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GB&T BANCSHARES INC
Form 425
November 02, 2007

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

Subject Company: GB&T Bancshares, Inc.
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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.

#

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). You may also obtain these documents free of charge from SunTrust's website (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) 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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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 profit margins; 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.

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website (www.gbtbancshares.com)
under
the
section

Corporate
Info
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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