

Suntrust bank, inc

[Finance](#), [Banking](#)



In early 1990s, there is a book written by James Martin who coins the terminology “telecommunications and the computers”. The cooperation of the two technologies further develops into the so-called “information technology” that we often hear in recent days. While the first terminology highlights the roles of hardware or infrastructure in communications, the second term reveals that contents and applications play important in enriching the features of the hardware.

When computers have not been mandatory in banking, employees used to enter and maintain this information in books then the employee had to look up the required information and perform some calculations (“Banks and Computers”). Due to the importance of data processing in banking operation, it is not a surprise to find that banks are among the early adopters of automated information processing technology (Ferguson 2000). This happens since daily operation of banking institution demands high reliability and accuracy that only few number of banks’ staff can operate such tasks.

For this reason, the use of computers in banking quickly evolves to cope with sophisticated tasks like storing and retrieving large amounts of information and at making calculations at high accuracy until they are unplugged from the electrical outlet. Concerning the banking operation, this paper will discuss about a bank named SunTrust Banks, Inc. The discussion covers the historical background, recent merger activity, recent news, activity, plans for future (considering poor economy), and the current primary line of business besides deposit taking and lending and many others.

2. Aims and Objectives ? This paper intends to discuss about roles of computers in banking and elaborate regarding the level of SunTrust Banks incorporating such technology in their daily operation. ? Using the non-participant observation method, collecting data and analyzing qualitative information from journal, books, magazine and other online materials, this paper is to discuss about historical background of SunTrust Banks, Inc including the recent progress of merger that the company conducts.

? In addition, the paper aims at calculating key financial information such as asset size, capital, profitability etc and further recommends whether private investor should invest in this bank. 3. History of the SunTrust Banks As of December 31, 2008, SunTrust Banks, Inc (www. suntrust. com) has book total assets of \$189. 3 billion, which positions the company as one of largest and strongest financial institution in the U. S. the company has several banking subsidiaries that provide many services including the credit services in addition to deposit, trust, and investment services.

The target customers of SunTrust Banks compose of retail, business, and institutional clients (SunTrust Bank, 2009). Furthermore, SunTrust Bank also has several other subsidiaries that that provide attractive services such as investment management, mortgage banking, equipment leasing, brokerage, and capital market services. This Atlanta-based SunTrust currently experiences leading market position in several high-growing markets within the U. S. and also become market leaders in some markets nationally (SunTrust Bank, 2009). Figure 1 a SunTrust Branch Source: <http://farm1>.

static.flickr.com/101/307153108_d575a5cd00.jpg? v= 0 Currently, SunTrust have over 1, 692 retail branches and supported by more than 2, 582 ATMs that located in Virginia, West Virginia, Florida, Georgia, Alabama, Arkansas, Tennessee, North Carolina, Mississippi, South Carolina, Maryland, and District of Columbia (SunTrust Bank, 2009). In addition, to cope with the latest innovation in banking, SunTrust also enrich their services with a full range of technology-based banking including Automated Telephone Banking, Internet, and PC (SunTrust Bank, 2009).

According to Ferguson (2000), the adoption of several high-tech applications in banking institution is because of many benefits as following: 1. Provide significant reduction in operating costs through better efficiencies as the result of streamlining back-office processing and the elimination of error-prone manual input of data. 2. By incorporating high technology in banking services, SunTrust can serve customers much better while attracting new customers by offering easier financial service experience in SunTrust.

3. With more powerful data storage, SunTrust Bank is able to develop and implement sophisticated risk- and information-management systems and techniques. One of high-tech services in banks is ATM (Automatic Teller Machine). This high-tech service is provided in order to reduce costs of providing the branch office and its staffs. In spite of already located ATMs, many customers prefer to stop by at SunTrust branch location. 4. Key financial information

Prior to deciding which company that investors want to spend their money in stock market, they will analyze a company performance base on accounting

policies: balance sheet, income statement, cash flow statement. Concerning the financial analysis of SunTrust Bank, this paper will discuss about the company's annual report; particularly we use the financial data for the last 2 years (2006-2007). The economic profit of SunTrust Bank consists of the measurements on liquidity, profitability, and debt measures.