

NATIONAL COMMERCE FINANCIAL CORP

Form 425

May 10, 2004

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: National Commerce Financial  
Corporation  
Exchange Act File Number of  
Subject Company: 001-16607

This filing contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about the benefits of the merger between SunTrust Banks, Inc. ("SunTrust") and National Commerce Financial Corporation ("NCF"), including future financial and operating results, SunTrust's plans, objectives, expectations and intentions and other statements that are not historical facts. Such statements are based upon the current beliefs and expectations of SunTrust's and NCF's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the ability to obtain governmental approvals of the merger on the proposed terms and schedule; the failure of SunTrust and NCF stockholders to approve the merger; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any revenue synergies from the merger may not be fully realized or may take longer to realize than expected; disruption from the merger making it more difficult to maintain relationships with clients, employees or suppliers; increased competition and its effect on pricing, spending, third-party relationships and revenues; the risk of new and changing regulation in the U.S. and internationally. Additional factors that could cause SunTrust's and NCF's results to differ materially from those described in the forward-looking statements can be found in the 2003 Annual Reports on Form 10-K of SunTrust and NCF, and in the Quarterly Reports on Form 10-Q of SunTrust and NCF filed 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 filing speak only as of the date of the filing, and neither SunTrust nor NCF assumes any obligation to update the forward-looking statements or to update the reasons why actual results could differ from those contained in the forward-looking statements.

**Stockholders are urged to read the joint proxy statement/prospectus regarding the proposed transaction when it becomes available because it will contain important information.** Stockholders will be able to obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about SunTrust and NCF, without charge, at the Securities and Exchange Commission's internet site (<http://www.sec.gov>). Copies of the joint proxy statement/prospectus and the filings with the Securities and Exchange Commission that will be incorporated by reference in the joint proxy statement/prospectus can also be obtained, without charge, by directing a request to SunTrust Banks, Inc., 303 Peachtree St., N.E., Atlanta, Georgia 30308; Attention: Investor Relations; or National Commerce Financial Corporation, One Commerce Square, Memphis, Tennessee, 38159; Attention: Investor Relations.

The respective directors and executive officers of SunTrust and NCF and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed merger. **Information regarding SunTrust's directors and executive officers is available in the proxy statement filed with the Securities and Exchange Commission by SunTrust on March 2, 2004, and information regarding NCF's directors and executive officers is available in the proxy statement filed with the Securities and Exchange Commission by NCF on March 17, 2004.** Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the Securities and Exchange Commission when they become available.

**An Incomparable High-Growth Banking Franchise**

**May 10, 2004**

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**Transaction Summary**

**Implied Consideration Per Share**                      \$33.46 in value for each National Commerce share <sup>(1)</sup>

**Stock / Cash Election** Shareholders to elect between SunTrust common stock and cash  
subject to pro ration

**Form of Consideration** Approximately 74% stock / 26% cash <sup>(1)</sup>

**Implied Aggregate Value** \$6.98 billion <sup>(1)</sup>

Stock component: Approximately 77.5 million SunTrust shares

Cash component: Approximately \$1.8 billion

**Tax Structure** Tax-free reorganization (cash taxed as capital gains)

**Accounting Structure** Purchase

(1) Based on SunTrust closing price of \$66.88 on May 7, 2004 and 208.7 diluted shares outstanding. Refer to Appendix for greater detail on calculation.

**Transaction Summary**

**Walk-away/Caps/Collars**

None

**Termination Fee**

\$280 million

**National Commerce Board Representation**

Four of 18

**Due Diligence**

Completed

**Approvals**

approvals for

Regulatory and shareholder

SunTrust and National Commerce

**Expected Closing**

4th Quarter 2004

**Strategic Themes**

Dramatically Broadens the Best Footprint in Banking

Franchise concentrated in high-growth Southeast

Highest growth markets for Top 20 banks

Five new high growth markets in the Top 25 in the Southeast

Complementary Business Models

Best of Breed retail model

Broader product and client resources

Combined Organization Poised for Accelerated Growth

SunTrust performance momentum and prospects

National Commerce brings proven capabilities and expertise

Significant business synergies

Attractive Financial Profile

Reasonable and achievable assumptions

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Best Footprint in  
Banking just got better

Best Footprint in  
Banking

Enhanced overall growth  
rate

Expanded product offering  
to be overlaid across  
expanded customer bases/  
distribution systems

## **SunTrust**

### **National Commerce**

#### **Pro Forma Result**

**The acquisition of National Commerce represents much more than a logical geographic extension of SunTrust's franchise**

Large, high growth, MSA  
focused franchise

Entry into attractive new  
markets North Carolina

Minimal overlap

Strong retail franchise with  
leading de novo / in-store  
expertise

Small business

Commercial RE

Mortgage

Large  
corporate/middle  
market

Cash  
management/trust

Asset management

Investment  
banking/brokerage

Mortgage

Large retail franchise

Proven de novo growth  
strategy

Entrepreneurial, high  
growth, revenue-based  
culture

Focus on efficiency

Established/leadership  
positions in high  
growth markets

Greater capital  
resources

**Compelling Strategic Combination**

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**Makes Best Footprint Better**

**Financial scale**

**\$25+bn market cap**

**\$148bn assets**

**\$97bn deposits**

**1,723 full-service offices in  
11 states plus D.C.**

**#3 in market share in  
Southeast**

**Top 5 rank in 20 of 25  
largest high growth**

**markets in Southeast**

**Adds meaningful  
presence in some of the  
highest growth North  
Carolina and South  
Carolina markets**

**Solidifies positions in  
Virginia and Tennessee**

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**Highly Complementary Footprints**

Source: SNL Financial

Note: \* represents a limited presence.

**Fastest growing Southeastern MSAs with greater than \$5bn of deposits**

*Overlapping (O) /*

**MSA**

**Deposits**

**Rank**

**Deposits**

**Pop Growth**

**Inc Growth**

1)

Naples

\$

0.3

7

\$7.0

19.0%

12.3%

2)

Orlando

5.8

1

22.5

14.3

13.4

3)

Fort Myers

1.1

2

7.4

12.8

9.1

O

4)

Atlanta

14.3

2

74.2

12.6

14.6

N

5)

Raleigh-Durham

2.6

2

15.4

11.0

16.9

6)

Fort Pierce

0.4

6

5.3

10.5

9.5

7)

Daytona Beach

1.4

3

7.5

10.3

10.5

8)

West Palm Beach

1.4

6

27.3

10.2

14.8

N

9)

Charlotte-Gastonia

1.4

5

67.1

10.1

17.3

10)

Sarasota-Bradenton

1.9

2

12.4

10.0

11.9

11)

Jacksonville

0.9

4

16.5

10.0

15.9

12)

Fort Lauderdale

2.1

5

28.0

9.2

13.6

13)

Melbourne-Titusville

0.8

3

5.3

8.7

10.4

14)

Washington, DC

11.7

3

104.1

8.4

12.2

15)

Tampa-St.Petersburg

4.7

3

36.0

8.1

14.2

16)

Miami

3.9

4

55.9

7.3

12.0

O

17)

Nashville

3.9

1

20.2

6.4

17.3

N

18)

Greensboro-Winston

2.1

3

21.9

6.0

12.3

O

19)

Richmond-Petersburg

3.2

4

27.8

5.9

14.4

20)

Columbia

7.3

5.8

14.0

N

21)

Greenville-Spartanburg

1.1

5

12.5

5.1

13.1

22)

Norfolk-Virginia Beach

2.0

4

14.1

4.2

12.7

23)

Charleston

5.5

4.2

13.9

O

24)

Knoxville

1.7

1

10.4

4.1

13.7

N

25)

Memphis

3.9

3

24.0

3.5

18.0

*New (N) Markets*

**Pro Forma**

**Total MSA**

8

**High Growth Markets**

Note: Top 20 U.S. banks and thrifts by market cap as of May 7, 2004. Weighted average based on MSA deposits.

Source: SNL Financial

8.7

8.2

7.3

7.3

7.3

7.2

6.8  
6.7  
6.4  
5.4  
5.3  
5.0  
4.7  
4.3  
3.5  
3.0  
3.0  
2.4  
1.9  
1.8  
1.6  
0.0  
1.0  
2.0  
3.0  
4.0  
5.0  
6.0  
7.0  
8.0  
9.0  
10.0

9

Highest growth markets for Top 20 banks and  
in the Southeast

Arguably the Best Footprint in Banking

### **Market Expansion**

**New Market MSA Deposits for SunTrust by State**

**Target MSA Deposits**

**New Markets  
for SunTrust**

**80.7%**

Overlap with  
SunTrust

19.3%

**North  
Carolina**

**57.2%**

Tennessee

32.5%

South  
Carolina

8.9%

West  
Virginia

1.4%

Adds Some of the Highest Growth North Carolina and South Carolina Markets and Solidifies Virginia / Tennessee Presence

(1) Represents Target MSAs where SunTrust does not currently have branches.

Source: SNL Financial; Deposits as of June 30, 2003.

**New Markets<sup>(1)</sup>**

<b>Rank Share</b>	<b>MSA Branches</b>	<b>Household Population</b>	<b>Deposits Median Income</b>	<b>% of Total (\$mm)</b>	<b>Market Deposits HHI</b>	<b># of</b>
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**2003-2008 Growth**

10

3

**Memphis**

**\$3,874**

**23.8**

*%*

**16.1**

*%*

**46**

**3.5**

*%*

**18.0%**

**\$45,698**

**2**