

Edgar Filing: GB&T BANCSHARES INC - Form 425

GB&T BANCSHARES INC  
Form 425  
November 02, 2007

Filed by SunTrust Banks, Inc. pursuant to  
Rule 425 under the Securities Act of 1933,  
as amended and deemed filed under Rule  
14a-12 under the Securities Exchange Act of  
1934, as amended

Subject Company: GB&T Bancshares, Inc.  
Exchange Act File Number of  
Subject Company: 000-24203

**News Release**

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For Immediate Release

November 2, 2007

GB&T

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**SunTrust to Acquire GB&T Bancshares, Inc.**

*Transaction Expands SunTrust Reach in Fast-Growing Atlanta Suburbs*

ATLANTA, Nov. 2, 2007 SunTrust Banks, Inc. (NYSE: STI) and GB&T Bancshares, Inc. (NASDAQ: GBTB) announced today the signing of a definitive agreement under which SunTrust will acquire GB&T and thus bolster its presence in several high-growth Georgia markets.

GB&T is headquartered in Gainesville, Ga., approximately 50 miles northeast of Atlanta, and operates 30 branches in north and central Georgia, including the fast-growing Atlanta suburbs. On September 30, 2007, GB&T had assets of approximately \$2 billion, deposits of approximately \$1.5 billion and approximately 500 employees.

With this transaction we're taking advantage of an unusually attractive and timely opportunity to efficiently expand our Metro Atlanta franchise in line with our long-term growth strategies and consistent with our high financial standards and disciplined approach to mergers, noted James M. Wells III, SunTrust President and Chief Executive Officer. We look forward to welcoming GB&T clients and employees to SunTrust as we increase our penetration in some of the highest-growth banking markets in the Southeast.

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We are pleased to join forces with SunTrust, said Richard A. Hunt, President and Chief Executive Officer of GB&T. This combination with a proven market leader known for its commitment to client service means access to a broader range of products and services for our customers and expanded career opportunities for our employees.

-more-

Under the terms of the agreement announced today, GB&T shareholders would receive .1562 shares of SunTrust common stock for each share of GB&T common stock held. Based on SunTrust's closing price of \$69.13 on Nov. 1, 2007, and the 14,230,796 shares of GB&T outstanding as of October 31, 2007, the transaction value would be approximately \$153.7 million. The acquisition, which is subject to approval by regulatory authorities and GB&T shareholders, is expected to close in the second quarter of 2008. SunTrust said it expects the transaction to be immaterial to 2008 earnings.

Upon completion of the merger, the GB&T franchise would be integrated primarily into SunTrust's Atlanta banking region which currently operates 212 branches in the City of Atlanta and surrounding counties. SunTrust said it anticipates offering comparable positions to essentially all GB&T retail client contact employees.

Based in Gainesville, Georgia, GB&T Bancshares, Inc. is a multi-bank holding company operating seven community banks: Gainesville Bank & Trust, United Bank & Trust, Community Trust Bank, HomeTown Bank of Villa Rica, First National Bank of the South, First National Bank of Gwinnett, and Mountain State Bank. As of September 30, 2007, GB&T Bancshares had 32 banking offices located in 14 Georgia counties. GB&T Bancshares' common stock is listed on the Nasdaq Global Select Market under the symbol GBTB. Visit GB&T's web site at: <http://www.gbtbancshares.com> for additional information.

SunTrust Banks, Inc., headquartered in Atlanta, is one of the nation's largest banking organizations, serving a broad range of consumer, commercial, corporate and institutional clients. As of September 30, 2007, SunTrust had total assets of \$175.9 billion and total deposits of \$115.9 billion. The Company operates an extensive branch and ATM network throughout the high-growth Southeast and Mid-Atlantic states and a full array of technology-based, 24-hour delivery channels. The Company also serves customers in selected markets nationally. Its primary businesses include deposit, credit, trust and investment services. Through various subsidiaries the Company provides mortgage banking, insurance, brokerage, equipment leasing and capital markets services. SunTrust's Internet address is [suntrust.com](http://suntrust.com).

# # #

#### **Important Cautionary Statement Regarding Forward-Looking Statements**

This news release may contain forward-looking statements. Statements that do not describe historical or current facts, including statements about beliefs and expectations, are forward-looking statements. These statements often include the words may, could, will, should, believes, expects, anticipates, estimates, intends, plans, initiatives, targets, potentially, probably, projects, outlook or similar expressions. Such statements are based upon the current beliefs and expectations of SunTrust's

management, and on information currently available to management. Forward-looking statements are subject to significant risks and uncertainties. Investors are cautioned against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: the satisfaction of the closing conditions in the merger agreement, including the receipt of shareholder and regulatory approvals; the risk that the merger will not close; the risk that customer and employee relationships may be disrupted by the merger; the reactions of GB&T's customers to the merger; and other risks detailed from time to time in the Company's 2006 Annual Report on Form 10-K, in the Quarterly Reports on Form 10-Q and in the Current Reports filed on Form 8-K with the Securities and Exchange Commission and available at the Securities and Exchange Commission's internet site (<http://www.sec.gov>). The forward-looking statements in this news release speak only as of this date, and SunTrust does not assume any obligation to update such statements or to update the reasons why actual results could differ from those contained in such statements.

#### **Where You Can Additional Information About The Merger**

The proposed Merger will be submitted to GB&T's shareholders for consideration. SunTrust will file a Form S-4 Registration Statement, GB&T will file a Proxy Statement and both companies will file other relevant documents regarding the Merger with the Securities and Exchange Commission (the "SEC"). GB&T will mail the Proxy Statement/Prospectus to its shareholders. These documents, and any applicable amendments or supplements, will contain important information about the Merger, and SunTrust and GB&T urge you to read these documents when they become available.

You may obtain copies of all documents filed with the SEC regarding the Merger, free of charge, at the SEC's website ([www.sec.gov](http://www.sec.gov)). You may also obtain these documents free of charge from SunTrust's website ([www.suntrust.com](http://www.suntrust.com)) under the heading "About SunTrust" and then under the heading "Investor Relations" and then under the item "Financial and Regulatory Filings." You may also obtain these documents, free of charge, from GB&T's website ([www.gbtbancshares.com](http://www.gbtbancshares.com)) under the section "Corporate Info" and then under the item "Corporation Information" and then under the item "Documents."

#### **Participants in The Merger**

SunTrust and GB&T and their respective directors and executive officers may be deemed participants in the solicitation of proxies from GB&T's shareholders in connection with the Merger. Information about the directors and executive officers of SunTrust and GB&T and information about other persons who may be deemed participants in the Merger will be included in the Proxy Statement/Prospectus. You can find information about SunTrust's executive officers and directors in its definitive proxy statement filed with the SEC on March 2, 2007. You can find information about GB&T's executive officers and directors in its definitive proxy statement filed with the SEC on April 18, 2007. You can obtain free copies of these documents from the websites of SunTrust, GB&T or the SEC.

SunTrust Banks, Inc.  
Acquisition of GB&T Bancshares, Inc.  
November 2, 2007

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or

similar expressions.

Such statements

are

based

upon

the

current

beliefs and expectations of SunTrust's management, and on information currently available to management. Forward-looking risks and uncertainties.

Investors

are

cautioned

against

placing

undue  
reliance  
on  
such  
statements.

Actual  
results  
may  
differ  
materially  
from  
those  
set  
forth  
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the

forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: the satisfaction of the c  
agreement, including

the  
receipt  
of  
shareholder  
and  
regulatory  
approvals;  
the  
risk  
that  
the  
merger  
will  
not  
close;  
the  
risk  
that  
customer  
and  
employee  
relationships

may be disrupted by the merger; the reactions of GB&T's customers to the merger; adverse changes in general business or eco  
customers

ability to repay debt obligations, could have a material adverse effect on our financial condition and results of operations; chan  
or capital markets could adversely affect our revenues and expenses, the value of assets and obligations, costs of capital, or liqu  
of the federal government and its agencies could have a material

adverse effect on our earnings; a decline in markets for residential or commercial real estate could  
harm our revenues and profitability; customers could pursue alternatives to bank deposits, causing us to lose a relatively inexp  
may decide not to use banks to complete their financial transactions, which could affect net income; we have businesses other t  
variety of risks; hurricanes and other natural disasters may adversely affect loan portfolios and operations and increase the cost  
opinion could damage our reputation and adversely impact our business and revenues; we rely on other companies for key com

infrastructure; we rely on our systems, employees and certain counterparties, and certain failures could materially adversely affect the accuracy and completeness of information about clients and counterparties; regulation by federal and state agencies could adversely affect our profit margins; competition in the financial services industry is intense and could result in losing business or reducing profitability; our competitive position; maintaining or increasing market share depends on market acceptance and regulatory approval of new products and services; our ability to receive dividends from our subsidiaries accounts for most of our revenues and could affect our liquidity and ability to pay dividends; significant legal actions could subject us to substantial uninsured liabilities; we have in the past and may in the future pursue acquisitions, which could affect



able to  
realize  
anticipated  
benefits;  
we  
depend  
on  
the  
expertise  
of  
key  
personnel  
without  
whom  
our  
operations  
may  
suffer;  
we  
may  
be  
unable  
to  
hire  
or  
retain

additional qualified personnel and recruiting and compensation costs may increase as a result of turnover, both of which may in and may adversely impact our ability to implement our business strategy; our accounting policies and methods are key to how results of operations, and may require management to make estimates about matters that are uncertain; changes in our accounting standards could materially affect how we report our financial results and condition; our stock price can be volatile; our disclosures prevent or detect all errors or acts of fraud; our financial instruments carried at fair value expose us to certain market risks; we and mortgage loan markets could adversely affect us; and we may be required to repurchase mortgage loans or indemnify mortg breaches of representations and warranties, borrower fraud, or certain borrower defaults, which could harm our liquidity, results and other risks detailed from time to time in the Company's 2006 Annual Report on Form 10-K, in the Quarterly Reports on Form filed on Form 8-K with the Securities and Exchange Commission and available at the Securities and Exchange Commission's forward-looking statements herein speak only as of this date, and SunTrust does not assume any obligation to update such statements. actual results could differ from those contained in such statements.



then  
under  
the  
item  
Financial  
and  
Regulatory  
Filings.

You  
may  
also  
obtain  
these  
documents,  
free  
of  
charge,  
from  
GB&T's  
website ([www.gbtbancshares.com](http://www.gbtbancshares.com))  
under  
the  
section

Corporate  
Info  
and  
then  
under  
the  
item

Corporation  
Information  
and  
then  
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the  
item

Documents.

#### Participants in the Merger

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Timely opportunity and consistent with SunTrust's  
highly disciplined M&A approach

Logical in-market expansion into attractive North  
Georgia markets

Conducted comprehensive on-site due diligence to  
fully assess risks

Attractive franchise at a reasonable price

Earnings impact immaterial to 2008

Transaction Highlights

4  
Current GB&T Branch  
Market  
Share  
%:  
0.55

0.82  
Market  
Share  
%:  
0.82

2.10  
Market  
Share  
%:  
2.10

13.07  
Market  
Share  
%:  
13.07

18.62  
Expansion into Attractive North Georgia Markets  
Market  
Share  
%:  
18.62

28.45  
Source: SNL Financial.  
Approx. 53% of GB&T's total deposits are in Hall and Paulding counties.  
Based in Gainesville, Georgia  
32 banking offices in 14 Georgia  
counties  
Financial information  
\$2bn assets  
\$1.5bn loans  
\$1.5bn deposits

5

Opportunity for Entry into Several New Markets

\* Represents a new market for SunTrust.

Source: SNL Financial.

Approx.

53% of

total

GB&T

deposits  
STI Current  
STI Pro Forma  
'07-'12 Est  
Deposits  
Mkt Shr  
Rank  
Deposits  
Mkt Shr  
Rank  
Pop Chg  
County  
(MMs)  
(%)  
(#)  
(MMs)  
(%)  
(#)  
(%)  
Hall  
153  
5.7  
6  
657  
24.4  
1  
15.5  
Paulding  
16  
1.3  
13  
342  
28.3  
2  
37.1  
Gwinnett  
1,155  
10.4  
3  
1,291  
11.6  
3  
20.5  
Carroll  
47  
2.3  
11  
150  
7.5  
7



16.9

\*

Baldwin

0

0.0

NA

85

14.9

4

3.7

Polk

74

17.9

3

152

36.5

1

6.5

\*

Dawson

0

0.0

NA

75

13.1

3

18.8

\*

Putnam

0

0.0

NA

67

18.6

3

7.0

\*

Lumpkin

0

0.0

NA

65

19.0

3

18.1

Cobb

1,105

10.8

3

1,162

11.4  
3  
7.5  
Forsyth  
134  
5.5  
8  
185  
7.6  
4  
36.7  
Clarke  
241  
12.4  
2  
255  
13.2  
2  
5.3  
Bartow  
66  
5.3  
9  
76  
6.1  
8  
14.8  
Deposit Weighted Avg  
2,991  
4,563  
19.6  
Georgia Avg  
11.7  
U.S. Avg  
6.3

6

Attractive Franchise at a Reasonable Price

Reference Transaction Analysis

Bank & Thrift Acquisitions in the Southeast Since 2000

Target Assets \$1

3bn

Source: SNL Financial. Excludes merger of equals.

SunTrust / GB&T multiples based on GB&T results as of 9/30/07 and SunTrust closing price on 11/1/07.

Deal

Deal Value to:

Prem/

1 Day

Assets  
Value  
FY1 EPS  
Equity  
Tang.Eq.  
Assets  
CoreDep  
Prem.  
Date  
Acquiror  
Target  
State  
(\$MM)  
(\$MM)  
(x)  
(%)  
(%)  
(%)  
(%)  
(%)  
(%)  
08/07  
Pinnacle Financial Partners, Inc.  
Mid-America Bancshares, Inc.  
TN  
1,069  
197  
NA  
188.1  
242.4  
18.4  
19.4  
NA  
07/07  
Banco Popular Español, S.A.  
Total Bancshares Corp.  
FL  
1,357  
300  
NA  
348.4  
410.6  
22.1  
36.2  
NA  
01/07  
Colonial BancGroup, Inc.  
Commercial Bankshares, Inc.  
FL  
1,035  
317

24.3  
351.4  
352.4  
30.6  
42.5  
31.6  
12/06  
BB&T Corporation  
Coastal Financial Corporation  
SC  
1,659  
395  
18.2  
350.2  
350.2  
23.8  
35.5  
21.9  
08/06  
Royal Bank of Canada  
FLAG Financial Corporation  
GA  
1,794  
457  
19.8  
215.4  
470.1  
25.5  
34.9  
0.7  
12/05  
BB&T Corporation  
Main Street Banks, Inc.  
GA  
2,474  
621  
19.9  
212.9  
327.5  
25.1  
31.4  
(1.6)  
01/05  
Colonial BancGroup, Inc.  
FFLC Bancorp, Inc.  
FL  
1,065  
225  
20.1  
266.3

266.3

21.1

22.7

15.9

09/04

Colonial BancGroup, Inc.

Union Bank of Florida

FL

1,053

233

NA

307.0

307.0

22.1

30.5

NA

03/04

First National Bankshares of Florida, Inc.

Southern Community Bancorp

FL

1,023

290

NA

404.9

410.9

28.3

30.1

NA

12/03

BB&T Corporation

Republic Bancshares, Inc.

FL

2,776

433

46.9

206.1

223.4

15.6

12.6

6.9

05/03

Arvest Bank Group, Inc.

Superior Financial Corp.

AR

1,747

211

11.9

158.7

256.2

12.1

12.5  
24.5  
11/03  
Provident Bankshares Corporation  
Southern Financial Bancorp, Inc.  
VA  
1,107  
334  
21.6  
332.7  
397.6  
26.2  
74.0  
20.5  
05/02  
BB&T Corporation  
Regional Financial Corporation  
FL  
1,606  
275  
NA  
268.2  
272.1  
17.1  
24.0  
NA  
03/02  
Royal Bank of Canada  
Eagle Bancshares, Inc.  
GA  
1,149  
154  
21.7  
176.2  
176.2  
13.4  
12.6  
48.6  
12/00  
BB&T Corporation  
Century South Banks, Inc.  
GA  
1,614  
427  
20.3  
271.2  
290.6  
26.4  
25.4  
26.7

04/00

BancorpSouth, Inc.

First United Bancshares, Inc.

AR

2,666

456

12.9

175.3

186.7

17.1

11.9

42.6

01/00

Carolina First Corporation

Anchor Financial Corporation

SC

1,224

304

20.4

327.2

329.6

24.8

24.7

37.4

High

2,776

621

46.9

404.9

470.1

30.6

74.0

48.6

Median

1,357

304

20.2

268.2

307.0

22.1

25.4

23.2

Average

1,554

331

21.5

268.2

310.0

21.8

28.3



23.0

Low

1,023

154

11.9

158.7

176.2

12.1

11.9

(1.6)

11/07

SunTrust Banks, Inc.

GB&T Bancshares, Inc.

GA

1,964

153

9.7

66.4

110.4

7.8

1.3

22.7

Rank Compared to Reference Transactions

#1

#1

#1

#1