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WACHOVIA CORP/ NC

Form 425

July 27, 2001

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

Subject Company: Wachovia Corporation
Commission File No. 1-9021

Date: July 27, 2001

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, (i) statements about the benefits of a merger between SunTrust Banks, Inc. and Wachovia Corporation, including future financial and operating results, cost savings and accretion to reported and cash earnings that may be realized from such merger; (ii) statements with respect to SunTrust's plans, objectives, expectations and intentions and other statements that are not historical facts; and (iii) other statements identified by words such as "believes", "expects", "anticipates", "estimates", "intends", "plans", "targets", "projects" and similar expressions. These statements are based upon the current beliefs and expectations of SunTrust'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 materially from the anticipated results or other expectations expressed in the forward-looking statements: (1) the businesses of SunTrust and Wachovia may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (2) expected revenue synergies and cost savings from the merger may not be fully realized or realized within the expected time frame; (3) revenues following the merger may be lower than expected; (4) deposit attrition, operating costs, customer loss and business disruption, including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers, may be greater than expected following the merger; (5) the regulatory approvals required for the merger may not be obtained on the proposed terms or on the anticipated schedule; (6) the failure of SunTrust's and Wachovia's stockholders to approve the merger; (7) competitive pressures among depository and other financial institutions may increase significantly and may have an effect on pricing, spending, third-party relationships and revenues; (8) the strength of the United States economy in general and the strength of the local economies in which the combined company will conduct operations may be different than expected, resulting in, among other things, a deterioration in credit quality or a reduced demand for credit, including the resultant effect on the combined company's loan portfolio and allowance for loan losses; (9) changes in the U.S. and foreign legal and regulatory framework; and (10) adverse conditions in the stock market, the public debt market and other capital markets (including changes in interest rate conditions) and the impact of such conditions on the combined company's capital markets and asset management activities. Additional factors that could cause SunTrust's results to differ materially from those described in the forward-looking statements can be found in SunTrust's reports (such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K) filed with the Securities and Exchange Commission and available at the SEC's Internet site (<http://www.sec.gov>). All subsequent written and oral

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forward-looking statements concerning the proposed transaction or other matters attributable to SunTrust or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. SunTrust does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made.

THE FOLLOWING LETTER WILL BE SENT TO SHAREHOLDERS OF WACHOVIA CORPORATION.

SUNTRUST

July 27, 2001

Dear Wachovia Shareholder:

The deadline for voting on the First Union merger proposal is just a few days away. Unless you plan on attending the Shareholders' Meeting in Winston-Salem, this is probably your last chance to vote. In our view, voting down the First Union merger proposal is a win-win-win situation -- whether through a sale to SunTrust, a renegotiated higher price from First Union or an even better offer from another bidder.

WE BELIEVE THE FIRST UNION MERGER WILL COST YOU REAL AND MEASURABLE VALUE. SUNTRUST'S PROPOSAL IS CURRENTLY WORTH ABOUT \$915 MILLION MORE IN TOTAL VALUE, BASED ON JULY 26 CLOSING MARKET PRICES. IN OTHER WORDS, SUNTRUST'S PROPOSAL IS WORTH ABOUT \$4.50 PER SHARE MORE THAN FIRST UNION'S.

To determine how much more SunTrust's offer means to you in additional value, just multiply the number of Wachovia shares you own by \$4.50. For example, if you own 1,000 Wachovia shares, that represents an additional \$4,500 in real value.

In addition, SunTrust's proposal provides you with a simpler and better dividend. Historically, SunTrust's dividend rate has increased every year since its formation in 1985, while First Union cut its dividend by 50% earlier this year.

NOT ONLY DOES SUNTRUST'S PROPOSAL OFFER SUBSTANTIALLY HIGHER VALUE AND A SIMPLER AND BETTER DIVIDEND, BUT FIRST UNION HAS A HISTORY OF DESTROYING VALUE IN MERGERS. IN FIRST UNION'S LAST THREE MAJOR ACQUISITIONS -- SIGNET, CORESTATES AND THE MONEY STORE -- SHAREHOLDERS WOULD HAVE DONE BETTER BY SELLING THEIR SHARES AND PUTTING THE MONEY UNDER THEIR MATTRESS THAN BY HOLDING ON TO FIRST UNION'S STOCK.

PROTECT YOUR INVESTMENT. VOTE "AGAINST" THE FIRST UNION MERGER PROPOSAL TODAY. Even if you previously voted in favor of the merger, you can still change your vote. To vote "AGAINST" the First Union merger, please sign, date and return the enclosed BLUE proxy card in the prepaid overnight envelope we have provided. Enclosed are instructions to arrange for a free pickup. If you prefer, you can also fax your signed BLUE proxy card using the enclosed instructions.

Time is very short. Please act now to vote "AGAINST" the First Union merger proposal.

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Sincerely,

/s/ L. Phillip Humann

L. Phillip Humann
Chairman, President and
Chief Executive Officer

If you have questions in voting your shares, please contact the firm assisting us in the solicitation of proxies, Innisfree M&A Incorporated, at 1-877-750-9501.

On May 14, 2001 SunTrust delivered a merger proposal to the Board of Directors of Wachovia. Subject to future developments, SunTrust intends to file with the SEC a registration statement at a date or dates subsequent hereto to register the SunTrust shares to be issued in its proposed merger with Wachovia. Investors and security holders are urged to read the registration statement (when available) and any other relevant documents filed or to be filed with the SEC, as well as any amendments or supplements to those documents, because they contain (or will contain) important information. Investors and security holders may obtain a free copy of the registration statement (when available) and such other relevant documents at the SEC's Internet web site at www.sec.gov. The registration statement (when available) and such other documents may also be obtained free of charge from SunTrust by directing such request to: SunTrust, 303 Peachtree Street, N.E., Atlanta, GA 30308, Attention: Gary Peacock (404-658-4753).

PLEASE SIGN AND DATE YOUR
BLUE PROXY CARD,
AND RETURN IT TO SUNTRUST BANKS, INC.
C/O INNISFREE M&A INCORPORATED,
IN ONE OF TWO EASY WAYS:

BY FAX: 212-750-5799 (PLEASE FAX BOTH SIDES OF THE PROXY CARD.)

OR

BY FREE AIRBORNE: JUST PLACE YOUR PROXY CARD IN THE AIRBORNE RETURN ENVELOPE AND FOLLOW THESE EASY STEPS:

1. COMPLETE THE AIRBORNE SHIPPING FORM:

- o PRINT YOUR NAME AND ADDRESS IN SECTION 1 ("SHIPMENT FROM")
- o SIGN SECTION 2 ("SENDER'S SIGNATURE & DATE")
- o KEEP THE TOP COPY FOR YOUR RECORDS.

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2. CALL 1-800-AIRBORNE (1-800-247-2676) TO SCHEDULE A PICK-UP. PLEASE TELL AIRBORNE YOUR NAME, ADDRESS AND THE TIME THE SHIPMENT WILL BE READY.
3. YOU MAY ALSO DROP OFF THE RETURN ENVELOPE AT AN AIRBORNE DROP-OFF LOCATION. JUST ACCESS WWW.AIRBORNE.COM FOR INFORMATION ON THE LOCATION NEAREST YOU.

REMEMBER, THE AIRBORNE SERVICE IS FREE TO YOU--
ALL CHARGES WILL BE BILLED TO ACCOUNT #[XXXXXXX].

THANK YOU!