provided in the applicable supplement, any such call will be effected in increments per $1,000 principal amount Callable CD, at the call price or prices specified in the applicable supplement (each, a "Call Price").

If any Callable CDs are called by us prior to the stated maturity date, you will be entitled to receive only the applicable Call Price and any interest specified in the applicable supplement.

If we do not call a Callable CD prior to the scheduled maturity date, the principal amount plus the interest, if any, that you receive on the scheduled maturity date may be less than any of the Call Prices.

In the event we were to fail between the time a call notice is given and the time you receive the Call Price, the amount of the Call Price in excess of the principal amount deposited would not be insured.

Unless otherwise specified in the applicable supplement, notice of redemption will be given not less than five (5) Business Days prior to the Call Date.

Information in the Supplement

Your supplement will describe one or more of the following terms of your CD:

- the aggregate principal amount of the CDs;
- the Stated Maturity Date;
- the Issue Date;
- the Settlement Date;
- the Index or Indices;
- the formulas we will use to calculate the Indexed Amount, if any;
- the Index Observation Date(s) and References Source(s), if applicable;
- the Participation Rate, if any;
- the Maximum Appreciation Rate, if any;
- the Periodic Return Cap, if any;
- if your CDs accrue Periodic Interest, the Periodic Interest Rate, its method of calculation, and the Interest Payment Date(s);
- if your CDs pay Contingent Interest, if any, the Contingent Interest Rate(s), their method of calculation, and the Interest Payment Date(s);
- if your CDs pay a Minimum Interest Amount, the Minimum Interest Rate;
- the authorized denominations of your CDs;
- the dates on which we will determine certain specified levels or amounts, such as the initial level of an Index or a Minimum Interest Amount, which we may refer to as an "**index set date**" or a "**trade date**";
- any Market Disruption Events or Index Adjustment Events that may enable the Calculation Agent to postpone a payment on the CDs;
- the CUSIP number of your CDs;

- the identity of the Calculation Agent;
- whether the CD has a Call Feature, and if so, the applicable Call Date(s) and Call Prices;
- the fees payable to the Brokers and the Bank's structuring and development costs; and
- any other terms of your CDs, which could be different from those described in this Disclosure Statement.

RISK FACTORS

The CDs may be subject to significant risks not associated with conventional certificates of deposit. Prospective purchasers of the CDs should understand the risks of investing in the CDs and should reach their own investment decision, only after careful consideration, with their advisors, of the suitability of the CDs in light of their particular financial circumstances, the following risk factors and the other information included in the applicable supplement and this Disclosure Statement.

The CDs May Pay Interest at a Low Rate or they May Pay No Interest at All.

The applicable supplement will state whether your CDs pay Periodic Interest, Contingent Interest or a Minimum Interest Amount. If your CDs pay only an Indexed Amount on the Stated Maturity Date, the Indexed Amount may be zero and you may receive no interest at all. The level of the Index, at some time during the life of a CD, may increase so that the Indexed Amount would be greater than zero, but the Index can later fall and reduce the Indexed Amount to zero. If the Indexed Amount is based upon several Index levels determined at intervals over the term of a CD, such as a quarterly average, it is possible that the Indexed Amount will equal zero even though the Index level on the Stated Maturity Date is greater than the initial Index level. In addition, the Indexed Amount may be subject to the application of a Participation Rate specified in the applicable supplement, which will reduce the Indexed Amount if the Participation Rate is less than 100%. The Indexed Amount may also be limited by a Maximum Appreciation Rate or a Periodic Return Cap, which would limit your maximum possible return on the CDs. If the Indexed Amount is zero, you will be paid only the Deposit Amount of your CD, unless your supplement provides for the payment of a Minimum Interest Amount or Periodic Interest. If your CDs do pay Periodic Interest, Contingent Interest or a Minimum Interest Amount, they may do so at a rate that is below the prevailing market rate for our CDs that are not linked to an Index. Consequently, unless the Indexed Amount is substantial, the overall return you earn on your CDs could be less than what you would have earned by investing in non-indexed linked CDs that bear interest at prevailing market rates.

Investors in the CDs May Not Receive More than the Deposit Amount of Their CDs at Maturity.

The amount payable on the CDs will be determined in part by reference to the price, value or level of an Index or a basket of Indices. The direction and magnitude of the change in the price, value or level of the relevant Index will determine the amount payable on the CDs. The terms of particular CDs may or may not include Periodic Interest or a Minimum Interest Amount. Thus, if you purchase CDs that do not provide for Periodic Interest or a Minimum Interest Amount, you may receive only the Deposit Amount at maturity.

The CDs are Subject to the Credit Risk of SunTrust Bank.

The CDs are deposit obligations of the Bank and are not, either directly or indirectly, an obligation of any third party. Any Deposit Amount of a CD that exceeds the applicable FDIC insurance limits, as well as any amounts payable under the CDs that are not insured by FDIC insurance, are subject to the creditworthiness of the Bank. As a result, the actual and perceived creditworthiness of the Bank may affect the market value of the CDs and, in the event the Bank were to default on its obligations, you may not receive amounts owed to you under the terms of the CDs in excess of the amounts covered by the applicable FDIC insurance. See "Deposit Insurance".

Any Interest on Your CDs Linked to an Index and any Interest or Indexed Amount Not Accrued Will Not be Covered by FDIC Insurance in Most Instances.

The FDIC has taken the position that the "amount of the deposit" for deposit insurance purposes is the principal amount of the deposit plus the ascertainable, accrued interest as of the date of the depository institution's failure. Thus, any Indexed Amount, Periodic Interest, or Contingent Interest that has not yet been ascertained and accrued (i.e., become due) as of the date of the Bank's conservatorship or receivership, as well as any secondary market premium paid by you above the Deposit Amount on the CDs, is not insured by the FDIC. FDIC insurance covers only any Indexed Amount and any interest that has become ascertainable and has accrued on the books and records of the Bank prior to the date the FDIC was appointed conservator or receiver of the failed institution. FDIC insurance does not cover any interest or Indexed Amount that would only become ascertainable, or that would otherwise accrue, on or after the date the FDIC is appointed the Bank's conservator or receiver. As a result, the amount you could receive pursuant to FDIC insurance may be less than the full amount that would otherwise be payable on the CD. See "Deposit Insurance".

Historical Information Regarding the Past Performance of an Index is not an Indication of Future Performance.

We may include historical information about the relevant Index or Indices in the applicable supplement. Any information regarding the Indices that we may provide will be furnished as a matter of information only, and you should not regard the information as indicative of the range of, or trends in, fluctuations in the relevant Index or Indices that may occur in the future. It is impossible to predict whether the level of the relevant Index will fall or rise over the term of the CDs. The trading level or price of the relevant Index will be influenced by the complex and interrelated economic, financial, regulatory, geographic, judicial, political and other factors that can affect the trading markets on which the instrument or instruments comprising the Index are traded and the value of the CDs.

Changes in the Value of One or More of the Indices May Offset Each Other.

If your CD is tied to a basket of two or more Indices, changes in the levels of the Indices may not correlate with each other. At a time when the value of one or more of the Indices increase, the value of one or more of the other Indices may not increase as much and may even decrease in value. Therefore, if the Contingent Interest or the Indexed Amount payable on a CD will be determined by reference to a basket of Indices, increases in the value of one or more of the Indices may be moderated, or wholly offset, by lesser increases or decreases in the value of one or more of the other Indices depending on the relative weightings of the Indices.

CDs Linked to a Basket of Indices May Have Concentration Risks or Weighting Methodologies that Could Adversely Affect the Value of Your CDs.

The Indexed Amount and other amounts payable on the CDs may be based on a basket of multiple instruments or Indices, including, but not limited to, equity securities, commodities, foreign currencies, interest rates or any combination thereof. If your CD is linked to a basket of instruments or Indices, the basket may be less diversified than funds or portfolios investing in broader markets and, therefore, could experience greater volatility. An investment in these CDs may carry risks similar to a concentrated investment in a limited number of industries or sectors. Baskets may also have weightings or methodologies that differ from those of other indices and that could adversely affect the value of the baskets and of the related CDs.

Your Return on the CDs May be Limited by a Maximum Rate.

Your payments will based on the return of one or more Indices, which may be subject to a Maximum Appreciation Rate, a Periodic Return Cap or other ceiling or cap (collectively referred to as a "**maximum rate**"). In the event that such a maximum rate is applicable to your CDs, the maximum Indexed Amount or Contingent Interest payable for any measurement period will be limited by such maximum rate, regardless of the positive percentage increase in the value of the related Index over the maximum rate. See "Description of the CDs—Indexed Amount".

We Cannot Control Actions by the Sponsors or Issuers of the Instrument or Instruments Comprising the Index.

Actions by any publisher, sponsor or compiling authority of an Index (which we refer to as a "**sponsor**") or any issuer of the instrument or instruments comprising an Index may have an adverse effect on the trading level or price of any Index or the instruments comprising the Index and therefore on the value of the CDs. No sponsor or issuer of an Index will be involved with the administration, marketing or trading of the CDs and no sponsor or issuer of an Index will have any obligations with respect to the amounts to be paid to you on any applicable Interest Payment Date or on the

Stated Maturity Date, or to consider your interests as an owner of CDs when it takes any actions that might affect the value of the CDs. No sponsor or issuer will receive any of the proceeds of the CDs and no sponsor or issuer will be responsible for, or have participated in, the determination of the timing of, prices for, or quantities of, the CDs to be issued.

SunTrust Banks, Inc., our holding company, may be one of the companies included within an = Index of common stocks. To our knowledge, we are not currently affiliated with any other companies whose stock is represented in an Index, and we have no ability to control or predict their actions, including any errors in information disclosed by them or any discontinuance by them of such disclosure. However, we may currently, or in the future, engage in business with such companies.

We have derived all information in the applicable supplement about the Index and any sponsor of an Index from publicly available documents. We have not participated and will not participate in the preparation of any of those documents. Nor have we made or will we make any investigation or any inquiry with respect to the instrument or instruments comprising an Index or the sponsor or issuers of these instruments in connection with the offering of the CDs. Neither we, nor any of our affiliates, including any Broker, assume any responsibility for the adequacy or accuracy of any publicly available information about an Index or any company or issuer of any instrument included an Index, whether such information is contained in the supplement or otherwise. You should make your own investigation into the Index and its sponsor, the instrument or instruments comprising the Index, and any companies represented in the Index.

Changes in Methodology of the Sponsor of an Index or Changes in Laws or Regulations May Affect the Value of and Payment, if any, on the CDs prior to Maturity and the Amount You Receive at Maturity.

The sponsor of an Index may have the ability from time to time to change any of its rules or bylaws or historical practices and procedures or take emergency action under its rules, any of which could affect the trading level or price of the instrument or instruments comprising the Index. The sponsor of an Index can add, delete or substitute the instruments comprising such index or make other methodological changes that could adversely change the level of the Index and the value of the CDs. You should realize that changes in the instrument or instruments underlying the Index may affect the Index, as a newly added instrument or instruments may perform significantly better or worse than the instrument or instruments it replaces. Any such change which causes a decrease in such trading level or price could adversely affect the level or price of the Index, the instrument or instruments comprising such Index, and the value of the CDs.

In addition, the level or price of an Index could be adversely affected by the promulgation of new laws or regulations or by the reinterpretation of existing laws or regulations (including, without limitation, those relating to taxes and duties on any Index) by one or more governmental bodies. Any such event could adversely affect the level of the Index and could adversely affect the value of the CDs.

CDs May Be Linked to a Volatile Index, Which May Adversely Affect Your Investment.

Some Indices may be highly volatile, which means that their value may change significantly, up or down, over a short period of time. It is impossible to predict the future performance of an Index based on its historical performance. The Indexed Amount that can be expected to become payable on the CDs may vary substantially from time to time. Because the amounts payable with respect to the CDs are generally calculated based on the price, value or level of the relevant Index on a specified date or over a limited period of time, volatility in the Index increases the risk that the return on the CDs may be adversely affected by a fluctuation in the level of the relevant Index.

The volatility of an Index may be influenced by complex and interrelated political, economic, financial, regulatory, geographic, judicial and other factors that can affect the markets in which the relevant instruments are traded and/or the particular instruments themselves, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of the CDs.

An Index Could Be Changed or Become Unavailable.

A published Index may become unavailable, or a customized Index may become impossible to calculate in the normal manner, due to events such as war, natural disasters, cessation of publication of the Index or a suspension or disruption of trading in one or more securities, commodities or currencies or other instruments or measures on which the Index is based. If an Index becomes unavailable or impossible to calculate in the normal manner, the terms of particular CDs may allow us to delay determining the Indexed Amount or Contingent Interest on such CDs, or the Calculation Agent may use an alternative method to determine the value of the unavailable Index. Alternative methods of valuation are generally intended to produce a value similar to the value resulting from reference to the relevant Index. However, it is unlikely that any alternative method of valuation the Calculation Agent uses will produce a value identical to the value that the actual Index would have produced. If the Calculation Agent uses an alternative method of valuation for a CD linked to an Index of this kind, the value of the CD, or the rate of return on it, may be lower than it otherwise would be.

Some CDs are linked to Indices that are not commonly used or that have been developed only recently. The lack of a trading history may make it difficult to anticipate the volatility or other risks associated with CDs of this kind. In addition, trading in these Indices or their underlying stocks, commodities or currencies or other instruments or measures, or options or futures contracts on these stocks, commodities or currencies or other instruments or measures, may be limited, which could increase their volatility and decrease the value of the related CDs or the rates of return on them.

The Price or Level of the Index will be Measured only on the Index Observation Dates Specified in the Supplement. Even if the Level of the Index Exceeds the Initial Level Prior to or After One or More Index Observation Dates, You May Not Receive any Indexed Amount.

The price or level of the Index will be measured only on the Index Observation Dates specified in the applicable supplement. Even if the price or level of the Index equals or exceeds the initial price or level of the Index for an extended period of time prior to or after an Index Observation Date, if the price or level of the Index on an Index Observation Date does not equal or exceed the initial price or level of the Index, the Indexed Amount may be zero. In addition, if the supplement specifies that the price or level of the Index on an Index Observation Date will be determined based on the closing price or closing level of the Index and such closing price or closing level on an Index Observation Date is less than the initial price or level of the Index, then even if the price or level of the Index exceeded the initial price or level at other times during such Index Observation Date, the Indexed Amount may be zero and you may receive no return on your investment (unless a Minimum Interest Amount is specified in the applicable supplement).

Payments Based on the Performance of an Index will not Reflect Dividends on the Related Index.

Unless otherwise specified in the applicable supplement, payments based on the performance of a specified Index, such as the Indexed Amount or Contingent Interest, do not reflect the payment of dividends on the instrument or instruments comprising such Index. Therefore, unless otherwise specified, the yield derived from an investment in the CDs will not be the same as if you had purchased the instrument or instruments comprising the Index and held it or them for a similar period. Payments of an Indexed Amount or Contingent Interest typically do not reflect the payment of dividends by the companies comprising the specified Index except to the extent that the payment of dividends affects the price of such Index.

Equity Market Risks May Affect the Value of the CDs and Your Return.

If your CD is linked to an equity Index or Indices, we expect that the Indices will fluctuate in accordance with changes in the financial condition of the relevant issuers of the underlying equity instruments, the value of common stocks generally and other factors. The financial condition of the issuers of the instruments underlying the Index may become impaired or the general condition of the equity market may deteriorate, either of which may affect the value of the Index and thereby affect the value of the CDs. Common stocks and other equity instruments are susceptible to general equity market fluctuations and to volatile increases and decreases in value, as market confidence in and perceptions regarding the companies comprising an equity Index change. Investor perceptions regarding the issuers of securities comprising an Index are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction, and global or regional political, economic, and banking crises. The value of an equity Index may be expected to fluctuate until the Stated Maturity Date.

You Have No Rights in the Property, Nor Shareholder Rights in any Equity Shares, of any Issuer of the Instrument or Instruments Comprising an Index.

Purchasing the CDs will not make you a holder of the instrument or instruments comprising an Index. Neither you nor any other holder or owner of the CDs will have any voting rights, any right to receive dividends or other distributions or any other rights with respect to any property or shares of any issuer of the instrument or instruments comprising an Index.

Indices Comprised of an Instrument or Instruments Traded in a Foreign Market May Contain Additional Risks.

The prices and performance of instruments or securities traded in foreign markets may be affected by political, economic, financial, social or other factors in the relevant foreign market. In addition, recent or future changes in governmental, economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions, and possible fluctuations in the rate of exchange between currencies, are factors that could adversely affect the foreign securities markets. Moreover, the relevant foreign economy may differ favorably or unfavorably from that of the United States.

Time Differences Between the Domestic and Foreign Markets May Create Discrepancies in the Trading Level or Price of the CDs if the Index is Comprised of Instruments that Primarily Trade on Foreign Markets.

In the event that the instrument or instruments comprising an Index trade primarily on a foreign market, time differences between the domestic and foreign markets may result in discrepancies between the level of the instrument or instruments comprising the Index and the value of the CDs. To the extent that U.S. markets are closed while markets for the instrument or instruments comprising the Index remain open, significant price or rate movements may take place in the instrument or instruments comprising the Index that will not be reflected immediately in the value of the CDs. In addition, there may be periods when the relevant foreign markets are closed for trading, causing the level of the Index to remain unchanged for multiple trading days in New York City.

The Inclusion of Placement Fees and Structuring and Development Costs in the Issue Price of the CDs and Certain Hedging Costs are Likely to Adversely Affect the Price at Which You Can Sell Your CDs.

Assuming no changes in market conditions or any other relevant factors, the price, if any, at which you may be able to sell the CDs will likely be significantly less than their issue price. The issue price includes, and any price quoted to you is likely to exclude, placement fees paid with respect to the CDs and structuring and development costs and offering expenses. In addition, any such price is also likely to reflect dealer discounts, mark-ups and other transaction costs, such as a discount to account for costs associated with establishing or unwinding any related hedge transaction. The Bank expects such costs will include the projected profit that its hedge counterparty expects to realize in consideration for assuming the risks inherent in providing the hedge for the Bank's obligations under the CDs. The price at which a Broker or any other potential buyer may be willing to buy your CDs will also be affected by the market and other conditions discussed in the next risk factor.

You May be Unable to Sell Your CDs Prior to Their Stated Maturity Date.

Although a Broker or its affiliates may purchase the CDs from you, none of the Brokers is obligated to do so. The Brokers and their affiliates are not required to, and do not intend to, make a market for the CDs. There can be no assurance that a secondary market will develop. Because the rate of return of the CDs is tied to the performance of the Indices, any secondary market for the CDs may not be as liquid as the secondary market for CDs with a fixed rate of return. As a result, you may not be able to sell your CDs prior to their Stated Maturity Date. You should therefore not rely on any such ability to sell your CDs for any benefits, including achieving trading profits, limiting trading or other losses, receiving a return on the CDs prior to their Stated Maturity Date, or having access to proceeds prior to the Stated Maturity Date.

In the event that a buyer is available at the time you attempt to sell your CDs prior to their Stated Maturity Date, the price at which your CDs are sold may result in a return to you which may differ from the return which the CDs would have earned had they been held to the Stated Maturity Date, due to the fact that the value of the CDs in such circumstances will likely be based on a number of factors such as the value and volatility of the Index, the relative performances of the Indices if more than one Index will be used to determine any Contingent Interest and/or the Indexed Amount, interest rate movements, whether the CDs are callable at the option of the Bank, if the CDs are callable at the option of the Bank, the likelihood or expectation that the Call Feature will be exercised, volatility of currency exchange rates and the correlation between currency exchange rates and the Indices, time remaining until the Stated Maturity Date, the Bank's creditworthiness and other market conditions, all of which factors may impact the value of the CDs and some of which are interrelated in complex ways. As a result, the effect of any one factor may be offset or magnified by the effect of another factor. If you sell the CDs prior to their Stated Maturity Date, regardless of the changes in the level of the Index between the issuance date and the sale date, the sale price may be lower than the price you may have received if you had held your CDs until their Stated Maturity Date. In addition, the price you may pay for any such CDs in the secondary market might include a mark-up established by the applicable market maker. Similarly, the price at which CDs may be sold if a secondary market is available will reflect a mark-down retained by the applicable broker. For the foregoing reasons, the price at which the CDs may be purchased or sold prior to their Stated Maturity Date may not directly reflect changes in the level of the Indices and their impact on the Indexed Amount and/or Contingent Interest.

In the event you choose to sell a CD prior to its Stated Maturity Date, you may receive substantially less in sale proceeds than the Deposit Amount. The CDs are not designed to be short-term investments. Investors should be willing and able to hold the CDs to maturity.

You May Not Have the Right To Withdraw the Deposit Amount of a CD Prior to its Stated Maturity Date.

When you purchase a CD, you agree with the Bank to keep your funds on deposit for the term of the CD. Except in accordance with the Estate Feature, you will not have the right to withdraw any portion of the Deposit Amount prior to the Stated Maturity Date. Therefore, you should not rely on the possibility of early withdrawal for gaining access to your funds prior to the Stated Maturity Date. In addition, with respect to any beneficial owner of a CD, the Bank has the right to limit to $250,000 the combined aggregate Deposit Amount of CDs in respect of which it will accept an exercise of the Estate Feature. See "Description of the CDs—Additions and Withdrawals".

If the CDs are Called Early, You Will Receive Your Return Early.

If the applicable supplement specifies your CDs are callable and the CDs are called early, you will receive the principal amount of your CDs plus accrued and unpaid interest to and including the Call Date. This amount may be less than you would have received had the CDs not been called early. If the CDs are called early, your CDs will terminate on the relevant Call Date. We may choose to call the CDs early or choose not to call the CDs early on any Call Date, in our sole discretion. As a result, your return may be less than the yield which the CD would have earned if it had been held to maturity, and you may not be able to reinvest your funds at the same rate as the original CD.

If Your CDs are Callable at the Option of the Bank, Your Maximum Return will be Effectively Limited.

If your CDs are callable at the option of the Bank and the Bank exercises its option to call the CDs, you will only receive the applicable Call Price and you will not be entitled to receive the amount that otherwise would have been payable on the Stated Maturity Date. If your CDs have a Call Feature, this does not mean that you have a similar right to require us to repay your CDs. Where such a Call Feature exists, you may not be able to reinvest the redemption proceeds in a comparable instrument with a similar maturity, including those of the Bank, at an effective interest rate or with an effective return as high as the interest rate or return on the CDs being redeemed. The Bank will exercise any Call Feature, if at all, when it is most advantageous for the Bank to do so.

Stepped Rate CDs Present Different Investment Considerations than Fixed Rate CDs.

The rate of interest paid by the Bank on stepped rate CDs will vary upward or downward from the initial stated rate of interest of the CD. Stepped rate CDs are also typically callable by the issuer at one or more dates prior to maturity and, therefore, contain the call risks described above. If the Bank does not call the CDs, the interest rate will step up or step down as set forth in the applicable supplement. You should not expect to earn the last and highest scheduled rate of interest income on step up CDs because step up CDs are likely to be called prior to maturity unless general interest rates rise significantly. With step down CDs, you should expect to earn the stepped down rate of interest income after the first scheduled step down rate. Typically, the rate of interest paid at the first stepped down rate is lower than non-stepped rate callable CDs with an equivalent time to maturity or call. Step down CDs are not likely to be called prior to maturity unless general interest rates fall significantly.

The Calculation Agent Can Postpone an Interest Payment Date or the Stated Maturity Date if a Market Disruption Event or an Index Adjustment Event Occurs.

Any date or dates on which the performance of the CDs is to be determined may be postponed if the Calculation Agent determines that a Market Disruption Event or an Index Adjustment Event has occurred or is continuing on that date. If a postponement occurs, the Calculation Agent will follow the procedures prescribed in the applicable supplement. You will not be entitled to compensation from us or the Calculation Agent for any loss suffered as a result of the occurrence of a Market Disruption Event or an Index Adjustment Event or any resulting delay in payment or any change in the level of the Index after the originally scheduled date or dates on which the performance of the CDs was to be determined. If so provided in the applicable supplement, should the Market Disruption Event or Index Adjustment Event continue for a certain period of time, the performance of the Index, and hence the CDs, may be determined by the Calculation Agent based upon its estimate. The Market Disruption Events or Index Adjustment Events applicable to an Index will be specified in the applicable supplement. If such a postponement occurs, the applicable Interest Payment Date or the Stated Maturity Date will be postponed until the date specified in the applicable supplement. See "Description of the CDs—General".

Trading and Other Transactions by the Bank or its Affiliates Could Affect the Prices of the Securities or Other Assets Included in an Index, the Level of an Index or the Value of the CDs.

From time to time, as part of the Bank's general financial risk management, the Bank or one or more of its affiliates may fully or partially hedge its obligations under the CDs. Pursuant to such hedging activities, the Bank or one or more of its affiliates may acquire securities or other assets included in an Index or listed or over-the-counter derivative or synthetic instruments related to such securities or other assets. Depending on, among other things, future market conditions, the aggregate amount and the composition of the Bank's positions are likely to vary over time.

To the extent that the Bank or one or more of its affiliates has a long hedge position in any of the securities or other assets included in an Index, or derivative or synthetic instruments related to those securities or other assets or such Index, the Bank or one or more of its affiliates may liquidate a portion of such holdings at or about the time of a payment date on the CDs or at or about the time of a change in the securities or other assets included in an Index. Certain activity by the Bank or one or more of its affiliates described above can potentially increase or decrease the prices of the securities or other assets included in an Index and, accordingly, increase or decrease the level of an Index. Although the Bank has no reason to believe that any of those activities will have a material impact on the price of the securities or other assets included in an Index, these activities could have such an effect.

The Bank or one or more of its affiliates may also engage in trading in the securities or other assets included in an Index and other investments relating to such securities or other assets on a regular basis as part of its or their general broker-dealer and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for customers, including block transactions. Any of these activities could adversely affect the market prices of such securities or other assets and, therefore, the value of the CDs.

The Bank or one or more of its affiliates may also issue, underwrite or assist unaffiliated entities in the issuance or underwriting of other CDs or securities or financial instruments with returns linked to an Index. By introducing competing products into the marketplace in this manner, the Bank or one or more of its affiliates could adversely affect the value of the CDs.

Research Reports and Other Transactions May Create Conflicts of Interest Between You and the Bank.

The Bank or one or more of its affiliates may, at present or in the future, publish research reports on an Index or the securities or other assets included in an Index. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the CDs. Any of these activities may affect the market price of securities or other assets included in an Index and, therefore, the value of the CDs. Moreover, other professionals who deal in these markets may at any time have views that differ significantly from ours. In connection with your purchase of the CDs, you should investigate the Index and not rely on our views with respect to future movements in the Index or the components thereof.

In addition, the Bank or one or more of its affiliates may, at present or in the future, engage in business with the companies whose securities are included in an Index, including making loans to those companies (and exercising creditors' remedies with respect to such loans), or providing investment banking, asset management or other advisory services to those companies. These activities may present a conflict between the Bank and its affiliates and you. In addition, in connection with these activities, certain personnel may have access to confidential material non-public information about companies included in an Index that would not be disclosed to other employees that were not working on such transactions, as the Bank and its affiliates have established internal information barriers that are designed to preserve the confidentiality of non-public information. Therefore, any such confidential material non-public information would not be shared with employees of the Bank or its affiliates involved in structuring, selling or making markets in the CDs or with investors in the CDs. If the Bank or any of its affiliates does acquire such non-public information, the Bank is not obligated to disclose such non-public information to you.

The Calculation Agent May Have an Adverse Economic Interest.

The Calculation Agent will make certain determinations and judgments in connection with various calculations in connection with the CDs, including, without limitation, the return with respect to the Index, calculation of the Indexed Amount or Contingent Interest, if any, and determining whether a Market Disruption Event or an Index Adjustment Event has occurred. Because the Calculation Agent is anticipated to be the Bank or one of our affiliates, the Calculation Agent may have economic interests that are adverse to the interests of the holders of the CDs.

For Tax Purposes, You May Be Required to Include Original Issue Discount in Income and to Recognize Ordinary Income on Any Disposition of the CDs.

For United States federal income tax purposes, Index-Linked CDs with a maturity of more than one year generally will be classified as contingent payment debt instruments and, as a result, they will be considered to be issued with original issue discount. Unless you hold the CDs through a tax advantaged retirement account (such as an IRA), you will be required to include this original issue discount in income during your ownership of the CDs even though you may receive no cash payments prior to the maturity of the CDs. Subject to some adjustments, the accrual of original issue discount will be based on the "comparable yield" of the CDs. The "**comparable yield**" will generally be the rate at which the Bank could issue a fixed rate instrument with terms and conditions similar to the CDs, but in any event not less than the applicable federal rate (based on the overall maturity of the CDs). Additionally, you will generally be required to treat any gain realized upon maturity or on a sale, exchange, redemption or other disposition of the CDs as ordinary interest income. See "Certain United States Federal Income Tax Considerations."

DEPOSIT INSURANCE

General

This section describes FDIC deposit insurance covering deposits, such as the CDs issued by the Bank. The FDIC deposit insurance laws and regulations, including the level of insurance coverage, are subject to change. The Bank cannot predict whether or not any future changes will occur and whether they will apply retroactively to the CDs.

The Deposit Amount of your CDs is insured by the FDIC, an independent agency of the U.S. Government. The FDIC standard maximum deposit insurance amount (the "**MDIA**") is $250,000 per depositor per insured bank.

The CDs are eligible for FDIC insurance up to $250,000 for deposits held in the same ownership category (for example, individual accounts are insured separately from joint accounts, self-directed retirement accounts and/or revocable trust accounts). For purposes of calculating FDIC deposit insurance limits, the Deposit Amount of your CD will be combined with deposit balances held directly or indirectly by you with the Bank in the same ownership category (including checking accounts, certificates of deposit and other deposits in your name or held through an intermediary, such as your broker in a sweep deposit program, or a fiduciary acting in an agency capacity).

The FDIC has taken the position that the "amount of the deposit" for deposit insurance purposes is the principal amount of the deposit plus the ascertainable, accrued interest as of the date of the depository institution's failure. Thus, any Indexed Amount, Periodic Interest, or Contingent Interest that has not yet been ascertained and accrued (i.e., become due) as of the date of the Bank's conservatorship or receivership, as well as any secondary market premium paid by you above the Deposit Amount on the CDs, is not insured by the FDIC. FDIC insurance covers only any Indexed Amount and any Contingent Interest or other interest that has become ascertainable and has accrued on the books and records of the Bank prior to the date the FDIC was appointed conservator or receiver. FDIC insurance does not cover any interest or Indexed Amount that would otherwise accrue on or after the date the FDIC is appointed the Bank's conservator or receiver. As a result, the amount you could receive pursuant to FDIC insurance may be less than the full amount that would otherwise be payable on the CD.

Funds become eligible for deposit insurance immediately upon issuance of a CD. You are responsible for monitoring the total amount of all direct or indirect deposits held by or for you with the Bank for purposes of determining the amounts eligible for coverage by FDIC insurance, including the Deposit Amount of your CDs.

You can calculate your insurance coverage using the FDIC's online Electronic Deposit Insurance Estimator at www2.fdic.gov/edie. The information on such website is not a part of this Disclosure Statement.

The application of FDIC insurance coverage limits for several common account types is illustrated below. Please consult with your attorney or tax advisor to fully understand all of the legal consequences associated with any account ownership change you may be considering to maximize your deposit insurance coverage.

Individual Accounts. This type of account is in one person's name only. The account balance is added together with other deposit account balances held in the person's name at the Bank and insured up to $250,000 in the aggregate. Another example of an individual account is the custodial account. In this account, the account is in the name of the custodian for benefit of a beneficiary. For example, a Uniform Gifts to Minors Act account is a type of custodial account. The account balance is added together with other deposits in the beneficiary's individual name at the Bank and insured up to $250,000 in the aggregate. Note that funds in a deposit account held by a custodian (such as the CDs held in your account with your Broker) are not treated as owned by the custodian.

Joint Accounts. Joint accounts are in the name of two or more people and each person's share is insured up to $250,000 separately and in addition to the $250,000 of insurance allowed on other deposits owned individually. Joint accounts will be insured separately from individually owned accounts only if each of the co-owners is an individual person and has a right of withdrawal on the same basis as the other co-owners.

Corporate, Partnership and Unincorporated Association Accounts. Deposits of any one issuer owned by corporations (including Subchapter S corporations), partnerships and unincorporated associations, operated for a purpose other than to increase deposit insurance, are added together with other deposits owned by such corporation, partnership and unincorporated association, respectively, and are insured up to $250,000 in the aggregate.

Revocable Trust Accounts. Determining insurance coverage for a revocable trust can be complex. You should contact the FDIC for assistance, as the following is only a general summary. A revocable trust account indicates an intention that the deposit will belong to one or more named beneficiaries upon the death of the owner(s). A revocable trust can be terminated at the discretion of the owner. There are two types of revocable trusts: informal revocable trusts — known as Payable on Death (POD) or "Totten Trusts" — and formal revocable trusts — known as "living" or "family" trusts (created for estate planning purposes pursuant to a written agreement). All deposits that an owner holds in both informal and formal revocable trusts are added together for insurance purposes and the insurance limit is applied to the combined total.

When a revocable trust owner names five or fewer beneficiaries, the owner's trust deposits are insured up to $250,000 for each unique beneficiary. This rule applies to the combined interests of all beneficiaries the owner has named in all formal and informal revocable trust accounts at the same bank. When there are five or fewer beneficiaries, the maximum deposit insurance coverage for each trust owner is determined by multiplying $250,000 times the number of unique beneficiaries, regardless of the dollar amount or percentage allotted to each unique beneficiary.

When a revocable trust owner names six or more unique beneficiaries, and all the beneficiaries have an equal interest in the trust (i.e., every beneficiary receives the exact same amount), the insurance calculation is the same as for revocable trusts that name five or fewer beneficiaries. The trust owner receives insurance coverage up to

$250,000 for each unique beneficiary. With one owner and six beneficiaries, where all the beneficiaries have an equal beneficial interest, the owner's maximum insurance coverage is up to $1,500,000. When a revocable trust owner names six or more beneficiaries and the beneficiaries do not have equal beneficial interests (i.e., they receive different amounts), the owner's revocable trust deposits are insured for the greater of either: (1) the sum of each beneficiary's actual interest in the revocable trust deposits up to $250,000 for each unique beneficiary, or (2) $1,250,000.

Irrevocable Trust Accounts. Irrevocable trust accounts are deposit accounts held in connection with a trust established by statute or a written trust agreement in which the owner (also referred to as a grantor, settlor or trustor) contributes deposits or other property to the trust and gives up all power to cancel or change the trust. An irrevocable trust also may come into existence upon the death of an owner of a revocable trust. The interests of a beneficiary in all deposit accounts under an irrevocable trust established by the same settlor and held at the same insured bank are added together and insured up to $250,000, only if all of the following requirements are met: (1) the trust must be valid under state law; (2) the insured bank's deposit account records must disclose the existence of the trust relationship; (3) the beneficiaries and their interests in the trust must be identifiable from the bank's deposit account records or from the trustee's records; and (4) the amount of each beneficiary's interest must not be contingent as defined by FDIC regulations.

Self-Directed Retirement Accounts. These are deposits you have in retirement accounts for which you have the right to direct how the money is invested, including the ability to direct that the funds be deposited at an FDIC-insured bank. Types of self-directed retirement accounts include traditional and Roth Individual Retirement Accounts (IRAs), Simplified Employee Pension (SEP) IRAs, Savings Incentive Match Plans for Employees (SIMPLE) IRAs, "Section 457" deferred compensation plan accounts, self-directed Keogh plan accounts, and self-directed defined contribution plan accounts (such as a 401(k) plan). The owner's funds held in an IRA and other self-directed retirement accounts held at the same financial institution will be aggregated and will be insured (including principal and interest that has been ascertained and become due) up to $250,000 in the aggregate. The FDIC defines the term "self-directed" to mean that plan participants have the right to direct how the money is invested, including the ability to direct that deposits be placed at an FDIC-insured bank. The FDIC will consider an account to be self-directed if the participant of the retirement plan has the right to choose a particular bank's deposit accounts as an investment option. For important information regarding how the CDs are not subject to early withdrawal without penalty, even if the account owner is subject to mandatory withdrawal requirements, see "Description of the CDs—Additions and Withdrawals".

Questions About FDIC Deposit Insurance Coverage

You can learn more about FDIC insurance at the FDIC's website at http://www.fdic.gov/deposit/. The information on such website is not a part of this Disclosure Statement. You can also contact the FDIC, Division of Supervision and Consumer Protection, at Deposit Insurance Outreach, 550 17th Street N.W., Washington, D.C., 20429. Their telephone number is (877) 275-3342.

Payments Under Adverse Circumstances

As with all deposits, if it becomes necessary for federal deposit insurance payments to be made on the CDs, there is no specific time period during which the FDIC must make insurance payments available. Accordingly, you should be prepared for the possibility of an indeterminate delay in obtaining insurance payments.

As explained above, the MDIA applies to the principal and any interest that has been ascertained and become due on all CDs and other deposit accounts maintained by you at the Bank in the same legal ownership category. The records maintained by the Bank and your Broker regarding ownership of CDs will be used to establish your eligibility for federal deposit insurance payments. In addition, you may be required to provide certain documentation to the FDIC and to your Broker before insurance payments are released to you. For example, if you hold CDs as trustee for the benefit of trust participants, you may also be required to furnish an affidavit to that effect; you may be required to furnish other affidavits and provide indemnities regarding an insurance payment.

In the event that insurance payments become necessary for your CDs, the FDIC is required to pay the original principal amount and interest that has been ascertained and become due subject to the MDIA. No interest will be earned on deposits from the time the Bank is closed until insurance payments are received.

As an alternative to a direct deposit insurance payment from the FDIC, the FDIC may transfer the insured deposits of an insolvent institution to a healthy institution. Subject to insurance verification requirements and the limits on deposit insurance coverage, the healthy institution may assume the CDs under the original terms or offer you a choice between paying the CD off and maintaining the deposit at a different rate. Your Broker will advise you of your options in the event of a deposit transfer.

Your Broker will not be obligated to you for amounts not covered by deposit insurance nor will your Broker be obligated to make any payments to you in satisfaction of a loss you might incur as a result of (i) a delay in insurance payouts applicable to your CD, (ii) your receipt of a decreased interest rate on an investment replacing your CD as a result of the payment of the principal of your CD prior to its Stated Maturity Date, or (iii) payment in cash of the principal of your CD prior to its Stated Maturity Date in connection with the liquidation of the Bank or the assumption of all or a portion of its deposit liabilities. In connection with the latter, the amount of an FDIC insurance payment on a CD which had been purchased at a premium in the secondary market is based on the original principal amount and not on any premium amount. Therefore, you can lose up to the full amount of the premium as a result of such a payment. Also, your Broker will not be obligated to credit your account with funds in advance of payments received from the FDIC.

FEES

SunTrust Robinson Humphrey, Inc. and SunTrust Investment Services, Inc., who are affiliates of the Bank, and any other Broker offering the CDs on behalf of the Bank, will receive a placement fee from the Bank in connection with your purchase of a CD. Your Broker may be an affiliate of the Bank.

The Bank has reserved the right to sell CDs directly to investors on its own behalf in those jurisdictions where it is authorized to do so. No selling commission will be payable nor will a selling discount be allowed on any sales made directly by the Bank. The Bank will have the sole right to accept offers to purchase CDs and may reject any such offer, in whole or in part.

The issue price of the CDs will include the placement fees and structuring and development costs described in the applicable supplement. The Bank expects to hedge its obligations under the CDs through affiliated or unaffiliated counterparties. The structuring and development costs described in the applicable supplement will include the Bank's estimated hedging costs. The Bank's cost of hedging will include the projected profit that the Bank's counterparty expects to realize in consideration for assuming the risks inherent in providing the hedge for the Bank's obligations under the CDs. Because hedging the Bank's obligations entails risk and may be influenced by market forces beyond the Bank's or its counterparty's control, such hedging may result in a profit that is more or less than expected, or could result in a loss. In addition, the Bank may enter into arrangements with one or more of its affiliates to hedge the market risks associated with its obligations to pay amounts due on the Stated Maturity Date of any CD. The affiliates on occasion may include SunTrust Robinson Humphrey, Inc. and the affiliates may make a profit in connection with this arrangement.

SECONDARY MARKET

Your Broker, though not obligated to do so, may maintain a secondary market in the CDs after their Settlement Date. If you wish to sell your CD prior to maturity and the Broker does not maintain a secondary market, the Broker may attempt to sell your CD in a secondary market maintained by another broker-dealer. The Broker cannot provide assurance that you will be able to sell your CDs prior to their maturity. In addition, a secondary market for the CDs may be discontinued at any time without notice. Therefore, you should not rely on any such ability to sell your CDs for any benefits, including achieving trading profits, limiting trading or other losses, realizing income prior to maturity, or having access to proceeds prior to maturity. See "Risk Factors—You May be Unable to Sell Your CDs Prior to Their Stated Maturity Date."

In the event that the Bank, SunTrust Robinson Humphrey, Inc. or any other affiliate of the Bank Bank purchases CDs in the secondary market, these purchases may be subject to certain regulatory conditions, including, if the Bank, SunTrust Robinson Humphrey, Inc. or any other affiliate of the Bank purchases CDs from a holder within six days after the date of initial issuance of those CDs, downward adjustments to the purchase price to be paid to such holder to account for early withdrawal penalties imposed by the Bank pursuant to Regulation D of the Federal Reserve Board. Thus, if you sell a CD to us or any of our affiliates shortly after you purchase and pay for it, you may receive a reduced price for your CD.

The Bank does not expect to receive any proceeds from market-making transactions. The Bank does not expect that SunTrust Robinson Humphrey, Inc. or any other affiliate that may engage in these transactions will pay any proceeds from its market-making resales to the Bank.

Information about the trade and settlement dates, as well as the purchase price, for a market-making transaction will be provided to the purchaser in a separate confirmation of sale. In the event that a CD is purchased in the secondary market at a premium over the par amount, the premium is not insured by the FDIC. Therefore, if deposit insurance payments become necessary due to the insolvency of the Bank, the owner of a CD purchased in the secondary market can incur a loss of up to the amount of the premium paid for the CD. See "Deposit Insurance".

The uninsured premium being paid for an interest bearing CD can be determined from the price set forth in your trade confirmation. The price on CDs is typically expressed in relation to par (100.00). Any amount over 100.00 represents the premium. For example, if your trade confirmation states that the price for a CD purchased in the secondary market is 100.25, there is a premium that will not be insured by the FDIC. A price of 99.75 would not include a premium. The trade confirmation will also inform you if the CD has accrued interest, which will be insured as long as the par amount of CDs held by you in one insurable ownership category at the issuer plus the accrued interest does not exceed the standard MDIA.

If you purchase a CD with a Call Feature in the secondary market at a premium, you will receive only the Deposit Amount if the CD is called.

LEGAL OWNERSHIP AND PAYMENT

The CDs will be evidenced by one or more master certificates issued by the Bank, each representing a number of individual CDs. These master certificates will be held by or on behalf of DTC. The Broker through which you purchase your CD acting as your nominee, authorized representative, agent or custodian, will maintain records evidencing your ownership of the CD that you purchase, and will provide you with a confirmation (a "**Confirmation**") and periodic account statements (each an "**Account Statement**") reflecting such purchase, which should be retained for your records. No evidence of ownership, such as a passbook or a certificate, will be provided to you. The Confirmation will state the Deposit Amount of your CD, from which you can determine how much premium, if any, you paid for the CD. The value of your CD may be difficult to accurately determine at any time during the term of the CD. The value indicated on your Account Statement is an estimated value, which may be less than the Deposit Amount of your CD. Because you will not be provided with a certificate evidencing your CD, the purchase of a CD is not recommended for persons who wish to take physical possession of a certificate.

Payments on the CDs will be remitted by the Bank to DTC when due. Upon receipt in full of such amounts by DTC, the Bank will be discharged from any further obligation with regard to such payments. Such payments will be credited through DTC's procedures to participant firms and thereafter will be remitted to the Broker through whom you purchased your CD, so long as such Broker acts as your nominee, authorized representative, agent or custodian, and credited to your account with such Broker. Investors should consult their banks or brokers for information on how they will receive notices.

Each CD constitutes a direct deposit obligation of the Bank and is not, either directly or indirectly, an obligation of your Broker or any other person or entity. You will have the ability to enforce your rights in a CD against the Bank. No deposit relationship shall be deemed to exist prior to the receipt and acceptance of your funds by the Bank.

If you choose to terminate your Broker as nominee, authorized representative, agent or custodian with regard to a CD, you may (i) transfer your CD to another broker-dealer or other institution that is a member of DTC, or a correspondent of such a member, or (ii) request that your ownership of the CD be evidenced directly on the books of the Bank, subject to applicable law and the Bank's terms and conditions, including those related to the manner of evidencing CD ownership. If you choose to remove your Broker, your Broker will have no further responsibility for payments made with respect to the CD.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain United States federal income and, for certain foreign persons, estate tax consequences of the purchase, ownership and disposition of the CDs. The following summary is based upon laws, regulations, rulings and decisions in effect as of the date of this Disclosure Statement, all of which are subject to change (possibly with retroactive effect) or possible differing interpretations. The discussion below applies only to CDs held as capital assets for United States federal income tax purposes and does not purport to address tax consequences to persons in special tax situations, such as financial institutions, insurance companies, regulated investment companies, real estate investment trusts, dealers in securities or currencies, tax-exempt entities, persons holding CDs in a tax-exempt, tax-deferred or tax-advantaged account, persons subject to the alternative minimum tax or persons holding CDs as a hedge against currency risks, as a position in a "straddle" or as part of a "hedging," "conversion," "synthetic security" or other integrated transaction for tax purposes. In addition, this summary does not address any applicable state, local or foreign tax laws. This summary applies only to purchasers of CDs who acquire the CDs in their initial offering for an amount equal to their issue price.

Persons considering purchasing a CD should consult the applicable supplement for additional discussion of the United States federal income tax consequences related to a particular CD. **In addition, persons considering purchasing a CD should consult their own tax advisors concerning the application of the United States federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of a CD arising under the laws of any other taxing jurisdiction**.

As used herein, the term "**U.S. Holder**" means a beneficial owner of a CD that is for United States federal income tax purposes (a) an individual who is a citizen or resident of the United States, (b) a corporation, or other entity treated as a corporation, that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (c) an estate the income of which is subject to United States federal income taxation regardless of its source, or (d) a trust (i) if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or (ii) that has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person. As used herein, the term "**non-U.S. Holder**" means a beneficial owner of a CD that is not a U.S. Holder and not a partnership (or other entity classified as a partnership) for U.S. federal income tax purposes.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds CDs, the U.S. federal income tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership and, accordingly, this summary does not apply to partnerships. A partner of a partnership holding CDs should consult its own tax advisor regarding the U.S. federal income tax consequences to the partner of the acquisition, ownership, and disposition of CDs by the partnership.

General

There are no statutory provisions, regulations, published rulings or judicial decisions addressing or involving the characterization, for United States federal income tax purposes, of the CDs or other instruments with terms substantially the same as the CDs. However, although the matter is not free from doubt, under current law, each CD should be treated as a debt instrument of the Bank for United States federal income tax purposes. The Bank currently intends to treat each CD as a debt instrument of the Bank for United States federal income tax purposes and, where required, intends to file information returns with the IRS in accordance with such treatment, in the absence of any change or clarification in the law, by regulation or otherwise, requiring a different characterization of the CDs. Moreover, by purchasing a CD, a purchaser agrees to this treatment of the CDs. Prospective investors in the CDs should be aware, however, that the IRS is not bound by the Bank's or a purchaser's characterization of the CDs as indebtedness, and the IRS could possibly take a different position as to the proper characterization of the CDs for United States federal income tax purposes. The following discussion of certain United States federal income tax consequences of the purchase, ownership and disposition of the CDs is based upon the assumption that each CD will be treated as a debt instrument of the Bank for United States federal income tax purposes. If a CD is not in fact treated as a debt instrument of the Bank for United States federal income tax purposes, then the United States federal income tax treatment of the purchase, ownership and disposition of the CD could differ from the treatment discussed below with the result that the timing and character of income, gain or loss recognized in respect of a CD could differ from the timing and character of income, gain or loss recognized in respect of a CD had the CD in fact been treated as a debt instrument of the Bank for United States federal income tax purposes.

U.S. Holders

CDs With Maturities of One Year or Less

Cash Method U.S. Holders. With respect to a CD having a stated maturity of one year or less (a "**short-term CD**") the excess, if any, of the amount payable at maturity over the CD's issue price should generally be includible in income by a U.S. Holder who uses the cash method of accounting as ordinary interest on the date the amount payable at maturity is received. In addition, a U.S. Holder of a short-term CD who uses the cash method of accounting will be required to include in income prior to the Stated Maturity Date the receipt of interest payments, if any, with respect to the short-term CD. Upon the sale, exchange or redemption of a short-term CD prior to its Maturity Date, a U.S. Holder who uses the cash method of accounting generally should recognize taxable gain or loss in an amount equal to the difference between the amount realized on the sale, exchange or redemption and such U.S. Holder's tax basis in the short-term CD. Such a U.S. Holder's tax basis in a short-term CD generally should equal such U.S. Holder's initial investment in the short-term CD. Such gain or loss generally would be short-term capital gain or loss. However, all or a portion of any such gain should be treated as ordinary income to the extent of the original issue discount (as described below under "—Accrual Method U.S. Holders") that has accrued on a straight-line basis, or upon election under a constant yield method (based on daily compounding), through the date of the disposition. In addition, a U.S. Holder of a short-term CD who uses the cash method of accounting generally will be required to defer deductions for interest paid on indebtedness incurred to purchase or carry a short-term CD in an amount not exceeding the accrued original issue discount until the accrued original issue discount is included in income.

Accrual Method U.S. Holders. U.S. Holders who use the accrual method of accounting should be required to accrue original issue discount on a short-term CD on a straight-line basis unless an election is made to accrue the original issue discount under a constant yield method (based on daily compounding). Such original issue discount should accrue based upon an estimated yield for the short-term CD. Upon maturity of a short-term CD, to the extent that the actual yield on the short-term CD differs from this estimated yield, such difference should be treated as additional original issue discount or as an offset to previously accrued original issue discount. Upon the sale, exchange or redemption of a short-term CD prior to its Maturity Date, a U.S. Holder who uses the accrual method of accounting generally should recognize short-term capital gain or loss (or, in some cases, possibly an offset to previously accrued original issue discount) in an amount equal to the difference between the amount realized on the sale, exchange or redemption and such U.S. Holder's adjusted tax basis in the short-term CD. A U.S. Holder's adjusted tax basis generally should equal such U.S. Holder's initial investment in the short-term CD increased by any original issue discount included in income by the U.S. Holder, and decreased by the amount of any interest payments previously received with respect to the short-term CD.

CDs With Maturities of More Than One Year

Regulations (the "**Regulations**") issued by the Treasury Department address the proper United States federal income tax treatment of contingent payment debt instruments. In general, we expect that these Regulations will apply to Index-Linked CDs having a stated maturity of more than one year ("**long-term CDs**"). If we determine that the Regulations do not apply to a particular CD, the U.S. federal income tax treatment of such CD will be addressed in the applicable disclosure statement supplement for such CD and the discussion herein with respect to long-term CDs will not apply. The Regulations generally will require a U.S. Holder of a long-term CD to accrue original issue discount on the CD, in the manner described below, even though the CD may not be issued at a discount. Moreover, in general, under the Regulations, any gain recognized by a U.S. Holder on the sale, exchange, redemption or retirement of a contingent payment debt instrument is treated as ordinary interest income and all or a portion of any loss realized could be treated as ordinary loss as opposed to capital loss (depending upon the circumstances).

In particular, solely for purposes of applying the Regulations to a long-term CD, we will be required to determine a "comparable yield" for the CD. The "comparable yield" is the yield at which we could issue a fixed-rate debt instrument with terms similar to those of the CD, including the level of subordination, term, timing of payments and general market conditions, but excluding any adjustments for the riskiness of the contingencies or the liquidity of the CD. We are also required to prepare a projected payment schedule for the long-term CD which would produce a yield equal to the comparable yield. The projected payment schedule for a long-term CD will include the projected amount of each payment to be made on the long-term CD, including any interest payments, a payment of the principal amount on the Stated Maturity Date of the long-term CD, and a projected Indexed Amount (the "**Projected Indexed Amount**"). Long-term CDs having different Maturity Dates and/or offered at different times will have different projected payment schedules and comparable yields.

During the term of a long-term CD, a U.S. Holder of a long-term CD will be required to include in income as ordinary interest an amount equal to the sum of the daily portions of interest on the long-term CD that are deemed to accrue at the applicable comparable yield for each day during the taxable year (or portion of the taxable year) on which the U.S. Holder holds such long-term CD (regardless of such U.S. Holder's regular method of tax accounting). The amount of interest that will be deemed to accrue in any accrual period will equal the product of the applicable comparable yield (properly adjusted for the length of the accrual period) and the long-term CD's adjusted issue price (as described below) at the beginning of the accrual period. The daily portions of interest will be determined by allocating to each day in the accrual period the ratable portion of the interest that is deemed to accrue during the accrual period. In general, for these purposes, a long-term CD's adjusted issue price will equal the long-term CD's issue price (which is generally expected to be the principal amount thereof), increased by the interest previously accrued on the long-term CD, and decreased by the projected amount of any interest payments previously made on the long-term CD. As a result of the foregoing rules, a U.S. Holder will not be required to separately include in income the interest payments, if any, received on a long-term CD. However, in the case of a CD that provides for Contingent Interest, a U.S. holder generally will be required to take into account any differences between actual and projected interest payments under rules similar to those described in the following paragraph (dealing with differences between the actual Indexed Amount and the Projected Indexed Amount). U.S. Holders of a long-term CD that provides for Contingent Interest should consult their tax advisors regarding the application of such rules.

On the Stated Maturity Date of a long-term CD, if the actual Indexed Amount, if any, exceeds the Projected Indexed Amount, a U.S. Holder will be required to include the excess of the actual Indexed Amount over the Projected Indexed Amount in income as ordinary interest on the Stated Maturity Date. Alternatively, if the actual Indexed Amount, if any, is less than the Projected Indexed Amount, the excess of the Projected Indexed Amount over the actual Indexed Amount (or, if the actual Indexed Amount is less than or equal to any one-time Minimum Interest Amount payable at maturity, such one-time Minimum Interest Amount) will be treated first as an offset to any interest otherwise includible in income by the U.S. Holder with respect to the long-term CD for the taxable year in which the Stated Maturity Date occurs to the extent of the amount of that includible interest. Any remaining portion of the Projected Indexed Amount in excess of the actual Indexed Amount (or, if the actual Indexed Amount is less than or equal to any one-time Minimum Interest Amount payable at maturity, such one-time Minimum Interest Amount) that is not treated as an interest offset pursuant to the foregoing rules generally will be an ordinary loss to the extent of interest previously included in income, and thereafter, capital loss. The deductibility of any such ordinary loss will not be subject to the limitations applicable to miscellaneous itemized deductions. Any such capital loss generally will be treated as long-term or short-term capital loss depending upon the U.S. Holder's holding period for the CD.

Notwithstanding the foregoing, if the actual Indexed Amount becomes fixed (for example, at zero or, if a one-time Minimum Interest Amount may be payable at maturity, at such one-time Minimum Interest Amount) more than six months before the Stated Maturity Date, a U.S. Holder will have a positive or negative adjustment, as appropriate, equal to the difference between the present value of the actual fixed Indexed Amount, using the comparable yield as the discount rate, and the projected amounts of the Indexed Amount as provided in the projected payment schedule. Under the Regulations, a U.S. Holder would be required to take into account such positive or negative adjustment in a reasonable manner over the period to which such adjustment relates. In addition, under the Regulations, if the Indexed Amount becomes fixed more than six months before the Stated Maturity Date, the Indexed Amount will no longer be treated as a contingent payment after the date the Indexed Amount becomes fixed. Moreover, on the date the Indexed Amount becomes fixed, the projected payment schedule for a long-term CD will be modified prospectively to reflect the fixed amount of the payment. Thus, for example, at maturity of a long-term CD, a U.S. Holder would not be permitted to treat the excess, if any, of the Projected Indexed Amount over the actual Indexed Amount as an interest offset or as an ordinary loss on the Stated Maturity Date. In addition to the foregoing, for purposes of accruing original issue discount under the Regulations, if the actual Indexed Amount becomes fixed during an accrual period (i.e., generally each six-month period during which the long-term CD is outstanding), a new accrual period will begin on the day after the day on which the actual Indexed Amount becomes fixed. U.S. Holders should consult their own tax advisors regarding the application of these special rules.

Upon the sale, exchange or redemption of a long-term CD prior to the Stated Maturity Date, a U.S. Holder will be required to recognize taxable gain or loss in an amount equal to the difference, if any, between the amount realized by the U.S. Holder upon such sale, exchange or redemption and the U.S. Holder's adjusted tax basis in the long-term CD as of the date of disposition. A U.S. Holder's adjusted tax basis in a long-term CD generally will equal such U.S. Holder's initial investment in the long-term CD increased by any interest previously accrued on the long-term CD by the U.S. Holder, and decreased by the projected amount of any interest payments previously received with respect to the long-term CD. Any such taxable gain will be treated as ordinary income. Any such taxable loss will be treated as ordinary loss to the extent of the U.S. Holder's total interest inclusions on the long-term CD. Any remaining loss generally will be treated as long-term or short-term capital loss (depending upon the U.S. Holder's holding period for the long-term CD). Notwithstanding the foregoing, if the actual Indexed Amount becomes fixed more than six months before the Stated Maturity Date, any gain or loss recognized by a U.S. Holder upon the sale or exchange of a long-term CD prior to the Stated Maturity Date generally will be treated as capital gain or loss. Any such gain or loss would generally be long-term or short-term capital gain or loss (depending upon the U.S. Holder's holding period for the long-term CD).

All prospective investors in long-term CDs should consult their own tax advisors concerning the application of the Regulations to their investment in long-term CDs. Investors in long-term CDs may also obtain the projected payment schedule for their long-term CDs, as determined by the Bank for purposes of applying the Regulations to the long-term CDs, from the Bank as more fully described in the applicable supplement.

The projected payment schedule (including both the Projected Indexed Amount and the comparable yield on a long-term CD) included in the applicable supplement will be determined solely for United States federal income tax purposes (i.e., for purposes of applying the Regulations to the long-term CD) and is neither a prediction nor a guarantee of what the actual Indexed Amount will be, or that the actual Indexed Amount will even exceed zero (or, if a one-time Minimum Interest Amount may be payable at maturity, such one-time Minimum Interest Amount).

Additional Tax on Net Investment Income

Non-corporate U.S. persons generally will be subject to a 3.8% tax (the "Medicare tax") on the lesser of (1) the U.S. person's "net investment income" for the relevant taxable year and (2) the excess of the U.S. person's modified gross income for the taxable year over a certain threshold (which in the case of individuals will be between $125,000 and $250,000, depending on the individual's tax return filing status). A U.S. Holder's net investment income will generally include its interest income (including any original issue discount) and net gain from the disposition of the CDs, unless such income or gain is derived in the ordinary course of the conduct of the holder's trade or business (other than a trade or business that consists of certain passive or trading activities).

Non-U.S. Holders

Subject to the discussion below of the Foreign Account Tax Compliance Act (FATCA) and of backup withholding, a non-U.S. Holder will not be subject to United States federal income or withholding taxes on payments of principal or interest (including original issue discount, if any) on a CD, so long as such payments are not effectively connected with the conduct by the non-U.S. Holder of a trade or business in the United States.

Subject to the discussion of FATCA and backup withholding below, any gain realized by a non-U.S. Holder on the sale, exchange or redemption of a CD generally will not be subject to United States federal income or withholding tax, unless (1) such gain is effectively connected with the conduct by such non-U.S. Holder of a trade or business in the United States or (2) the non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are satisfied.

If income or gain on a CD is effectively connected with a non-U.S. Holder's conduct of a trade or business in the United States, the non-U.S. Holder generally will be subject to regular United States federal income tax (and, if paid to a corporate non-U.S. Holder, may also be subject to a 30% branch profits tax, or lower rate provided by a tax treaty) on a net basis on interest and on any gain realized on the sale, exchange or redemption of the CD in the same manner as if it were a U.S. Holder. Such a non-U.S. Holder will be required to provide the applicable withholding agent with a properly executed IRS Form W-8ECI (or successor form) in order to claim an exemption from withholding tax.

Under current law, a CD will not be includible in the estate of a non-U.S. Holder unless, at the time of such individual's death, payments in respect of such CD would have been effectively connected with the conduct by such individual of a trade or business in the United States.

Non-U.S. Holders should consult their tax advisors about any applicable tax treaties, which may provide for an exemption from or lower rate of withholding tax, exemption from or reduction of branch profits tax, or other rules different from those described above.

Foreign Account Tax Compliance Act (FATCA)

Sections 1471 through 1474 of the Code (commonly referred to as "FATCA") generally will impose a 30% withholding tax (i) on interest paid on a CD and (ii) gross proceeds from the sale or other disposition of a CD that occurs after December 31, 2018, in each case if the CD is held by or through:

- certain foreign financial institutions (including investment funds), unless the institution otherwise qualifies for an exemption or enters into an agreement with the U.S. Treasury (i) to collect and report, on an annual basis, information with respect to accounts in the institution held by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons, and (ii) to withhold on certain payments; or

- a non-financial non-U.S. entity, unless the entity (i) either certifies to the applicable withholding agent or the IRS that the entity does not have any "substantial United States owners" or provides certain information regarding the entity's "substantial United States owners" or (ii) otherwise establishes an exemption from such withholding tax.

The rules described above may be modified by an intergovernmental agreement entered into between the United States and an applicable foreign country, or by future Treasury regulations or other guidance. If we determine that any payments on the CDs are subject to withholding under these rules, we (or the applicable withholding agent) will withhold tax at the applicable statutory rate. Investors are urged to consult their own tax advisors regarding the possible application of these rules to their investment in the CDs.

Information Reporting and Backup withholding

Information reporting will apply to certain payments on a CD (including interest and OID) and proceeds of the sale of a CD held by a U.S. Holder that is not a corporation or other exempt recipient. Backup withholding may apply to payments made to a U.S. Holder if (a) the U.S. Holder has failed to provide its correct taxpayer identification number on IRS Form W-9, (b) the payor has been notified by the IRS of an underreporting by such U.S. Holder (underreporting generally refers to a determination by the IRS that a payee has failed to include in income on its tax return any reportable dividend and interest payments required to be shown on a tax return for a taxable year) or (c) the payor has been notified by the IRS that the tax identification number provided to the IRS on an information return does not match IRS records or that the number was not on such information return.

Backup withholding will not be required with respect to holders that are Non-U.S. Holders, so long as the payor has received a correct and complete IRS Form W-8BEN, IRS Form W-8BEN-E or Form W-8IMY with all of the attachments required by the IRS, signed under penalty of perjury, identifying such Non-U.S. Holder and stating that it is not a United States person. Interest paid to a Non-U.S. Holder that is an individual resident of a country with which the United States has a tax information exchange agreement) will be reported on IRS Form 1042-S which is filed with the IRS and sent to the Non-U.S. Holder.

Information reporting and backup withholding may apply to the proceeds of a sale of a CD by a holder that is a Non-U.S. Holder made within the United States or conducted through certain U.S. related financial intermediaries, unless the payor receives the documentation described in the preceding paragraph. Backup withholding is not an additional tax and may be refunded (or credited against a Non-U.S. Holder's U.S. federal income tax liability, if any), provided that certain required information is timely furnished to the IRS. The information reporting requirements may apply regardless of whether or not withholding is required. For Non-U.S. Holders, copies of the information returns reporting such amounts and withholding also may be made available to the tax authorities in the country in which the holder is a resident under the provisions of an applicable income tax treaty or agreement.

EMPLOYEE RETIREMENT INCOME SECURITY ACT

This section is only relevant to you if you are an insurance company or the fiduciary of a pension plan or an employee benefit plan (including a governmental plan, an IRA or a Keogh Plan) proposing to invest in the CDs.

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), prohibit certain transactions ("**prohibited transactions**") involving the assets of an employee benefit plan that is subject to the fiduciary responsibility provisions of ERISA or Section 4975 of the Code (including individual retirement accounts, Keogh plans and other plans described in Section 4975(e)(1) of the Code) (an "**ERISA Plan**") and certain persons who are "parties in interest" (within the meaning of ERISA) or "**disqualified persons**" (within the meaning of the Code) with respect to the ERISA Plan. The assets of an ERISA Plan may include assets held in the general account of an insurance company that are deemed "plan assets" under ERISA or assets of certain investment vehicles in which the ERISA Plan invests.

Each fiduciary of an ERISA Plan should consider the fiduciary standards of ERISA in the context of the ERISA Plan's particular circumstances before authorizing an investment in the CDs. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the ERISA Plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code. A violation of the rules regarding prohibited transactions may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons engaging in a prohibited transaction, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain employee benefit plans and arrangements including those that are governmental plans (as defined in section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) ("non-ERISA arrangements") are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, foreign or other regulations, rules or laws ("**similar laws**").

Each of the Bank and certain of its affiliates may be considered a "party in interest" or a "disqualified person" with respect to many ERISA Plans, and, accordingly, prohibited transactions may arise if the CDs are acquired by or on behalf of an ERISA Plan unless those CDs are acquired and held pursuant to an available exemption. In general, available exemptions are: transactions effected on behalf of that ERISA Plan by a "qualified professional asset manager" (prohibited transaction exemption 84-14) or an "in-house asset manager" (prohibited transaction exemption 96-23), transactions involving insurance company general accounts (prohibited transaction exemption 95-60), transactions involving insurance company pooled separate accounts (prohibited transaction exemption 90-1), transactions involving bank collective investment funds (prohibited transaction exemption 91-38) and transactions with service providers under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code where the ERISA Plan receives no less and pays no more than "adequate consideration" (within the meaning of Section 408(b)(17) of ERISA and Section 4975(f)(10) of the Code).

A CD may not be purchased or held by (1) any ERISA Plan, (2) any entity whose underlying assets include "plan assets" by reason of any plan's investment in the entity (a "plan asset entity") or (3) any person investing "plan assets" of any ERISA Plan, unless in each case the purchaser or holder of the CD is eligible for the exemptive relief available under one or more of the prohibited transaction exemptions listed above or another applicable similar exemption. The person making the decision on behalf of a ERISA Plan or a governmental plan shall be deemed, on behalf of itself and the ERISA Plan, by purchasing and holding the CDs, or exercising any rights related thereto, to represent that either (a) the funds used to acquire the CDs are not the assets of any ERISA Plan or any entity whose underlying assets include "plan assets" by reason of Department of Labor Regulation Section 2510.3-101, as modified by Section 3(42) of ERISA or (b) (i) the ERISA Plan will receive no less and pay no more than "adequate consideration" (within the meaning of Section 408(b)(17) of ERISA and Section 4975(f)(10) of the Code) in connection with the purchase and holding of the CDs, (ii) none of the purchase, holding or disposition of the CDs or the exercise of any rights related to the CDs will result in a non-exempt prohibited transaction under ERISA or the Code (or, with respect to a governmental plan, under any similar applicable law or regulation), and (iii) neither the Bank nor any of its affiliates is a "**fiduciary**" (within the meaning of Section 3(21) of ERISA or, with respect to a governmental plan, under any similar applicable law or regulation) with respect to the purchaser or holder in connection with such person's acquisition, disposition or holding of the CDs, or as a result of any exercise by the Bank or any of its affiliates of any rights in connection with the CDs, and no advice provided by the Bank or any of its affiliates has formed a primary basis for any investment decision by or on behalf of such purchaser or holder in connection with the CDs and the transactions contemplated with respect to the CDs. In addition, any purchaser or holder of a CD or any interest in a CD which is a non-ERISA arrangement will be deemed to have represented by its purchase and holding of the CD that its purchase and holding will not violate the provisions of any similar law.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing a CD on behalf of or with "plan assets" of any ERISA Plan, plan asset entity or non-ERISA arrangement consult with their legal advisors regarding the availability of exemptive relief under any of the prohibited transaction exemptions listed above or any other applicable exemption, or the potential consequences of any purchase or holding under similar laws, as applicable.

If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan (including a governmental plan, an IRA or a Keogh plan) and propose to invest in the CDs described in this Disclosure Statement, you should consult your legal counsel.