NBC CAPITAL CORP
Form S-4
May 23, 2006
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As filed with the Securities and Exchange Commission on May 23, 2006

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

NBC CAPITAL CORPORATION

(Exact Name of Registrant as Specified in its Charter)

MISSISSIPPI	**6021**	**64-0684755**
(State or Other Jurisdiction of Incorporation or Organization)	**(Primary Standard Industrial Classification No.)**	**(I.R.S. Employer Identification Number)**

NBC PLAZA

301 EAST MAIN STREET

STARKVILLE, MISSISSIPPI 39759

(662) 343-1341

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Office(s))

Lewis F. Mallory, Jr.

Chairman of the Board and Chief Executive Officer

301 East Main St.

Starkville, Mississippi 39759

(662) 343-1341

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

Mark L. Jones
Adams and Reese LLP
1221 McKinney, Suite 4400
Houston, Texas 70139
(713) 652-5151

Robert C. Schwartz
Smith, Gambrell & Russell, LLP
1230 Peachtree Street, N.E.,
Promenade II, Suite 3100
Atlanta, Georgia 30309
(404) 815-3500

Approximate Date of Commencement of Proposed Sale to the Public:

Upon the merger of SunCoast Bancorp, Inc. with and into the Registrant

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Calculation of Registration Fee

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum aggregate offering price(2)	Amount of registration fee
Common Stock, Par value $1.00 per share	910,000	$ 18,178,000	$ 1,945.05

(1) Represents the maximum number of shares of NBC Capital Corporation common stock estimated to be issuable upon consummation of the merger described herein.

(2) Pursuant to Rule 457(f) of the Securities Act of 1933, as amended, the registration fee is based on the average of the high and low sales prices of SunCoast Bancorp, Inc. common stock as reported on the OTC Bulletin Board as of May 19, 2006 and the number of SunCoast Bancorp, Inc. common stock to be received by NBC Capital Corporation in the merger, reduced by the cash to be paid to the holders of SunCoast Bancorp, Inc. common stock by NBC Capital Corporation as part of the merger consideration.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state or jurisdiction in which the offer or sale is not permitted.

PRELIMINARY SUBJECT TO COMPLETION, DATED , 2006

[SunCoast Mark]

8592 Potter Park Drive, Suite 200

Sarasota, Florida 34238

PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

To SunCoast Shareholders:

I am writing to you today about our proposed merger with NBC Capital Corporation. The boards of directors of NBC Capital Corporation and SunCoast Bancorp, Inc. have each agreed to a merger that will result in SunCoast merging with and into NBC. At or about the same time, SunCoast Bank, the wholly-owned subsidiary of SunCoast, will be merged with and into Cadence Bank, N.A., a national bank and wholly-owned subsidiary of NBC.

You will be asked to vote on the merger at a special meeting of shareholders to be held on , 2006 at a.m., local time, at . We cannot complete the merger unless the holders of a majority of the shares of SunCoast common stock outstanding on , 2006, the record date for the special meeting, vote in favor of approval and adoption of the merger agreement. A copy of the merger agreement is attached as Appendix A to this proxy statement/prospectus. We urge you to read this proxy statement/prospectus carefully and in its entirety. Your board of directors recommends that you vote FOR the approval and adoption of the merger agreement.

Subject to certain exceptions described in this proxy statement/prospectus, if the merger is completed, then you will receive, for each SunCoast share that you own, either $20.50 in cash or a to-be-determined number of shares of NBC common stock with a market value, measured as of a 10-day trading period prior to the closing of the merger, equal to $20.50, subject to certain limitations described in the merger agreement. For purposes of illustration only, if the merger had occurred on , 2006, the exchange ratio for each share of SunCoast common stock would have been shares of NBC common stock, having a value of $ based on the average closing price of NBC common stock over the trading period. We encourage you to obtain current market quotations for NBC common stock, which is traded on the American Stock Exchange under the ticker symbol NBY.

You may elect to receive NBC common stock, cash or a combination of stock and cash for your SunCoast shares, subject to proration, whereby holders of SunCoast common stock shall collectively receive, in the aggregate, merger consideration in the form of 55% common stock of NBC and 45% cash. Because elections are subject to proration, you may receive some stock, rather than cash, even though you make an all-cash election, and you may receive some cash, rather than stock, even though you make an all-stock election. The federal income taxes to you will depend upon the value of and form of consideration you receive in exchange for your shares of SunCoast common stock. You will receive a separate mailing that will contain instructions regarding your election.

Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing the enclosed proxy card using the enclosed envelope. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote in favor of the merger. If you fail to return your proxy card or do not vote in person at the meeting, the effect will be the same as a vote against the merger.

You should read this entire proxy statement/prospectus carefully because it contains important information about the merger. In particular, you should carefully read the information under the section entitled Risk Factors beginning on page .

We very much appreciate and look forward to your support.

Sincerely,

H. R. Foxworthy

Chairman of the Board

SunCoast Bancorp, Inc.

Neither the Securities and Exchange Commission nor any state securities commission or other regulatory agency has approved or disapproved of the merger or the securities to be issued in connection with the merger or passed upon the adequacy or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.

The shares of NBC common stock to be issued in the merger are not savings accounts, deposit accounts or other obligations of any bank or non-bank subsidiary of any of the parties and are not insured or guaranteed by the Federal Deposit Insurance Corporation, the Bank Insurance Fund, or any other governmental agency.

This proxy statement/prospectus is dated , 2006, and it is first being mailed or otherwise delivered to SunCoast shareholders on or about , 2006.

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PLEASE NOTE

This document, which is sometimes referred to as a proxy statement/prospectus, constitutes a proxy statement of SunCoast Bancorp, Inc. with respect to the solicitation of proxies from SunCoast shareholders for the special meeting described herein and a prospectus of NBC Capital Corporation for the shares of NBC common stock that NBC will issue to SunCoast shareholders in connection with the merger.

We have not authorized anyone to provide you with any information other than the information included in this proxy statement/prospectus and the documents we refer you to herein. If someone provides you with other information, please do not rely on it.

This proxy statement/prospectus has been prepared as of the date on the cover page. There may be changes in the affairs of NBC or SunCoast since that date that are not reflected in this proxy statement/prospectus.

As used in this proxy statement/prospectus: (i) the terms NBC and SunCoast refer to NBC Capital Corporation and SunCoast Bancorp, Inc., respectively, and, where the context requires, to NBC and SunCoast and their respective subsidiaries, including Cadence Bank, N.A. and SunCoast Bank; and (ii) the term merger agreement refers to the merger agreement which governs the merger of SunCoast with and into NBC, dated March 16, 2006.

HOW TO OBTAIN ADDITIONAL INFORMATION

As permitted under the rules of the Securities and Exchange Commission (the SEC), this proxy statement/prospectus incorporates important business and financial information about NBC that is contained in documents filed with the SEC and that is not included in, or delivered with, this proxy statement/prospectus. See the section entitled Incorporation of Certain Documents by Reference at page . You may obtain copies of these documents without charge from the website maintained by the SEC at www.sec.gov as well as from other sources. You may also obtain copies of these documents, without charge, by writing or calling:

NBC Capital Corporation

NBC Plaza

P.O. Box 1187

Starkville, Mississippi 39760

(662) 343-1341

Attention: Richard Haston

You will not be charged for any of these documents that you request. Shareholders requesting documents should do so by , 2006 in order to receive them before the special meeting.

The descriptions of the merger agreement in this proxy statement/prospectus have been included to provide you with information regarding its terms. The merger agreement contains representations and warranties made by and to the parties thereto as of specific dates. The statements embodied in those representations and warranties were made for purposes of the contracts between the respective parties and are subject to qualifications and limitations agreed by the respective parties in connection with negotiating the terms of the merger agreement. In addition, certain representations and warranties were made as of a specified date, may be subject to a contractual standard of materiality different from those generally applicable to shareholders, or may have been used for the purpose of allocating the risk between the respective parties rather than establishing matters as facts.

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[SunCoast Mark]

8592 Potter Park Drive, Suite 200

Sarasota, Florida 34238

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of SunCoast Bancorp, Inc. will be held in located , Sarasota, Florida on , 2006 at , local time, for the following purposes:

1. To consider and vote upon a proposal to approve and adopt the agreement and plan of merger between NBC Capital Corporation and SunCoast Bancorp, Inc., dated March 16, 2006, pursuant to which NBC will acquire SunCoast through the merger of SunCoast with and into NBC. A copy of the merger agreement is attached to the accompanying proxy statement/prospectus as Appendix A.

2. To transact such other business as may properly come before the special meeting or any adjournments or postponements of the special meeting, including, without limitation, a motion to adjourn or postpone the special meeting to allow more time for soliciting additional votes to approve and adopt the merger agreement.

Only shareholders of record at the close of business on , 2006 are entitled to notice of, and to vote at, the special meeting or any adjournment or postponement of the special meeting. Approval of the merger agreement requires the affirmative vote of at least a majority of all of the votes entitled to be cast at the special meeting.

Whether or not you plan to attend the special meeting, please submit your proxy with voting instructions. To submit your proxy by mail, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed envelope.

Your board of directors has unanimously approved the merger agreement and recommends that you vote FOR adoption of the merger agreement.

By Order of the Board of Directors,

H.R. Foxworthy, Chairman

[date]

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QUESTIONS AND ANSWERS

Q: What am I being asked to vote on?

A: You are being asked to vote on the agreement and plan of merger by and between NBC and SunCoast, dated as of March 16, 2006, which provides for the merger of SunCoast with and into NBC, with NBC as the surviving corporation in the merger. At the effective time of the merger agreement, SunCoast will be merged with and into NBC, and simultaneously therewith, SunCoast Bank, SunCoast s wholly owned bank subsidiary, will be merged with and into Cadence Bank, NBC s wholly owned bank subsidiary.

Q: Why are SunCoast and NBC proposing to merge?

A: The board of directors of each of NBC and SunCoast believes that a combination of the two companies is in the best interests of its respective company. From SunCoast s perspective, SunCoast s board of directors believes that the merger presents a more favorable opportunity for SunCoast to maximize value for its shareholders than SunCoast continuing to operate on a stand-alone basis. See *The Merger Reasons for the Merger: SunCoast s Reasons for the Merger* beginning on page and *The Merger Reasons for the Merger: NBC s Reasons for the Merger* beginning on page .

Q: How does my board of directors recommend I vote on the proposal?

A: Your board of directors unanimously recommends that you vote **FOR** the proposal to approve the merger agreement.

Q: What will I receive in the merger?

A: If the merger agreement is approved and the merger is subsequently completed, you may elect to receive, for each share of SunCoast common stock that you own, either shares of NBC common stock or $20.50 in cash. If you elect to receive shares of NBC common stock, you will receive a number of shares of NBC common stock equal to $20.50 divided by the average closing market price of NBC common stock for the full ten trading days preceding the closing of the merger, subject to certain limitations in the merger agreement. You may elect to receive all cash, all NBC common stock, or a combination of cash and NBC common stock for your shares of SunCoast common stock, subject to allocation procedures designed to ensure that holders of SunCoast common stock will collectively receive 55% common stock of NBC and 45% cash.

Q: How do I make an election for the type of merger consideration I will receive?

A: You will be mailed an election form on which you will indicate the form of merger consideration you wish to receive for your SunCoast common stock. *Please retain this document in connection with making your election to receive cash, NBC common stock, or a combination of cash and NBC common stock for your shares of SunCoast common stock.* Your election form must be received no later than 5:00 p.m., Central time, on (which we refer to as the election deadline), to return the completed and signed election form, together with the certificates that represent your shares of SunCoast common stock.

Q: Can I change or revoke my election?

A: Yes. You may change your election at any time prior to the election deadline by submitting to Computershare, the exchange agent, a properly completed and signed revised election form. You may revoke your election and withdraw your stock certificates deposited with the exchange agent by submitting written notice to Computershare prior to the election deadline. If you instructed a bank, broker or other financial institution to submit an election for your shares, you must follow their directions for changing or revoking those instructions.

Q: Should I send in my stock certificates now?

A: No. You should not send in your stock certificates at this time. Along with the election form, you will receive a letter of transmittal with instructions for you to send in your stock certificate(s) along with your

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election form to Computershare prior to the election deadline. You will receive the merger consideration as soon as reasonably practicable after completion of the merger. If the merger agreement is terminated and the merger does not occur, your election will be revoked automatically and the exchange agent will promptly return your stock certificate(s) to you.

Q: What are the tax consequences of the merger to me?

A: For United States federal income tax purposes, if you are a shareholder of SunCoast common stock you generally will not recognize gain or loss with respect to your shares of SunCoast common stock if you receive only shares of NBC common stock in the merger, except with respect to any cash received in lieu of a fractional share interest in NBC common stock.

If you receive a combination of cash and shares of NBC common stock in exchange for your shares of SunCoast common stock, you will generally recognize gain, but not loss, with respect to the excess of the cash and value of NBC common stock you receive over your tax basis in your shares of SunCaost common stock exchanged, but in any case not in excess of the amount of cash you receive in the merger.

If you receive solely cash in exchange for your shares of SunCoast common stock, then you will generally recognize gain or loss in an amount equal to the difference between the amount of cash you receive and the tax basis in your shares of SunCoast common stock.

Due to the potential varying tax recognition, basis and holding period consequences which will be governed by your individual consequences, we urge you to consult with your tax advisor to fully understand the tax consequences to you. Additionally, the generalizations set forth above may not apply to all shareholders.

Q: Who is entitled to vote at the SunCoast special meeting?

A: SunCoast shareholders of record at the close of business on , 2006, the record date for the special meeting, are entitled to receive notice of and to vote on the approval of the merger agreement at the special meeting and any adjournments or postponements of the special meeting. However, a SunCoast shareholder may only vote his or her shares if he or she is either present in person or represented by proxy at the SunCoast special meeting.

Q: How many votes do I have?

A: Each share of common stock that you own as of the record date entitles you to one vote. On , 2006, there were outstanding shares of SunCoast common stock. As of the record date, SunCoast directors and executive officers and their affiliates owned approximately % of the outstanding shares of SunCoast common stock.

Q: How many votes are needed to approve the merger?

A: A majority of the outstanding shares of common stock must vote in favor of the merger agreement in order for the merger to be approved.

Q: How do I vote?

A: After you have carefully read this proxy statement/prospectus, indicate on your proxy card how you want your shares to be voted, then sign, date and mail it in the enclosed postage-paid envelope as soon as possible so that your shares may be represented and voted at the special meeting. If you are a record owner of shares of SunCoast common stock on the record date for the special meeting, you may attend the special meeting in person and vote, whether or not you have signed and mailed your proxy card. If you sign and send in your proxy card and do not indicate how you want to vote, your proxy card will be counted as a vote against the merger. If you do not send in your proxy card or if you send it in but indicate that you abstain from voting, it will have the effect of a vote against the merger.

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Q: If my shares are held in street name by my broker, will my broker automatically vote my shares for me?

A: No. *Your broker will vote your shares only if you provide instructions on how to vote.* You should follow the directions provided by your broker. Your failure to instruct your broker how to vote your shares with respect to the merger will be the equivalent of voting against the merger.

Q: Can I change my vote after I have mailed my signed proxy card?

A: Yes. There are three ways for you to revoke your proxy and change your vote. First, you may send to the Secretary of SunCoast a later-dated, signed proxy card before the SunCoast special meeting. Second, you may attend SunCoast s special meeting in person and vote. Third, you may revoke any proxy by written notice to the Secretary of SunCoast prior to SunCoast s special meeting. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote.

Q: Do I have rights of appraisal in connection with the merger?

A: Yes. Under Florida law, SunCoast shareholders have the right to exercise appraisal rights with respect to the merger and receive a payment in cash for the value of their shares of SunCoast common stock, as determined by an appraisal process. This value may be less than the value of the consideration you would receive in the merger if you do not exercise appraisal rights. To perfect your appraisal rights, you must precisely follow the required statutory procedures. See *The Merger-Statutory Provisions for Appraisal Rights of Shareholders* at page and the information attached at Appendix B.

Q. When do you expect to complete the merger?

A. We are working towards completing the merger as quickly as possible and currently expect that the merger will be completed during the third quarter of 2006.

Q. Whom should I call with questions or to obtain additional copies of this proxy statement/prospectus?

A. You should call either of the following:

NBC Capital Corporation

NBC Plaza

P.O. Box 1187

Starkville, Mississippi 39760

(662) 343-1341

Attention: Richard Haston

SunCoast Bancorp, Inc.

8592 Potter Park Drive, Suite 200

Sarasota, Florida 34238

(941) 923-0500

Attention: William F. Gnerre

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SUMMARY

This summary highlights selected information from this proxy statement/prospectus. It does not contain all of the information that may be important to you. We urge you to carefully read this entire proxy statement/prospectus, its appendices and the other documents to which we have referred you for a more complete understanding of the merger. You may obtain the information about NBC that is incorporated by reference in this proxy statement/prospectus without charge by following the instructions in the section entitled Where You Can Find More Information on page . Each item in this summary includes a page reference directing you to a more complete description of that item. In addition, the merger agreement is attached as Appendix A to this proxy statement/prospectus and is incorporated into this proxy statement/prospectus by reference. Unless the context requires otherwise, the terms we, our, and us refer to NBC and SunCoast together.

The Parties

Information About NBC (Page)

NBC is a financial holding company, organized under the laws of the State of Mississippi and headquartered in Starkville, Mississippi. NBC s operations are primarily conducted through its wholly owned subsidiary Cadence Bank, N.A. (Cadence or Bank) and its 30 full service bank facilities located in Mississippi, Alabama, and Tennessee. Through Cadence, NBC offers a range of lending services, including real estate, commercial and consumer loans, to individuals, small- and medium-sized businesses and other organizations located throughout its markets. NBC complements its lending operations with an array of retail and commercial deposit products and fee-based services to support its clients. Some of these services are provided by two of Cadence s wholly owned subsidiaries Galloway-Chandler-McKinney Insurance Agency, Inc. and NBC Insurance Services of Alabama. Cadence s third subsidiary, NBC Service Corporation, also has a wholly owned subsidiary named Commerce National Insurance Company.

As of March 31, 2006, NBC had consolidated total assets of $1.47 billion, consolidated total loans of approximately $862.2 million, consolidated total deposits of approximately $1.14 billion, and consolidated shareholders equity of approximately $118.2 million.

The principal executive offices of NBC are located at:

NBC Plaza

P.O. Box 1187

Starkville, Mississippi 39760

(662) 343-1341

Information About SunCoast (Page)

SunCoast is a registered bank holding company, organized under the laws of the state of Florida and headquartered in Sarasota, Florida. All of SunCoast s operations are conducted through its wholly owned subsidiary SunCoast Bank, a Florida state-chartered bank. SunCoast Bank currently provides banking services through three banking locations.

As of March 31, 2006, SunCoast had consolidated total assets of approximately $135.1 million, consolidated total loans of approximately $118.4 million, consolidated total deposits of approximately $118.7 million and consolidated shareholders equity of approximately $14.8 million.

The principal executive offices of SunCoast are located at:

8592 Potter Park Drive, Suite 200

Sarasota, Florida 34238

(941) 923-0500

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SunCoast Special Shareholders Meeting (Page)

A special meeting of the shareholders SunCoast will be held on , 2006 in the at at local time. At the special meeting, SunCoast shareholders will consider and vote on a proposal to adopt and approve the merger by and between NBC and SunCoast, dated March 16, 2006. SunCoast shareholders may also consider such other matters as may properly be brought before the special meeting and may be asked to vote on a proposal to adjourn or postpone the special meeting, which could be used to allow more time for soliciting additional votes to approve and adopt the merger agreement.

SunCoast Record Date and Voting (Page)

You are entitled to vote at the special meeting if you were the record owner of shares of SunCoast common stock as of the close of business on , 2006, the record date established for the special meeting. You are entitled to one vote for each share of SunCoast common stock you owned of record on the record date.

On , 2006, a total of votes were eligible to be cast at the SunCoast special meeting.

Approval of a Majority of Outstanding SunCoast Shares Required to Approve Merger (Page)

Holders of at least a majority of the outstanding shares of common stock of SunCoast entitled to vote at the meeting must vote to approve the merger agreement in order for it to be adopted. A majority of the issued and outstanding SunCoast shares must be present in person or by proxy for any vote to be valid.

The Merger (Page)

The merger agreement provides for the merger of SunCoast with and into NBC, with NBC as the surviving corporation. *The merger agreement is attached as Appendix A to this proxy statement/prospectus. We encourage you to read the entire merger agreement, including the exhibits attached to the merger agreement, because it is the principal legal document that governs the transaction.*

What You Will Receive in the Merger (Page)

Subject to the restrictions described below, you may elect to receive cash, shares of NBC common stock or a combination of both in exchange for each share of SunCoast common stock that you hold. The purchase price per share of SunCoast common stock shall be $20.50, of which collectively the holders of SunCoast common stock shall receive 45% cash and 55% stock in NBC. Certain proration provisions are triggered in the event the aggregate stock elections exceed 55% or cash elections exceed 45%. You will be mailed an election form on which you will indicate the form of merger consideration you wish to receive for your SunCoast common stock. *You should retain this document in connection with making your election to receive cash, NBC common stock or a combination of cash and NBC common stock for your shares of SunCoast common stock.* You will have until , the election deadline specified in the election form, to make your election. *If you do not return a properly completed election form by the election deadline, you will be deemed to have elected to receive NBC common stock for your SunCoast shares.* Complete information on the election procedure can be found in the section entitled *The Merger Election and Exchange Procedures* on page .

The number of shares to be issued by NBC as consideration for the SunCoast shares is to be adjusted based on the average closing market price of NBC common stock for the full ten days preceding the closing of the merger with certain limitations. At the effective time of the merger, each share of SunCoast common stock to be converted into NBC common stock shall be converted into the right to receive the number of shares of NBC common stock equal to $20.50 divided by the average closing market price for the full ten days preceding the closing of the merger. The merger agreement also provides that the average closing market price of NBC

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common stock for the full ten days preceding the closing of the merger will be capped and therefore not adjusted below $20.12 or above $27.22. Therefore, the amount of merger consideration in the form of NBC common stock that you receive you each share of SunCoast common stock could be worth more or less than $20.50 per share.

The merger agreement also provides that every outstanding and unexercised option, whether vested or unvested, to receive SunCoast common stock shall be deemed to be vested and exercised and shall receive $20.50 less the exercise price.

The aggregate consideration to be paid by NBC for the merger shall be affected by the number of SunCoast shares outstanding at the time of closing. Additionally, SunCoast preferred stock pays dividends in common stock and shall continue to do so until December 31, 2006. Therefore, for example, NBC and SunCoast estimate that if the closing takes place on December 31, 2006, there would be approximately 1,698,396 shares of SunCoast common stock (assuming the maximum increase in the number of shares of common stock of SunCoast due to dividends on the preferred stock) and the aggregate purchase price would be approximately $34,774,068, plus the amount paid for the stock options. If the closing takes place on July 10, 2006, NBC and SunCoast estimate there would be approximately 1,681,260 shares of SunCoast common stock (assuming the maximum increase in the number of shares of common stock of SunCoast due to dividends on the preferred stock) and the aggregate purchase price would be approximately $34,460,000.00, plus the amount paid for the stock options.

You should note that, in general and subject to certain allocation provisions, if you elect to receive cash, the value of the consideration you will receive is fixed at $20.50 per share of SunCoast common stock. However, if you elect to receive NBC common stock as consideration, or a combination of NBC common stock and cash, the value of the stock consideration will fluctuate and, on the closing date, may be higher or lower than $20.50 per share of SunCoast common stock.

Election of Cash or Stock Consideration (Page)

After the special meeting and no later than 15 business days prior to the anticipated completion of the merger, Computershare, the exchange agent, will send each SunCoast shareholder, who is the owner of record of shares of SunCoast common stock three business days prior to the mailing of the election form, an election form that you may use to indicate whether your preference is to receive cash, NBC common stock or a combination of cash and NBC common stock. You will have until the election deadline, to return the completed and signed election form, together with the certificates that represent your shares of SunCoast common stock. Should you acquire SunCoast common stock three business days prior to the mailing of the election form and five business days prior to the election deadline, we will provide you with a secondary election form.

Any shareholder of SunCoast common stock who makes an election on the election form may at any time, prior to the election deadline, change such shareholder s election by submitting a revised election form, properly completed and signed, that is received by the exchange agent prior to the election deadline.

Any shareholder of SunCoast common stock who fails to properly make an election in accordance with the procedures discussed in this proxy statement/prospectus shall be deemed to have made a stock election.

Your election may be limited by the elections other shareholders of SunCoast common stock make so that, in the aggregate, shareholders of SunCoast common stock receive 45% cash and 55% in NBC stock for their shares of SunCoast common stock. For example, if stock elections representing more than 55% of the outstanding shares of SunCoast common stock prior to the merger are made, then NBC will prorate the number of shares of its common stock so that the holders of SunCoast common stock will receive no more than 55% of the SunCoast shares are converted into NBC common stock.

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No Fractional Shares (Page)

No fractional shares of NBC common stock shall be issued in the merger. Instead of fractional shares, each SunCoast shareholder holding a fractional share interest (after taking into account all SunCoast shares held by such shareholder) will receive an amount of cash based on such fractional share interest multiplied by the average closing price of NBC common stock over the ten full trading days prior to the date the merger is completed.

Federal Income Tax Consequences (Page)

We expect that, for United States federal income tax purposes, if you are a shareholder of SunCoast common stock you generally will not recognize gain or loss with respect to your shares of SunCoast common stock if you receive only shares of NBC common stock in the merger, except with respect to any cash received in lieu of a fractional share interest in NBC common stock.

If you receive a combination of cash and shares of NBC common stock in exchange for your shares of SunCoast common stock, you will generally recognize gain, but not loss, with respect to the excess of the cash and value of NBC common stock you receive over your tax basis in your shares of SunCoast common stock exchanged, but in any case not in excess of the amount of cash you receive in the merger.

If you receive solely cash in exchange for your shares of SunCoast common stock, then you will generally recognize gain or loss in an amount equal to the difference between the amount of cash you receive and the tax basis in your shares of SunCoast common stock.

Tax laws are complicated and the tax consequences of the merger may vary depending upon your individual circumstances. We urge you to consult with your tax advisor to understand fully the merger s tax consequences to you.

The Rights of NBC Shareholders and SunCoast Shareholders are Different (Page)

Mississippi law and NBC s articles of incorporation and bylaws currently govern the rights of NBC shareholders. Florida law and SunCoast s articles of incorporation and bylaws currently govern the rights of SunCoast shareholders. These rights are not identical. Upon completion of the merger, SunCoast shareholders who receive shares of NBC common stock in the merger shall become shareholders of NBC and have the same rights as other NBC shareholders.

Shares of NBC Common Stock Issued in the Merger to be Listed on the American Stock Exchange (Page)

The shares of NBC common stock to be issued in the merger will be listed on the American Stock Exchange under the symbol NBY.

NBC s Dividend Policy (Page)

Following completion of the merger, former SunCoast shareholders who become NBC shareholders will receive dividends declared by NBC. There are no assurances, however, that NBC will declare any future dividends.

SunCoast s Board of Directors Unanimously Recommends Approval of the Merger (Page)

SunCoast s board of directors believes that the merger transaction with NBC is in the best interests of SunCoast and its shareholders and unanimously recommends that you vote **FOR** the proposal to approve and adopt the merger agreement. See *Reasons for the Merger SunCoast s Reasons for the Merger.*

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Opinion of SunCoast s Financial Advisor (Page)

The Carson Medlin Company (Carson Medlin) has given an opinion dated May 12, 2006 to SunCoast s board of directors that the consideration to be received in the merger was fair, from a financial point of view, to SunCoast s shareholders. This opinion is attached as Appendix C to this proxy statement/prospectus. You should read this opinion completely to understand the assumptions made, matters considered and limitations of the review undertaken by Carson Medlin. This opinion does not constitute a recommendation to any SunCoast shareholder as to how to vote on the merger agreement or as to the form of consideration that a SunCoast shareholder should elect.

Management and Operations Following the Merger (Page)

Under the terms of the merger agreement, SunCoast will merge with and into NBC and SunCoast shall cease to exist as a separate entity. Additionally, SunCoast s subsidiary, SunCoast Bank, will merge with and into NBC s subsidiary, Cadence Bank, with Cadence as the surviving entity. The management and board of directors of NBC will not change because of the merger, except that H. Ronald Foxworthy, the current chairman of SunCoast, will be appointed to serve on the board of NBC.

Conditions to the Merger (Page)

The completion of the merger depends upon the satisfaction or waiver of a number of conditions, including the following:

- the approval of the merger by SunCoast shareholders;
- the accuracy of the representations and warranties made in the merger agreement;
- the performance of obligations by NBC and SunCoast under the merger agreement;
- the receipt of required governmental approvals (including from banking and federal and state securities regulators) and the expiration or termination of all applicable statutory waiting periods relating to the merger;
- the absence of any injunction or other order by any court or other governmental entity which would prohibit or prevent the merger; and
- receipt of tax opinions of Adams and Reese LLP and Smith, Gambrell and Russell, LLP, counsel to NBC and SunCoast, respectively, based on facts, assumptions and representations set forth in the opinions, to the effect that the merger transaction constitutes a tax-free reorganization under section 368(a) of the Internal Revenue Code.

The Merger Agreement can be Amended or Terminated (Pages and)

NBC and SunCoast can mutually agree to terminate the merger agreement at any time prior to completing the merger. In addition, either party acting alone can terminate the merger agreement in certain specified circumstances, including the failure to complete the merger by December 31, 2006, unless the terminating party s breach is the reason the merger has not been completed.

Termination Fee (Page)

SunCoast has agreed that, under specific circumstances described in the merger agreement, SunCoast will pay NBC a termination fee of $1.5 million.

Required Regulatory Approvals (Page)

The merger cannot be completed until required approvals are received from banking regulators. The transactions contemplated in the merger agreement will require regulatory approval from the Board of Governors

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of the Federal Reserve Bank, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Commissioner of the Office of Financial Institutions of the State of Florida, the American Stock Exchange and the SEC. Although we believe that all regulatory approvals will be received in a timely manner, we cannot be certain when or if such approvals will be obtained.

SunCoast s Shareholders have Appraisal Rights (Page)

SunCoast shareholders are entitled to assert certain appraisal rights under Florida law. These appraisal rights may give you the opportunity to receive the fair value of your shares of SunCoast common stock in cash instead of having each of your shares converted in the merger into the merger consideration of shares of NBC common stock or $20.50 in cash. In order to perfect your appraisal rights, you must strictly follow specific procedures under the Florida Business Corporation Act. If you do not follow the procedures set forth in the statutory provisions of the Florida Business Corporation Act, you may lose your appraisal rights with respect to the merger. Please refer to pages through for more information. You should also read carefully Appendix B to this proxy statement/prospectus, which is a copy of the relevant statutory provisions of Florida law related to appraisal rights.

Accounting Treatment of the Merger by NBC (Page)

NBC will account for the merger as a purchase for financial reporting purposes.

SunCoast s Executive Officers and Board of Directors may have Financial Interests in the Merger that Differ from your Interests (Page)

SunCoast s executive officers and directors may have economic interests in the merger that are different from, or in addition to, their interests as SunCoast shareholders. The SunCoast board considered these interests in its decision to approve the merger agreement. For example, some members of the board of directors and some executive officers hold unvested options to acquire shares of SunCoast common stock. Pursuant to the terms of the merger agreement, these officers and board members will be entitled to receive in cash the difference between the exercise price and $20.50. Additionally, upon completion of the merger, Kerry J. Ward, Senior Vice President of SunCoast Bank, William F. Gnerre, Executive Vice President of SunCoast, and John S. Wilks, Senior Vice President and Chief Financial Officer of SunCoast, will have employment agreements with Cadence Bank, a subsidiary of NBC. Also, pursuant to the merger agreement, H. Ronald Foxworthy, the chairman of the board of SunCoast, will be appointed to serve on the board of NBC upon completion of the merger transaction.

Recent Developments

On March 21, 2006, NBC entered into an agreement and plan of merger with Seasons Bancshares, Inc. (Seasons). Seasons currently operates two bank facilities in North Georgia and had consolidated assets of approximately $81.4 million, consolidated total loans of $69.9 million, consolidated total deposits of $69.3 million, and total stockholders equity of $7.9 million as of March 31, 2006. Seasons stockholders will receive $22 million with 55% of the consideration in the form of NBC common stock and the remainder in cash. The consummation of this transaction is subject to various conditions, including regulatory approval.

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Selected Consolidated Historical Financial Data of NBC

The following table sets forth certain consolidated financial information of NBC. This information is based on, and should be read in conjunction with, the consolidated financial statements and related notes of NBC contained in its annual report on Form 10-K for the year ended December 31, 2005 and in its quarterly report on Form 10-Q for the quarter ended March 31, 2006, which are incorporated by reference in this proxy statement/prospectus. Information as of and for the periods ended March 31, 2006 and 2005 is unaudited, but in the opinion of NBC s management, contains all adjustments necessary for a fair statement of NBC s financial position and results of operations for such periods in accordance with GAAP. NBC s results for the three-month period ended March 31, 2006 are not necessarily indicative of the results of operations that may be expected for the year ended December 31, 2006.

NBC s financial statements for the years presented below were audited by T.E. Lott & Company, independent registered public accounting firm. The amounts for the quarters ended March 31, 2006 and 2005 have not been audited.

	Three Months Ended March 31,		Years Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
			(In thousands, except per share data)				
Income Statement Data							
Interest and fees on loans	$ 15,423	$ 12,281	$ 53,035	$ 43,242	$ 34,073	$ 40,022	$ 51,852
Interest and dividends on securities	5,019	4,889	19,480	18,796	17,242	19,814	17,968
Other interest income	169	140	669	346	262	215	950
Total interest income	20,611	17,310	73,184	62,384	51,577	60,051	70,770
Interest expense	8,869	6,125	27,970	21,186	17,881	22,876	36,001
Net interest income	11,742	11,185	45,214	41,198	33,696	37,175	34,769
Provision for loan losses	401	635	2,128	3,522	2,770	2,790	1,720
Net interest income after provision for loan losses	11,341	10,550	43,086	37,676	30,926	34,385	33,049
Service charges on deposit accounts	1,985	1,870	7,952	8,581	7,774	7,110	5,942
Other income	2,760	2,360	11,983	11,526	12,871	10,936	10,524
Total noninterest income	4,745	5,230	19,935	20,107	20,645	18,046	16,466
Salaries and employee benefits	6,792	5,893	24,934	23,415	19,868	19,827	18,156
Occupancy and equipment expense	1,576	1,613	6,172	5,861	4,657	4,728	4,616
Other expenses	3,266	3,002	13,639	12,451	9,029	8,863	9,344
Total noninterest expenses	11,634	10,508	44,745	41,727	33,554	33,418	32,116

Income before income taxes	4,452	5,272	18,276	16,056	18,017	19,013	17,399
Income taxes	1,202	1,530	4,522	3,757	4,492	4,792	4,261
Net income	$ 3,250	$ 3,742	$ 13,754	$ 12,299	$ 13,525	$ 14,221	$ 13,138
Per Share Data (1)							
Net income basic	$ 0.40	$ 0.46	$ 1.68	$ 1.51	$ 1.65	$ 1.73	$ 1.54
Net income diluted	0.40	0.46	1.68	1.50	1.65	1.73	1.54
Dividends	0.25	0.24	0.98	0.96	0.92	0.87	0.82
Balance Sheet Data							
Total assets	$ 1,474,168	$ 1,387,015	$ 1,446,117	$ 1,439,573	$ 1,093,223	$ 1,077,456	$ 1,050,802
Net loans	852,738	791,944	851,332	817,649	582,933	570,296	607,976
Total deposits	1,144,331	1,066,584	1,121,684	1,116,373	815,839	817,447	810,703
Investment securities	451,488	446,039	442,440	465,770	378,935	393,783	340,726
Total shareholders equity	118,237	114,277	116,984	114,766	111,102	111,107	102,927
Tangible shareholder s equity	78,879	74,003	77,330	74,107	108,249	108,254	100,070

(1) Restated for 4-for-3 stock split in 2002.

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	At and for the Quarters Ended March 31,		At and for the Years Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
	(Dollars in thousands, except per share data)						
Selected Financial Ratios:							
Net interest margin (1)	3.61%	3.51%	3.55%	3.37%	3.42%	3.80%	3.59%
Selected Performance Ratios:							
Return on average assets	0.9%	1.1%	1.0%	1.0%	1.3%	1.3%	1.3%
Return on average equity	11.1	13.7	11.8	11.0	12.2	13.3	12.5
Return on average tangible equity	16.8	21.8	18.0	13.7	12.5	13.7	12.9
Dividend payout ratio	12.5	58.5	58.3	63.6	55.8	50.3	53.2
Equity to asset ratio	8.1	7.7	8.2	8.7	10.4	10.1	9.8
Efficiency ratio (2)	70.6	64.0	68.7	68.1	61.7	60.5	62.7
Asset Quality Ratios(3):							
Ratio of nonperforming assets to total assets	0.44%	0.57%	0.53%	0.62%	0.42%	0.54%	0.67%
Ratio of nonperforming loans to total loans	0.33	0.66	0.30	0.55	0.55	0.74	0.74
Ratio of allowance for loan losses to nonperforming assets	3.36%	2.07%	3.61%	2.39%	1.91%	1.41%	1.48%
Ratio of allowance for loan losses to total loans	1.10	1.36	1.08	1.32	1.05	1.05	1.10
Capital Ratios:							
Tier 1 leverage ratio (4)	8.6%	8.3%	8.7%	8.2%	13.3%	9.9%	9.7%
Tier 1 risk-based capital	12.5	12.8	12.5	12.2	21.6	16.5	15.0
Total risk-based capital	13.4	14.0	13.4	13.4	22.6	17.4	16.0

(1) Net interest margin is net interest income divided by average earning assets.
(2) Efficiency ratio is noninterest expense divided by the sum of net interest income and noninterest income (excluding taxes and the provision for loan losses).
(3) Nonperforming loans include loans 90 or more days past due, nonaccrual loans and restructured loans.
(4) Tier 1 leverage ratio is defined as Tier 1 capital (pursuant to risk-based capital guidelines) as a percentage of adjusted average assets.

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GAAP Reconciliation and Management Explanation of Non-GAAP Financial Measures

Certain financial information included in our summary consolidated financial data are not measures of financial performance recognized by accounting principles generally accepted within the United States, or GAAP. These non-GAAP financial measures are tangible book value per share, tangible shareholders equity, and return on average tangible equity. Our management uses these non-GAAP measures in its analysis of our performance.

Tangible book value per share is defined as total equity reduced by recorded goodwill and other intangible assets divided by total common shares outstanding. This measure is important to investors interested in changes from period-to-period in book value per share exclusive of changes in intangible assets. Goodwill, an intangible asset that is recorded in a purchase business combination, has the effect of increasing total book value while not increasing the tangible assets of a company. For companies such as ours that have engaged in business combinations, purchase accounting can result in the recording of significant amounts of goodwill related to such transactions.

Tangible shareholders equity is shareholders equity less goodwill and other intangible assets.

Return on average tangible equity is defined as annualized earnings for the period divided by average equity reduced by average goodwill and other intangible assets.

These disclosures should not be viewed as a substitute for results determined in accordance with GAAP, and are not necessarily comparable to non-GAAP performance measures which may be presented by other companies. The following reconciliation table provides a more detailed analysis of these non-GAAP performance measures:

	At and for the Quarters Ended March 31,		At and for the Years Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
Book value per common share	$ 14.44	$ 14.00	$ 14.31	$ 14.06	$ 13.58	$ 13.57	$ 12.48
Effect of intangible assets per share	$ (4.81)	$ (4.94)	$ (4.85)	$ (4.98)	$ (0.35)	$ (0.35)	$ (0.35)
Tangible book value per share	$ 9.63	$ 9.06	$ 9.46	$ 9.08	$ 13.23	$ 13.22	$ 12.13
Return on average equity	11.1%	13.7%	11.8%	11.0%	12.2%	13.3%	12.5%
Effect of intangible assets	5.7%	8.1%	6.2%	2.7%	0.3%	0.4%	0.4%
Return on average tangible equity	16.8%	21.8%	18.0%	13.7%	12.5%	13.7%	12.9%

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Selected Consolidated Financial Information of SunCoast

The following table sets forth certain consolidated financial information of SunCoast. This information is based on, and should be read in conjunction with, the consolidated financial statements and related notes of SunCoast contained in its annual report on Form 10-KSB for the year ended December 31, 2005 and in its quarterly report on Form 10-QSB for the quarter ended March 31, 2006, which financial statements appear elsewhere in this proxy statement/prospectus. Information as of and for the periods ended March 31, 2006 and 2005 is unaudited, but, in the opinion of SunCoast s management, contains all adjustments necessary for a fair statement of SunCoast s financial position and results of operations for such periods in accordance with GAAP. SunCoast s results for the three-month period ended March 31, 2006, are not necessarily indicative of the results of operations that may be expected for the year ended December 31, 2006.

SunCoast s financial statements for the years ended December 31, 2005 and 2004 were audited by Hacker, Johnson & Smith, PA, independent registered public accounting firm. The amounts for the quarters ended March 31, 2006 and 2005 have not been audited.

(dollars in thousands except per share data)

	Three Months Ended March 31,		For the Years Ended December 31,	
	2006	**2005**	**2005**	**2004**
Statement of Earnings Data				
Interest income	$ 2,133	$ 1,463	$ 7,036	$ 4,658
Interest expense	952	496	2,741	1,651
Net interest income before provision for loan losses	1,181	967	4,295	3,007
Provision for loan losses	78	120	330	210
Net interest income after provision for loan losses	1,103	847	3,965	2,797
Noninterest income	30	25	107	108
Noninterest expenses	810	604	2,595	2,192
Earnings before income taxes	323	268	1,477	713
Income taxes	123	102	561	271
Net earnings	200	166	916	442
Preferred stock dividends	(90)	(123)	(461)	(175)
Net earnings available to common shareholders	$ 110	$ 43	$ 455	$ 267
Per share data:				
Earnings per share:				
Basic	$ 0.10	$ 0.06	$ 0.56	$ 0.36
Diluted	$ 0.10	$ 0.06	$ 0.54	$ 0.27
Cash dividends declared				

Book value at end of period	$ 7.97	$ 7.26	$ 7.89	$ 7.32
Balance Sheet Data				
Total assets at end of period	$ 135,050	$ 109,863	$ 131,924	$ 100,893
Cash and cash equivalents	2,965	6,837	4,623	6,878
Securities available for sale	9,226	8,883	9,603	9,446
Loans, net	117,104	90,654	112,977	81,442
Deposits	118,683	93,789	116,835	84,836
Other borrowings	1,046	1,896		1,987
Stockholders equity	14,806	13,746	14,701	13,793
Total loans before allowance for loan losses	118,376	91,638	114,171	82,306
Allowance for loan losses	1,272	984	1,194	864
Nonperforming loans				302
Allowance for loan losses as a percentage of period-end total loans	1.07%	1.07%	1.05%	1.05%
Allowance for loan losses as a percentage of nonperforming loans				286.09%
Total nonperforming loans as a percentage of total loans				0.37%
Total nonperforming loans as a percentage of total assets				0.30%
Total nonperforming loans and real estate owned as a percentage of total assets				0.30%

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Selected Consolidated Unaudited Pro Forma Financial Data

The following table presents selected unaudited pro forma condensed combined financial information for NBC and SunCoast after giving effect to the merger as if the merger had taken place as of the beginning of the earliest period presented, and after giving effect to the pro forma adjustments described in the notes to the unaudited pro forma combined financial statements appearing in this proxy statement/prospectus beginning on page . The pro forma data in the tables assume that the merger is accounted for using the purchase method of accounting. See The Merger Accounting Treatment on page . The information in the following table is based on, and should be read together with, the pro forma information that appears elsewhere in this proxy statement/prospectus and the historical information we have presented in prior filings with the SEC. See Unaudited Pro Forma Financial Information on page and Where You Can Find More Information on page . The unaudited pro forma condensed combined financial information is not necessarily indicative of results that actually would have occurred had the merger been completed on the dates indicated or that may be obtained in the future.

NBC CAPITAL CORPORATION

SELECTED PRO FORMA CONDENSED

CONSOLIDATED FINANCIAL INFORMATION

	Three Months Ended March 31, 2006	Year Ended December 31, 2005
	(In thousand, except per share data)	
Selected Balance Sheet Data:		
Total assets	$ 1,664,802	$ 1,633,730
Loans	985,502	974,702
Deposits	1,263,014	1,238,519
Total Securities	461,396	452,663
Total Shareholders Equity	187,484	186,231
Selected Income Statement Data:		
Total interest income	22,763	80,295
Total interest expense	9,821	30,711
Net interest income	12,942	49,584
Provision for loan losses	479	2,458
Total Other Income	4,775	20,042
Total Other Expenses	12,524	47,659
Income before income taxes	4,714	19,509
Income taxes	1,302	4,990
Net income	3,412	14,519

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Comparative Per Share Data

The following table shows information, at and for the periods indicated, about NBC s and SunCoast s historical net income per share, dividends per share and book value per share. The table also contains pro forma information that reflects the merger of NBC and SunCoast using the purchase method of accounting.

You should read the information in the following table in conjunction with the historical financial information and related notes contained in the annual, quarterly and other reports that NBC has filed with the SEC. NBC has incorporated its prior filings into this proxy statement/prospectus by reference. For information on how to obtain the reports NBC has filed, please refer to the section entitled Where You Can Find More Information on page of this proxy statement/prospectus. You should not rely on the pro forma information as being indicative of the results that NBC will achieve in the merger.

Preliminary Pro Forma Comparative Per Common Share Data of NBC and SunCoast

	As Of and For the Three Months Ended March 31, 2006		As Of and For the Year Ended December 31, 2005	
NBC				
Basic net income per common share:				
Historical	$	0.40	$	1.68
Pro forma (1)		0.29		1.23
Diluted net income per common share:				
Historical		0.40		1.68
Pro forma (1)		0.29		1.23
Dividends declared on common stock:				
Historical		0.25		0.98
Pro forma (1)		0.25		0.98
Book value per common share:				
Historical		14.44		14.31
Pro forma (1)		15.81		15.73
SunCoast				
Basic net income per common share:				
Historical	$	0.10	$	0.56
Equivalent pro forma (2)		0.29		1.21
Diluted net income per common share:				
Historical		0.10		0.54
Equivalent pro forma (2)		0.29		1.21
Dividends declared on common stock:				
Historical				
Equivalent pro forma (2)		0.25		0.96
Book value per common share:				
Historical		7.97		7.89

Equivalent pro forma [(2)]	15.54	15.46

(1) Assumes 2,760,000 NBC shares issued in the recent offering for $19.50 and 909,000 NBC shares issued for 55% of the total merger consideration. This is calculated using an estimated 1,681,200 shares of SunCoast stock outstanding at the effective date of the merger and an estimated average market price of NBC stock of $20.86.

(2) Assumes a relative value of SunCoast stock to NBC stock of 98.3%. This is calculated using the merger consideration of $20.50 per share of SunCoast stock and an estimated average market price of NBC stock of $20.86.

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Comparative Market Price and Dividend Information

NBC common stock is traded on the American Stock Exchange under the symbol NBY. There is no established public market for the SunCoast common stock, although the stock is quoted on the OTC Bulletin Board under the symbol SUNB.OB. The following table sets forth, for the indicated periods, the high and low sales prices for NBC common stock as reported by the American Stock Exchange, and the high and low sales prices for SunCoast common stock as reported on the OTC Bulletin Board (as adjusted to reflect a 5% common stock dividend effected on September 30, 2004). The stock prices listed below for SunCoast are quotations, which reflect inter-dealer prices, without retail mark-up, mark-down, or commissions. NBC had a total of shareholders of record as of May , 2006, while SunCoast had a total of shareholders of record as of that same date. The following table also shows the quarterly cash dividends declared per share of NBC. SunCoast has not declared or paid any cash dividends in the past.

	SunCoast Common Stock		NBC Common Stock		
	Price		Price		
	High	Low	High	Low	Dividend Declared
2006					
First Quarter	$ 19.70	$ 15.60	$ 24.97	$ 22.89	$ 0.25
Second Quarter (through May 19, 2006)	20.00	19.30	23.33	20.25	0.25
2005					
First Quarter	$ 17.75	$ 14.05	$ 26.08	$ 22.82	$ 0.24
Second Quarter	16.00	14.50	25.05	23.01	0.24
Third Quarter	17.50	15.25	25.42	23.06	0.25
Fourth Quarter	17.00	15.00	25.73	23.01	0.25
2004					
First Quarter	$ 10.48	$ 8.52	$ 27.14	$ 25.54	$ 0.24
Second Quarter	14.29	10.00	27.06	23.11	0.24
Third Quarter	12.38	10.81	27.00	23.60	0.24
Fourth Quarter	18.00	11.52	28.60	25.20	0.24

As reported on the American Stock Exchange, the closing price per share of NBC common stock on March 15, 2006 (the last full trading day prior to the date of the merger agreement) was $23.10. As reported on the OTC Bulletin Board, the closing price per share of SunCoast common stock on March 15, 2006 was $16.00. On , 2006, the latest practicable date prior to the mailing of this proxy statement/prospectus, the closing price per share of NBC common stock was $ and the closing price per share of SunCoast common stock was $.

See *The Merger What You Will Receive* beginning on page for an illustration of how the implied exchange ratio may change in response to fluctuations in the price of NBC common stock.

Past price performance is not necessarily indicative of likely future performance. Because market prices of NBC common stock will fluctuate, you are urged to obtain current market prices for shares of NBC common stock.

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RISK FACTORS

An investment in NBC common stock in connection with the merger involves certain risks, including, among others, the risks described below and the matters discussed under the section *Cautionary Statement Regarding Forward-Looking Statements* on page . In addition to the other information contained or incorporated by reference in this proxy statement/prospectus, we urge you to carefully consider the following risk factors in deciding whether to vote for approval of the merger agreement.

Risks Related to the Merger

Although you will receive fixed value in terms of any cash consideration that you receive in the merger, you will not know the exact amount of the NBC common stock that you may receive at the time you vote on the merger or at the time you elect to receive cash or stock.

You will not know the amount of NBC common stock that you will receive in exchange for your shares of SunCoast common stock at the time you make your election. Pursuant to the merger agreement, each share of SunCoast common stock that is to be converted into NBC common stock will be converted by the ratio of $20.50 divided by the average closing price of NBC common stock for the full ten trading days prior to the close of the merger, subject to certain conditions. We currently expect that the merger will close during the third quarter of 2006. You will be required to make your election to receive cash or shares of NBC common stock by 5:00 p.m., Central time, on .

You may not receive the form of consideration that you elect for your shares of NBC common stock.

The merger agreement requires that the shareholders of SunCoast will collectively receive 55% stock and 45% cash. In the event there is an over-election of the stock consideration, each SunCoast shareholder who elects to receive NBC common stock will receive some cash in addition to shares of NBC common stock. Similarly, if there is an over-election of the cash consideration, each SunCoast shareholder who elects to receive cash will receive some shares of NBC common stock in addition to cash. Thus, you may not receive exactly the form of consideration that you request and you may receive a combination of cash and shares of NBC common stock even if you request all cash or all stock, which could result in, among other things, tax consequences that differ from those that would have resulted if you had received the form of consideration that you elected.

If the average market price of NBC common stock the full ten trading days preceding the closing of the merger is less than $20.12, the value of the stock consideration you receive could be less than $20.50.

Pursuant to the terms of the merger agreement, the amount of NBC common stock you will receive in exchange for your shares of SunCoast common stock will be based on the average closing market price of NBC common stock for the full ten days preceding the closing of the merger. However, the merger agreement also provides that the average closing market price of NBC common stock for the full ten days preceding the closing cannot be less than $20.12 or greater than $27.22 per share. Therefore, if the average market closing price of NBC common stock for the full ten trading days preceding the closing date of the merger is less than $20.12, the consideration received by SunCoast shareholders who receive NBC common stock in exchange for their shares of SunCoast common stock would be less than $20.50 per share of SunCoast common stock. If, however, the average closing market price of NBC common stock for the full ten trading days prior to the closing of the merger is greater than $27.22 per share, the consideration received by SunCoast shareholders who receive NBC common stock in exchange for their shares of SunCoast common stock would be greater than $20.50 per share.

Additionally, if the average closing market price per share of NBC common stock for the full ten trading days prior to the closing of the merger is less than $18.94 and certain other market conditions are met, the board of directors of SunCoast shall have the right to terminate the merger agreement if NBC does not adjust the stock consideration to be given to shareholders of SunCoast common stock. SunCoast cannot predict now whether or

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not the SunCoast board of directors would exercise its right to terminate the merger agreement if the above conditions are met. The merger agreement does not provide for a re-solicitation of SunCoast shareholders in the event the above conditions are met and the SunCoast board, nevertheless, chooses to complete the merger. SunCoast s board of directors has made no decision as to whether it would exercise its right to terminate the merger agreement if the above conditions are satisfied. In considering whether to exercise its right to terminate the merger agreement, SunCoast s board would take into account all relevant facts and circumstances that exist at such time and would consult with its financial advisors and legal counsel.

You will have less influence as a shareholder of NBC than as a shareholder of SunCoast.

As a SunCoast shareholder, you currently have the right to vote in the election of the board of directors of SunCoast and on other matters affecting SunCoast. The amount of NBC common stock and/or cash you will receive for your shares of SunCoast common stock will result in the transfer of control of SunCoast to the shareholders of NBC. If you receive NBC common stock for some or all of your shares of SunCoast common stock, your percentage ownership of NBC will be significantly less than your percentage ownership of SunCoast. Because of this, you will have less influence on the management and policies of NBC than you now have on the management and policies of SunCoast.

NBC may fail to realize all of the anticipated benefits of the merger, and integrating our two companies may be more difficult, costly or time-consuming than we expect.

The success of the merger will depend, in part, on NBC s ability to realize the anticipated benefits and cost savings from integrating the business of SunCoast with the business of NBC. If NBC is not able to achieve these objectives, the anticipated benefits and cost savings of the merger may not be realized fully, or at all, or may take longer to realize than expected.

SunCoast and NBC have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company s ongoing business, or inconsistencies in standards, controls, procedures and policies that could adversely affect our ability to maintain relationships with customers and employees or to achieve the anticipated benefits of the merger. Integration efforts may, to some extent, also divert management attention and resources. These integration matters could have an adverse effect on our business during the transition period.

The market price of NBC common stock after the merger may be affected by factors different from those affecting SunCoast common stock currently.

The businesses of NBC and SunCoast differ in certain respects and, accordingly, the results of operations of the combined company and the market price of the combined company s shares of common stock after the merger may be affected by factors different from those currently affecting the independent results of operations of each of NBC and SunCoast. For a discussion of the businesses of NBC and SunCoast and of certain factors to consider in connection with those businesses, see the sections entitled Information About NBC at page and Information About SunCoast at page and the documents that NBC has filed with the SEC.

The merger must be approved by multiple governmental agencies.

Before the merger may be completed, various approvals or consents must be obtained from the Federal Reserve Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation and various other authorities. These governmental entities, including the Office of the Comptroller of the Currency, may impose conditions on the completion of the merger or require changes to the terms of the merger. Although we do not currently expect that any such conditions or changes would be imposed, there can be no assurance that they will not be, and such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on or limiting the revenues of NBC following the merger, any of which might have a

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material adverse effect on NBC following the merger. NBC is not obligated to complete the merger if the regulatory approvals received in connection with the completion of the merger include any conditions or restrictions that, in the aggregate, would reasonably be expected to have a material adverse effect on NBC as the surviving company.

The merger agreement limits SunCoast s ability to pursue alternatives to the merger with NBC and requires SunCoast to pay a termination fee under certain circumstances.

The merger agreement contains no shop provisions that, subject to certain exceptions, limit SunCoast s ability to discuss, facilitate or commit to competing third-party proposals to acquire all or a significant part of SunCoast or its subsidiary bank. Additionally, if the merger would fail to occur in certain circumstances that relate to a possible combination of SunCoast with another acquiror, SunCoast could be obligated to pay NBC $1.5 million as a termination fee. See *The Merger Termination Fee* beginning on page . These provisions may discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of SunCoast from considering or proposing an acquisition of SunCoast even if it were prepared to pay consideration with a higher per share market price than that proposed in the merger, or might result in a potential competing acquiror proposing to pay a lower per share price to acquire SunCoast than it might otherwise have proposed to pay.

Certain directors and executive officers of SunCoast have financial interests in the merger that are different from, or in addition to, their interests as shareholders.

Executive officers of SunCoast negotiated the terms of the merger agreement with their counterparts at NBC, and SunCoast s board of directors unanimously approved the merger agreement and recommended that SunCoast shareholders vote to approve the merger agreement. In considering these facts and the other information contained in this proxy statement/prospectus, you should be aware that SunCoast s directors may have financial interests in the merger that are different from, or in addition to, their interests as shareholders. For example, upon completion of the merger, H. Ronald Foxworthy, currently the chairman of the board of SunCoast, will be appointed to fill a vacancy on the board of NBC. Please see *The Merger Interests of Management and Others in the Merger* beginning on page for information about these financial interests.

Risks Related to the NBC s Business

NBC may face risks with respect to future expansion.

From time to time NBC engages in additional de novo branch expansion as well as the acquisition of other financial institutions or parts of those institutions, including NBC s pending acquisition of Seasons. Acquisitions and mergers involve a number of risks, including:

- the time and costs associated with identifying and evaluating potential acquisitions and merger partners;
- inaccuracies in the estimates and judgments used to evaluate credit, operations, management and market risks with respect to the target institution;

the time and costs of evaluating new markets, hiring experienced local management and opening new bank locations, and the time lags between these activities and the generation of sufficient assets and deposits to support the costs of the expansion;

NBC s ability to finance an acquisition and possible dilution to NBC s existing shareholders;

the diversion of NBC s management s attention to the negotiation of a transaction, and the integration of the operations and personnel of the combining businesses;

the incurrence of an impairment of goodwill associated with an acquisition and adverse effects on NBC s results of operations;

entry into new markets where NBC lacks experience;

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- the disruption of NBC s respective merging businesses or possible inconsistencies in standards, internal controls, procedures and policies; and

- the risk of loss of key employees and customers.

NBC may incur substantial costs to expand, and NBC can give no assurance such expansion will result in the level of profits that it seeks. There can be no assurance that integration efforts for any future mergers or acquisitions will be successful. Also, NBC intends to issue equity securities, including common stock in connection with its acquisitions of SunCoast and Seasons, which will cause ownership and economic dilution to NBC s current shareholders and to SunCoast shareholders receiving shares of NBC in this merger.

NBC s business strategy includes the continuation of growth plans, and NBC s financial condition and results of operations could be negatively affected if NBC fails to manage its growth effectively.

NBC intends to continue to pursue a growth strategy for its business. NBC s ability to grow successfully will depend on a variety of factors, including the continued availability of desirable business opportunities, the competitive responses from other financial institutions in its market areas and NBC s ability to manage its growth. NBC s prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in significant growth stages of development. NBC may not be able to expand its market presence in its existing markets or enter new markets successfully, and such expansion could adversely affect its results of operations. Failure to manage NBC s growth effectively could have a material adverse effect on its business, future prospects, financial condition or results of operations, and could adversely affect NBC s ability to successfully implement its business strategy. Also, if NBC s growth occurs more slowly than anticipated or declines, its operating results could be materially adversely affected.

Competition in the banking industry is intense and may adversely affect NBC s profitability.

NBC conducts its banking operations in north central Mississippi, the cities of Tuscaloosa and Hoover, Alabama and Memphis, Germantown and Nashville, Tennessee. In NBC s primary market areas, it competes with other commercial banks, credit unions, finance companies, brokerage firms, mortgage companies, and insurance companies operating locally and elsewhere. Many of these competitors have substantially greater resources and lending limits than NBC and may offer certain services that NBC does not or cannot provide. NBC s profitability depends on its continued ability to compete effectively in its market areas.

NBC s success depends on local economic conditions where it operates.

NBC s success depends on the general economic conditions of the geographic markets it serves in the states of Mississippi, Alabama, and Tennessee and may depend on the conditions in other markets, including Georgia and Florida if the mergers with SunCoast and Seasons are consummated. The local economic conditions in these areas have a significant impact on NBC s commercial, real estate, and construction loans, the ability of borrowers to repay these loans, and the value of the collateral securing these loans. Adverse changes in the economic conditions of the Southeastern United States in general or any one or more of NBC s local markets could negatively impact its results of operations and profitability.

The banking industry is heavily regulated and such regulation could limit or restrict NBC s activities and adversely affect NBC s earnings.

Bank holding companies and banks operate in a highly regulated industry and are subject to examination, supervision, and comprehensive regulation by various federal and state agencies. NBC s compliance with these regulations is costly and restricts certain of its activities, including payment of dividends, mergers and acquisitions, investments, loans and interest rates charged, interest rates paid on deposits and locations of offices. NBC is also subject to capitalization guidelines established by our regulators, which require it to maintain adequate capital to support our growth.

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The laws and regulations applicable to the banking industry could change at any time, and the effects of these changes on NBC s business and profitability cannot be predicted. Because government regulation greatly affects the business and financial results of all commercial banks and bank holding companies, NBC s cost of compliance could adversely affect its ability to operate profitably.

Changes in monetary policy could adversely affect NBC s profitability.

NBC s results of operations are impacted by credit policies of monetary authorities, particularly the Federal Reserve. In light of changing conditions in the national economy and in the money markets, particularly the continuing threat of terrorist acts and the current military operations in the Middle East, no prediction can be made as to possible future changes in interest rates, deposit levels, loan demand or the business and earnings of NBC. Furthermore, the actions of the United States and other governments in response to terrorist threats may result in currency fluctuations, exchange controls, market disruption, and other occurrences that could have adverse effects on NBC s financial condition and results of operations.

NBC could suffer loan losses from a decline in credit quality.

NBC could sustain losses if borrowers, guarantors and related parties fail to perform in accordance with the terms of their loans. NBC s underwriting and credit monitoring procedures and credit policies, including the establishment and review of the allowance for loan losses, may not prevent unexpected losses that could materially adversely affect its results of operations.

If NBC s allowance for loan losses is not sufficient to cover actual loan losses, NBC s earnings could decrease.

NBC s management maintains an allowance for loan losses based upon, among other things, (1) historical experience, (2) an evaluation of local and national economic conditions, (3) regular reviews of delinquencies and loan portfolio quality, (4) current trends regarding the volume and severity of past due and problem loans, (5) the existence and effect of concentrations of credit, and (6) results of regulatory examinations. Based on such factors, management makes various assumptions and judgments about the ultimate collectibility of the loan portfolio, including the creditworthiness of our borrowers and the value of the real estate and other assets serving as collateral for the repayment of many of NBC s loans. Although NBC believes that the allowance for loan losses is adequate, there can be no assurance that the allowance will prove sufficient to cover future losses. Future adjustments may be necessary if economic conditions differ or adverse developments arise with respect to nonperforming or performing loans. Material additions to the allowance for loan losses would result in a decrease in NBC s net income and capital.

NBC s loan customers may not repay their loans according to the terms of these loans, and the collateral securing these loans may be insufficient to assure repayment. NBC may experience significant loan losses, which could have a material adverse effect on its operating results. NBC maintains an allowance for loan losses in an attempt to cover any loan losses that may occur. In determining the size of the allowance, we rely on an analysis of our loan portfolio based on the factors listed in the preceding paragraph and other pertinent information. As NBC expands into new markets, its determination of the size of the allowance could be inaccurate due to our lack of familiarity with market-specific factors.

If NBC s assumptions are wrong, its current allowance may not be sufficient to cover loan losses and adjustments may be necessary to allow for different economic conditions or adverse developments in NBC s loan portfolio. In addition, federal regulators periodically review NBC s allowance for loan losses and may require NBC to increase its provision for loan losses or recognize future loan charge-offs based on judgments different than those of its management. Material additions to NBC s allowance would materially decrease its net income. NBC s allowance for loan losses was $9.3 million, or 1.08% of loans, as of December 31, 2005.

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NBC has a concentration of credit exposure in commercial real estate.

At March 31, 2006, NBC had approximately $348.5 million in loans to borrowers in the commercial real estate industry, representing approximately 40.5% of NBC s total loans outstanding as of that date. The real estate consists primarily of office buildings and shopping centers and also includes apartment buildings, owner-operated properties, warehouses and other commercial properties. These types of loans are generally viewed as having more risk of default than residential real estate loans. They are also typically larger than residential real estate loans and consumer loans and depend on cash flows from the property to service the debt. Cash flows may be affected significantly by general economic conditions, and a downturn in the local economy or in occupancy rates in the local economy where the property is located could increase the likelihood of default. Because NBC s loan portfolio contains a number of commercial real estate loans with relatively large balances, the deterioration of one or a few of these loans could cause a significant increase in NBC s percentage of non-performing loans. An increase in non-performing loans could result in a loss of earnings from these loans, an increase in the provision for loan losses and an increase in charge-offs, all of which could have a material adverse effect on NBC s financial condition and results of operations.

These loans by NBC have grown 8.6% since December 31, 2004. The banking regulators are giving commercial real estate lending greater scrutiny, and may require banks with higher levels of commercial real estate loans to implement improved underwriting, internal controls, risk management policies and portfolio stress testing, as well as possibly higher levels of allowances for possible losses and capital levels as a result of commercial real estate lending growth and exposures.

Changes in interest rates could have an adverse effect on NBC s income.

The combined company s profitability depends to a significant extent on its net interest income. Net interest income is the difference between interest income on interest-earning assets, such as loans and investments, and interest expense on interest-bearing liabilities, such as deposits and borrowings. NBC s net interest income will be adversely affected if market interest rates change such that the interest the combined company pays on deposits and borrowings increases faster than the interest earned on loans and investments. Changes in interest rates could also adversely affect the income of some of the combined company s non-interest income sources. For example, if mortgage interest rates increase, the demand for residential mortgage loans will likely decrease, having an adverse effect on the combined company s mortgage loan fee income.

Liquidity needs could adversely affect NBC s results of operations and financial condition.

NBC relies on the dividends from Cadence as its primary source of funds. The primary source of funds of NBC s bank subsidiary are customer deposits and loan repayments. While scheduled loan repayments are a relatively stable source of funds, they are subject to the ability of borrowers to repay the loans. The ability of borrowers to repay loans can be adversely affected by a number of factors, including changes in economic conditions, adverse trends or events affecting business industry groups, reductions in real estate values or markets, business closings or lay-offs, inclement weather, natural disasters and international instability. Additionally, deposit levels may be affected by a number of factors, including rates paid by competitors, general interest rate levels, returns available to customers on alternative investments and general economic conditions. Accordingly, NBC may be required from time to time to rely on secondary sources of liquidity to meet withdrawal demands or otherwise fund operations. Such sources include Federal Home Loan Bank advances and federal funds lines of credit from correspondent banks. While NBC believes that these sources are currently adequate, there can be no assurance they will be sufficient to meet future liquidity demands, particularly if NBC continues to grow and experience increasing loan demand. NBC may be required to slow or discontinue loan growth, capital expenditures or other investments or liquidate assets should such sources not be adequate.

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NBC s integration efforts, following any future mergers or acquisitions, may not be successful or NBC, after giving effect to the acquisition, may not be able to achieve profits comparable to or better than our historical experience.

Both the merger with SunCoast and NBC s proposed acquisition of Seasons present integration issues and the success of these acquisitions will depend primarily on NBC s ability to consolidate operations, systems and procedures and to eliminate redundancies and costs. NBC may not be able to integrate its operations without encountering difficulties including, without limitation, the loss of key employees and customers, the disruption of its respective ongoing businesses or possible inconsistencies in standards, controls, procedures and policies. If NBC has difficulties with the integration, it might not achieve the economic benefits it expects to result from the acquisitions and this would adversely affect NBC s business and earnings. In addition, NBC may experience greater than expected costs or difficulties relating to the integration of the business of SunCoast and Seasons, and may not realize expected cost savings from the acquisitions within the expected time frame.

NBC may fail to consummate the proposed merger and acquisition of Seasons and its subsidiary bank.

NBC has entered into a separate agreement to merge with Seasons, and acquire its subsidiary bank. As with this transaction, the acquisition of Seasons is dependent upon certain conditions and regulatory approvals. Should this acquisition fall through, NBC could be adversely affected because of the transactional costs associated with such acquisition.

Departures of NBC s key personnel may harm its ability to operate successfully.

NBC s success has been and continues to be largely dependent upon the services of Lewis F. Mallory, Jr., its Chairman and Chief Executive Officer, and other members of its senior management team. NBC s continued success will depend, to a significant extent, on the continued service of these key personnel. The unavailability or the unexpected loss of any of them could have an adverse effect on NBC s financial condition and results of operations. NBC cannot be assured of the continued service of its senior management team with it or NBC s ability to find suitable replacements for any members of its management team.

NBC s continued pace of growth may require it to raise additional capital in the future, but that capital may not be available when it is needed or may not be available on favorable terms.

NBC is required by regulatory authorities to maintain adequate levels of capital to support its operations. NBC may at some point, however, need to raise additional capital to support its growth.

NBC s ability to raise additional capital, if needed, will depend on conditions in the capital markets at that time, which are outside its control, and on its financial performance. Accordingly, NBC cannot assure you of its ability to raise additional capital if needed on terms acceptable to it. If NBC cannot raise additional capital when needed, its ability to further expand its operations through internal growth and acquisitions could be materially impaired.

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CAUTIONARY STATEMENT REGARDING

FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus and the documents incorporated by reference into this proxy statement/prospectus contain statements that constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements include information concerning possible or assumed future results of operations of NBC and its subsidiaries, or the combined businesses of NBC and SunCoast. When used in this proxy statement/prospectus, the words such as believes, expects, anticipates or similar expressions are intended to identify forward-looking statements. Forward-looking statements are also statements that are not statements of historical fact. These forward-looking statements involve risks and uncertainties. Factors that may cause actual results to differ materially from those contemplated by these forward-looking statements include, among others, the following possibilities:

regulatory approvals and clearances and other prerequisites or conditions to the merger may not be obtained, or may be received outside of expected time frames;

competitive pressures among depository and other financial institutions may increase significantly;

revenues may be lower than expected;

changes in the interest rate environment may reduce interest margins;

general economic conditions, either nationally or regionally, may be less favorable than expected, resulting in, among other things, a deterioration in credit quality and/or a reduced demand for credit;

legislative or regulatory changes, including changes in accounting standards, may adversely affect the ability of the combined company to conduct its current and future operations;

costs or difficulties related to the integration of the businesses of NBC and SunCoast may be greater than expected;

expected cost savings associated with the merger may not be fully realized or realized within the expected time frames;

deposit attrition, customer loss, or revenue loss following the merger may be greater than expected;

competitors may have greater financial resources and develop products that enable such competitors to compete more successfully than NBC; and

adverse changes may occur in the securities markets or with respect to inflation.

This list is not exhaustive. Forward-looking statements speak only as of the date they are made. Further information on other factors that could affect the financial results of NBC after the merger is included in this proxy statement/prospectus under *Risk Factors* beginning on page and in NBC s SEC filings incorporated by reference in this document. NBC and SunCoast do not undertake to update forward-looking statements to reflect future circumstances or events. If one or more of these risks or uncertainties occurs or if the underlying assumptions prove incorrect, actual results, performance or achievements could differ materially from those expressed in, or implied by, the forward-looking statement.

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SUNCOAST SPECIAL SHAREHOLDERS MEETING

Date, Time and Place

The SunCoast special shareholders meeting will be held at , Sarasota, Florida at a.m., local time, on , 2006.

Matters to be Considered at the Meeting

At the special meeting, holders of SunCoast stock will be asked to consider and vote upon the approval and adoption of the merger agreement between NBC and SunCoast, dated March 16, 2006. SunCoast shareholders may also consider such other matters as may properly be brought before the special meeting and may be asked to vote on a proposal to adjourn or postpone the special meeting, which could be used to allow more time for soliciting additional votes to approve and adopt the merger agreement.

SunCoast s board of directors unanimously has approved the merger agreement and recommends a vote for approval and adoption of the merger agreement.

Record Date, Shares Outstanding; Quorum

Only shareholders of record of SunCoast common stock at the close of business on , 2006 will be entitled to notice of, and to vote at, the special meeting. On , 2006, SunCoast had outstanding shares of SunCoast common stock. There is no other class of SunCoast common stock outstanding. Each share of SunCoast common stock entitles the holder to one vote. The presence at the SunCoast special meeting, in person or by proxy, of shareholders entitled to cast a majority of all the votes entitled to be cast at the special meeting will constitute a quorum. There must be a quorum present in order for the vote on the merger agreement to occur.

Vote Required

The approval and adoption of the merger agreement will require the affirmative vote of at least a majority of the outstanding shares of SunCoast (*i.e.,* at least shares). Approval of the adjournment of the special meeting requires the affirmative vote of a majority of the shares represented at the special meeting, whether or not a quorum is present.

Voting of Proxies

All executed proxies received at or prior to the special meeting will be voted at the meeting in the manner specified, unless the proxy is revoked prior to the vote. Properly executed proxies that do not contain voting instructions will be voted FOR the approval and adoption of the merger agreement.

It is not expected that any other matter will be brought before the special meeting. If, however, other matters are properly presented, the persons named as proxies will vote in accordance with their best judgment with respect to such matters.

If a quorum is not obtained, the special meeting may be adjourned for the purpose of obtaining additional proxies. At any reconvening of the meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the meeting (except for any proxies which have been revoked or withdrawn).

Effect of Abstentions and Broker Non-Votes

You may abstain from voting on the approval and adoption of the merger agreement. Abstentions will be considered shares present and entitled to vote at the special meeting but will not be counted as votes cast at the meeting. Broker non-votes with respect to the merger agreement also will not be counted as votes cast at the meeting.

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Because the approval and adoption of the merger agreement requires the affirmative vote of at least a majority of all shares entitled to vote at the special meeting, abstentions by SunCoast shareholders and broker non-votes will have the same effect as votes against the merger agreement. Accordingly, you are urged to complete, date and sign the accompanying form of proxy card and return it promptly in the enclosed postage-paid envelope.

Revocability of Proxies

The grant of a proxy on the enclosed SunCoast form does not preclude you from voting in person or otherwise revoking a proxy. You may revoke a proxy at any time prior to its exercise by:

- filing with the secretary of SunCoast a duly executed revocation of proxy;
- submitting a duly executed proxy bearing a later date; or
- appearing at the special meeting and voting in person at the meeting.

Attendance at the special meeting will not, in and of itself, constitute a revocation of a proxy. All written notices of revocation and other communications with respect to the revocation of proxies should be addressed to: William F. Gnerre, Secretary, SunCoast Bancorp, Inc., 8592 Potter Park Drive, Suite 200 Sarasota, Florida 34238.

Solicitation of Proxies

SunCoast will bear the cost of the solicitation of proxies from its shareholders, and NBC and SunCoast will each bear one-half of the costs associated with printing and mailing of this proxy statement/prospectus. SunCoast has agreed to bear the expense of any proxy solicitor engaged by SunCoast at NBC s request. In addition to solicitation by mail, the directors, officers and employees of SunCoast may solicit proxies from SunCoast shareholders by telephone or telegram or in person without compensation other than reimbursements of their actual and reasonable expenses. SunCoast will reimburse any custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses in connection with forwarding proxy solicitation material to beneficial owners of the stock they hold.

You should not send stock certificates with your proxy cards. As described below under the section entitled The Merger Election and Exchange Procedures at page , you will be sent under separate cover prior to the special meeting materials for exchanging your shares of SunCoast.

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INFORMATION ABOUT NBC

NBC is a financial holding company, organized under the laws of the State of Mississippi. Last year, NBC renamed its bank Cadence Bank, N.A. NBC plans to ask shareholders to change its corporate name to Cadence Financial Corporation at the regular annual shareholders meeting to be held on June 20, 2006. The change will align NBC s corporate name with that of the Bank and further leverage the brand being created in NBC s markets. The new Cadence brand is part of an overall marketing and business strategy that NBC expects to create both operational and marketing efficiencies.

NBC is engaged in the general banking business and activities closely related to banking, as authorized by the banking laws and regulations of the United States. NBC s primary activities are conducted through its wholly owned subsidiary, Cadence. Cadence provides a complete line of wholesale and retail financial services, including mortgage loans and trusts. Additionally, Cadence has three wholly owned subsidiaries: Galloway- Chandler-McKinney Insurance Agency, Inc., NBC Service Corporation and NBC Insurance Services of Alabama, Inc. NBC Service Corporation also has a wholly owned subsidiary, Commerce National Insurance Company.

NBC s net income is dependent primarily on its net interest income, which is the difference between the interest income earned on loans, investment assets and other interest-earning assets and the interest paid on deposits and other interest-bearing liabilities. To a lesser extent, NBC s net income also is affected by its noninterest income derived from service charges, commissions and fees, as well as the amount of its noninterest expenses such as salaries and employee benefits.

NBC s assets consist primarily of its investment in Cadence and liquid investments. At March 31, 2006, NBC s consolidated total assets were approximately $1.47 billion, its total loans were approximately $862.2 million, its total deposits were approximately $1.14 billion and its total shareholders equity was approximately $118.2 million.

NBC s principal executive offices are located at 301 East Main Street, Starkville, Mississippi 39759 and its telephone number at that address is (662) 343-1341.

Cadence is the largest commercial bank domiciled in the north central area of Mississippi known as the Golden Triangle, which is comprised of the cities of Starkville, Columbus and West Point. Cadence s customer base is well diversified and consists of business, industry, agriculture, government, education and individual accounts. In Mississippi, Cadence served the communities of Aberdeen, Amory, Brooksville, Columbus, Hamilton, Maben, New Hope, Philadelphia, West Point and Starkville through a total of 20 banking facilities and an operations/ administration center. This area extends into six Mississippi counties with a radius of approximately 65 miles from the home office in Starkville. More recently, Cadence has expanded into other markets outside of its well established markets in the State of Mississippi. Cadence serves the Tuscaloosa and Hoover, Alabama areas with six banking facilities, and the Memphis, Germantown and Nashville, Tennessee areas with four banking facilities and an operations/data center.

The following chart reflects on a percentage basis the distribution of total assets, loans, deposits and bank facilities in the states in which Cadence conducts its business as March 31, 2006:

State	Assets	Loans	Deposits	Bank Facilities
Alabama	10%	15%	13%	20%
Mississippi	70	51	68	67
Tennessee	20	34	19	13
Total	100%	100%	100%	100%

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Recent Developments

NBC has made several recent commitments to expand its market area outside of its traditional Mississippi markets. In March of 2006, NBC opened a de novo branch in the Nashville-Davidson-Murfreesboro, Tennessee MSA. This bank facility is located in the Cool Springs area of Williamson County, just south of Nashville. This is in keeping with NBC s strategy of continuing to expand its franchise into markets growing faster than its traditional markets.

On March 21, 2006, NBC entered into an Agreement and Plan of Merger with Seasons, a bank holding company incorporated under the laws of the State of Georgia and the sole shareholder of Seasons Bank, a Georgia state-chartered bank. Seasons Bank currently operates two bank facilities in north Georgia. As of March 31, 2006, Seasons Bank had approximately $69.3 million in deposits and approximately $69.9 million in loans. Pursuant to the terms of the merger, Seasons will be merged into NBC and Seasons Bank will be merged into Cadence. The aggregate purchase price to be paid by NBC for Seasons will be $22.0 million, of which collectively the holders of Seasons common stock, including the holders of options and warrants to purchase Seasons common stock, shall receive 45% cash and 55% stock in NBC. The consummation of this transaction is subject to customary closing conditions, including regulatory approval and approval of Seasons shareholders.

NBC and its subsidiaries are subject to state and federal banking laws and regulations that impose specific requirements and restrictions on, and provide for general regulatory oversight with respect to, virtually all aspects of operations. As such, NBC and its subsidiaries are regulated by various federal and state regulatory authorities and are subject to certain reporting requirements and examinations by those authorities.

For more information on NBC, see *Where You Can Find More Information* and *Incorporation of Certain Documents by Reference* beginning on page .

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INFORMATION ABOUT SUNCOAST

SunCoast was incorporated under the laws of the State of Florida on April 1, 1998. SunCoast is a registered bank holding company under the Bank Holding Company Act of 1956, as amended (the BHC Act) and owns all of the voting shares of SunCoast Bank, a Florida state-chartered bank. SunCoast Bank commenced operations on September 7, 1999. All of SunCoast s operations are conducted by SunCoast Bank.

SunCoast Bank provides a range of consumer and commercial banking services to individuals, businesses and industries. The basic services offered by SunCoast Bank include: demand interest-bearing and noninterest-bearing accounts, money market deposit accounts, NOW accounts, time deposits, safe deposit services, credit cards, direct deposits, notary services, money orders, night depository, travelers checks, cashier s checks, domestic collections, savings bonds, bank drafts, automated teller services, drive-in tellers, and banking by mail. In addition, SunCoast primarily makes secured and unsecured commercial and real estate loans and issues stand-by letters of credit. SunCoast provides automated teller machine (ATM) cards, as a part of the STAR ATM Network, thereby permitting customers to utilize the convenience of larger ATM networks. In addition to the STAR ATM Network, SunCoast Bank also provides the Presto system for ATM use. In addition to the foregoing services, SunCoast Bank provides customers with extended banking hours. SunCoast Bank does not have trust powers and, accordingly, no trust services are provided.

The revenues of SunCoast Bank are primarily derived from interest on, and fees received in connection with, real estate and other loans, and from interest and dividends from investment securities and short-term investments. The principal sources of funds for SunCoast Bank s lending activities are its deposits, repayment of loans, and the maturity of investment securities. The principal expenses of SunCoast Bank are the interest paid on deposits, and non-interest expenses.

As is the case with banking institutions generally, SunCoast s operations are materially and significantly influenced by general economic conditions and by related monetary and fiscal policies of financial institution regulatory agencies, including the Board of Governors of the Federal Reserve System (the Federal Reserve). Deposit flows and costs of funds are influenced by interest rates on competing investments and general market rates of interest. Lending activities are affected by the demand for financing of real estate and other types of loans, which in turn is affected by the interest rates at which such financing may be offered and other factors affecting local demand and availability of funds. SunCoast Bank faces strong competition in the attraction of deposits (its primary source of lendable funds) and in the origination of loans.

Lending Activities

SunCoast Bank offers a range of lending services, including real estate, consumer and commercial loans, to individuals and small businesses and other organizations that are located in or conduct a substantial portion of their business in SunCoast Bank s market area. SunCoast Bank s net loans at March 31, 2006 were $117.1 million, or 86.71% of total assets, compared to $113.0 million, or 85.64%, of total consolidated assets at December 31, 2005. The interest rates charged on loans vary with the degree of risk, maturity, and amount of the loan, and are further subject to competitive pressures, money market rates, availability of funds, and government regulations. SunCoast Bank has no foreign loans or loans for highly leveraged transactions.

SunCoast Bank s loans are concentrated in four major areas: commercial, commercial real estate loans, residential real estate loans, and consumer loans. A majority of SunCoast Bank s loans are made on a secured basis. As of December 31, 2005, approximately 17.3% of SunCoast Bank s loan portfolio consisted of loans secured by 1 to 4 family residential properties, compared to 21.9% at December 31, 2004.

SunCoast Bank s residential real estate loans generally are repayable in monthly installments based on up to a 30-year amortization schedule with variable interest rates.

SunCoast Bank s commercial loan portfolio includes loans to individuals and small-to-medium sized businesses located primarily in Sarasota County for working capital, equipment purchases, and various other

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business purposes. A majority of commercial loans are secured by real estate, equipment or similar assets, but these loans may also be made on an unsecured basis. Commercial loans may be made at variable or fixed rates of interest. Commercial lines of credit are typically granted on a one-year basis, with loan covenants and monetary thresholds. Other commercial loans with terms or amortization schedules of longer than one year will normally carry interest rates which vary with the prime lending rate and will become payable in full and are generally refinanced in three to five years. Commercial loans amounted to approximately 80.7% of SunCoast Bank s total loan portfolio as of December 31, 2005, compared to 75.2% at December 31, 2004.

SunCoast Bank s consumer loan portfolio consists primarily of loans to individuals for various consumer purposes, but includes some business purpose loans which are payable on an installment basis. The majority of these loans are for terms of less than five years and are secured by liens on various personal assets of the borrowers, but consumer loans may also be made on an unsecured basis. Consumer loans are made at fixed and variable interest rates, and are often based on up to a five-year amortization schedule.

For additional information regarding SunCoast Bank s loan portfolio, see *Management s Discussion and Analysis of Financial Condition and Results of Operation Financial Condition* below.

Loan originations are derived from a number of sources. Loan originations can be attributed to direct solicitation by SunCoast Bank s loan officers, existing customers and borrowers, advertising, walk-in customers and, in some instances, referrals from brokers.

Certain credit risks are inherent in making loans. These include prepayment risks, risks resulting from uncertainties in the future value of collateral, risks resulting from changes in economic and industry conditions, and risks inherent in dealing with individual borrowers. In particular, longer maturities increase the risk that economic conditions will change and adversely affect collectibility. SunCoast Bank attempts to minimize credit losses through various means. In particular, on larger credits, SunCoast Bank generally relies on the cash flow of a debtor as the source of repayment and secondarily on the value of the underlying collateral. In addition, SunCoast Bank attempts to utilize shorter loan terms in order to reduce the risk of a decline in the value of such collateral.

Deposit Activities

Deposits are the major source of SunCoast Bank s funds for lending and other investment activities. SunCoast Bank considers the majority of its regular savings, demand, NOW and money market deposit accounts to be core deposits. These accounts comprised approximately 43.4% and 58.3% of SunCoast Bank s total deposits at December 31, 2005 and 2004, respectively. Approximately 56.6% of SunCoast Bank s deposits at December 31, 2005 were certificates of deposit compared to 41.7% at December 31, 2004. Generally, SunCoast Bank attempts to maintain the rates paid on its deposits at a competitive level. Time deposits of $100,000 and over made up approximately 38.2% and 23.7% of SunCoast Bank s total deposits at December 31, 2005 and 2004, respectively. The majority of the deposits of SunCoast Bank are generated from Sarasota County. For additional information regarding SunCoast Bank s deposit accounts, see *Management s Discussion and Analysis of Financial Condition and Results of Operations Financial Condition* below.

Investments

SunCoast Bank invests a portion of its assets in U.S. Government agency obligations, mortgage-backed securities and federal funds sold. Its investments are managed in relation to loan demand and deposit growth, and are generally used to provide for the investment of excess funds at minimal risks while providing liquidity to fund increases in loan demand or to offset fluctuations in deposits.

SunCoast Bank s total investment portfolio may be invested in U.S. Treasury and general obligations of its agencies because such securities generally represent a minimal investment risk. In addition to the investment

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portfolio, SunCoast Bank may invest in federal funds sold. Federal funds sold is the excess cash SunCoast Bank has available over and above daily cash needs. This money is invested on an overnight basis with approved correspondent banks.

SunCoast Bank monitors changes in financial markets. In addition to investments for its portfolio, SunCoast Bank monitors its daily cash position to ensure that all available funds earn interest at the earliest possible date. A portion of the investment account is designated as secondary reserves and invested in liquid securities that can be readily converted to cash with minimum risk of market loss. These investments usually consist of U.S. Treasury obligations, U.S. government agencies and federal funds. The remainder of the investment account may be placed in investment securities of different type and longer maturity. Daily surplus funds are sold in the federal funds market for one business day. SunCoast Bank attempts to stagger the maturities of its securities so as to produce a steady cash-flow in the event SunCoast Bank needs cash, or economic conditions change to a more favorable rate environment.

Correspondent Banking

Correspondent banking involves one bank providing services to another bank, which cannot provide that service for itself from an economic or practical standpoint. SunCoast Bank purchases correspondent services offered by larger banks, including check collections, purchase of federal funds, security safekeeping, investment services, coin and currency supplies, overline and liquidity loan participations and sales of loans to or participation with correspondent banks.

SunCoast Bank may sell loan participations to correspondent banks with respect to loans which exceed its lending limit. Management has established correspondent relationships with Independent Bankers Bank of Florida and The Bankers Bank in Atlanta, Georgia. SunCoast Bank pays for such services.

Data Processing

SunCoast Bank outsources its data processing to a data processor which provides a full range of data processing services to banks, including an automated general ledger, deposit accounting, and commercial, mortgage and installment lending data processing.

Effect of Governmental Policies

The earnings and business of SunCoast are and will be affected by the policies of various regulatory authorities of the United States, especially the Federal Reserve. The Federal Reserve, among other things, regulates the supply of credit and deals with general economic conditions within the United States. The instruments of monetary policy employed by the Federal Reserve for these purposes influence in various ways the overall level of investments, loans, other extensions of credit and deposits, and the interest rates paid on liabilities and received on assets.

Interest and Usury

SunCoast Bank is subject to numerous state and federal statutes that affect the interest rates that may be charged on loans. These laws do not, under present market conditions, deter SunCoast Bank from continuing the process of originating loans.

Supervision and Regulation

The following discussion sets forth some of the material elements of the regulatory framework applicable to bank holding companies and their subsidiaries and provides some specific information relative to SunCoast. The regulatory framework is intended primarily for the protection of depositors and not for the protection of security holders and creditors. To the extent that the following information describes statutory and regulatory provisions, it is qualified in its entirety by reference to the particular statutory and regulatory provisions.

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SunCoast

General. As a bank holding company, SunCoast is regulated under the BHC Act, as well as other federal and state laws governing the banking business. The Federal Reserve Board is the primary regulator of SunCoast, and supervises SunCoast s activities on a continual basis. SunCoast Bank is also subject to regulation and supervision by various regulatory authorities, including the Federal Reserve Board, the Florida Office of Financial Regulation and the Federal Deposit Insurance Corporation (the FDIC).

Bank Holding Company Regulation. In general, the BHC Act limits bank holding company business to owning or controlling banks and engaging in other banking-related activities. Bank holding companies must obtain the Federal Reserve Board s approval before they:

- acquire direct or indirect ownership or control of any voting shares of any bank that results in total ownership or control, directly or indirectly, of more than 5% of the voting shares of such bank;
- merge or consolidate with another bank holding company; or
- acquire substantially all of the assets of any additional banks.

Subject to certain state laws, a bank holding company that is adequately capitalized and adequately managed may acquire the assets of both in-state and out-of-state banks. With certain exceptions, the BHC Act prohibits bank holding companies from acquiring direct or indirect ownership or control of voting shares in any company that is not a bank or a bank holding company unless the Federal Reserve Board determines such activities are incidental or closely related to the business of banking.

The Change in Bank Control Act of 1978 requires a person (or group of persons acting in concert) acquiring control of a bank holding company to provide the Federal Reserve Board with 60 days prior written notice of the proposed acquisition. Following receipt of this notice, the Federal Reserve Board has 60 days (or up to 90 days if extended) within which to issue a notice disapproving the proposed acquisition. In addition, any company must obtain the Federal Reserve Board s approval before acquiring 25% (5% if the company is a bank holding company) or more of the outstanding shares or otherwise obtaining control over SunCoast.

Financial Services Modernization. The Gramm-Leach-Bliley Financial Modernization Act of 1999 (the Modernization Act), enacted on November 12, 1999, amended the BHC Act, and

- allows bank holding companies that qualify as financial holding companies to engage in a substantially broader range of non-banking activities than was permissible under prior law;
- allows insurers and other financial services companies to acquire banks;

allows national banks, and some state banks, either directly or through operating subsidiaries, to engage in certain non-banking financial activities;

removes various restrictions that applied to bank holding company ownership of securities firms and mutual fund advisory companies; and

establishes the overall regulatory structure applicable to bank holding companies that also engage in insurance and securities operations.

If SunCoast, which has not obtained qualification as a financial holding company, were to do so in the future, SunCoast would be eligible to engage in, or acquire companies engaged in, the broader range of activities that are permitted by the Modernization Act, provided that if any of SunCoast s banking subsidiaries were to cease to be well capitalized or well managed under applicable regulatory standards, the Federal Reserve Board could, among other things, place limitations on SunCoast s ability to conduct these broader financial activities or, if the deficiencies persisted, require SunCoast to divest the banking subsidiary. In addition, if SunCoast were to be qualified as a financial holding company and any of its banking subsidiaries were to receive a rating of less than satisfactory under the Community Reinvestment Act of 1977 (the CRA), SunCoast would

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be prohibited from engaging in any additional activities other than those permissible for bank holding companies that are not financial holding companies. The broader range of activities that financial holding companies are eligible to engage in includes those that are determined to be financial in nature, including insurance underwriting, securities underwriting and dealing, and making merchant banking investments in commercial and financial companies.

Transactions with Affiliates. SunCoast and SunCoast Bank are deemed to be affiliates within the meaning of the Federal Reserve Act, and transactions between affiliates are subject to certain restrictions. Generally, the Federal Reserve Act limits the extent to which a financial institution or its subsidiaries may engage in covered transactions with an affiliate. It also requires all transactions with an affiliate, whether or not covered transactions, to be on terms substantially the same, or at least as favorable to the institution or subsidiary, as those provided to a non-affiliate. The term covered transaction includes the making of loans, purchase of assets, issuance of a guarantee and other similar types of transactions.

Tie-In Arrangements. SunCoast and SunCoast Bank cannot engage in certain tie-in arrangements in connection with any extension of credit, sale or lease of property or furnishing of services. For example, with certain exceptions, neither SunCoast nor SunCoast Bank may condition an extension of credit on either a requirement that the customer obtain additional services provided by either SunCoast or SunCoast Bank, or an agreement by the customer to refrain from obtaining other services from a competitor. The Federal Reserve Board has adopted exceptions to its anti-tying rules that allow banks greater flexibility to package products with their affiliates. These exceptions were designed to enhance competition in banking and non-banking products and to allow banks and their affiliates to provide more efficient, lower cost service to their customers.

Source of Strength. Under Federal Reserve Board policy, SunCoast is expected to act as a source of financial strength to SunCoast Bank and to commit resources to support SunCoast Bank. This support may be required at times when, absent that Federal Reserve Board policy, SunCoast may not find itself able to provide it. Capital loans by a bank holding company to any of its subsidiary banks are subordinate in right of payment to deposits and to certain other indebtedness of such subsidiary banks. In the event of a bank holding company s bankruptcy, any commitment by the bank holding company to a federal bank regulatory agency to maintain the capital of a subsidiary bank will be assumed by the bankruptcy trustee and be entitled to a priority of payment.

Subsidiary Dividends. SunCoast is a legal entity separate and distinct from SunCoast Bank. A major portion of SunCoast s revenues results from amounts paid as dividends to SunCoast by SunCoast Bank. The Florida Office of Financial Regulation s prior approval is required if the total of all dividends declared by SunCoast Bank in any calendar year will exceed the sum of that bank s net profits for that year and its retained net profits for the preceding two calendar years. Florida law also prohibits banks from paying dividends that would cause the capital accounts of the bank to fall below the minimum amount required by law.

In addition, SunCoast and SunCoast Bank are subject to various general regulatory policies and requirements relating to the payment of dividends, including requirements to maintain adequate capital above regulatory minimums. The appropriate federal regulatory authority is authorized to determine under certain circumstances relating to the financial condition of a bank or bank holding company that the payment of dividends would be an unsafe or unsound practice and to prohibit payment thereof. The appropriate federal regulatory authorities have indicated that paying dividends that deplete a bank s capital base to an inadequate level would be an unsound and unsafe banking practice and that banking organizations should generally pay dividends only out of current operating earnings.

State Law Restrictions. As a Florida business corporation, SunCoast may be subject to certain limitations and restrictions under applicable Florida corporate law.

SunCoast Bank

General. The Bank, as a Florida state-chartered bank, is subject to regulation and examination by the State of Florida Office of Financial Regulation, as well as the FDIC. Florida state laws regulate, among other things,

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the scope of SunCoast Bank s business, its investments, its payment of dividends to SunCoast, its required legal reserves and the nature, lending limit, maximum interest charged and amount of and collateral for loans. The laws and regulations governing SunCoast Bank generally have been promulgated by Florida to protect depositors and not to protect shareholders of SunCoast or SunCoast Bank.

Community Reinvestment Act. The Community Reinvestment Act requires that, in connection with examinations of financial institutions within their jurisdiction, the FDIC evaluate the record of the financial institutions in meeting the credit needs of their local communities, including low and moderate income neighborhoods, consistent with the safe and sound operation of those banks. These factors are also considered in evaluating mergers, acquisitions, and applications to open a branch or facility.

Insider Credit Transactions. Banks are also subject to certain restrictions imposed by the Federal Reserve Act on extensions of credit to executive officers, directors, principal shareholders, or any related interests of such persons. Extensions of credit must be made on substantially the same terms, including interest rates and collateral, and follow credit underwriting procedures that are not less stringent than those prevailing at the time for comparable transactions with persons not covered above and who are not employees. Also, such extensions of credit must not involve more than the normal risk of repayment or present other unfavorable features.

Federal Deposit Insurance Corporation Improvement Act. Under the Federal Deposit Insurance Corporation Improvement Act of 1991 (the FDICIA), each federal banking agency has prescribed, by regulation, noncapital safety and soundness standards for institutions under its authority. These standards cover internal controls, information systems, and internal audit systems, loan documentation, credit underwriting, interest rate exposure, asset growth, compensation, fees and benefits, such other operational and managerial standards as the agency determines to be appropriate, and standards for asset quality, earnings and stock valuation.

Interstate Banking and Branching. The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (the IBBEA) permits nationwide interstate banking and branching under certain circumstances. This legislation generally authorizes interstate branching and relaxes federal law restrictions on interstate banking. Currently, bank holding companies may purchase banks in any state, and states may not prohibit such purchases. Additionally, banks are permitted to merge with banks in other states as long as the home state of neither merging bank has opted out. The IBBEA requires regulators to consult with community organizations before permitting an interstate institution to close a branch in a low-income area. The IBBEA also prohibits the interstate acquisition of a bank if, as a result, the bank holding company would control more than ten percent of the total United States insured depository deposits or more than thirty percent, or the applicable state law limit, of deposits in the acquired bank s state. Under recent FDIC regulations, banks are prohibited from using their interstate branches primarily for deposit production. The FDIC has accordingly implemented a loan-to-deposit ratio screen to ensure compliance with this prohibition.

Florida has opted in to the IBBEA and allows in-state banks to merge with out-of-state banks subject to certain requirements. Florida law generally authorizes the acquisition of an in-state bank by an out-of-state bank by merger with a Florida financial institution that has been in existence for at least three years prior to the acquisition. With regard to interstate bank branching, out-of-state banks that do not already operate a branch in Florida may not establish de novo branches in Florida.

Deposit Insurance. The deposits of SunCoast Bank are currently insured to a maximum of $100,000 per depositor through a fund administered by the FDIC. All insured banks are required to pay semi-annual deposit insurance premium assessments to the FDIC.

Capital Adequacy

Federal bank regulatory agencies use capital adequacy guidelines in the examination and regulation of bank holding companies and banks. If capital falls below minimum guideline levels, the holding company or bank may be denied approval to acquire or establish additional banks or nonbank businesses or to open new facilities.

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The FDIC and Federal Reserve Board use risk-based capital guidelines for banks and bank holding companies. These are designed to make such capital requirements more sensitive to differences in risk profiles among banks and bank holding companies, to account for off-balance sheet exposure and to minimize disincentives for holding liquid assets. Assets and off-balance sheet items are assigned to broad risk categories, each with appropriate weights. The resulting capital ratios represent capital as a percentage of total risk-weighted assets and off-balance sheet items. The guidelines are minimums, and the Federal Reserve Board has noted that bank holding companies contemplating significant expansion programs should not allow expansion to diminish their capital ratios and should maintain ratios well in excess of the minimum. The current guidelines require all bank holding companies and federally-regulated banks to maintain a minimum risk-based total capital ratio equal to 8%, of which at least 4% must be Tier 1 capital. Tier 1 capital for bank holding companies includes common shareholders equity, certain qualifying perpetual preferred stock and minority interests in equity accounts of consolidated subsidiaries, less intangibles except as described above.

The FDIC and Federal Reserve Board also employ a leverage ratio, which is Tier 1 capital as a percentage of total assets less intangibles, to be used as a supplement to risk-based guidelines. The principal objective of the leverage ratio is to constrain the maximum degree to which a bank holding company or bank may leverage its equity capital base. A minimum leverage ratio of 3% is required for the most highly rated bank holding companies and banks. Other bank holding companies, banks and bank holding companies seeking to expand, however, are required to maintain minimum leverage ratios of at least 4% to 5%.

The FDICIA created a statutory framework of supervisory actions indexed to the capital level of the individual institution. Under regulations adopted by the FDIC and the Federal Reserve Board, an institution is assigned to one of five capital categories depending on its total risk-based capital ratio, Tier 1 risk-based capital ratio, and leverage ratio, together with certain subjective factors. Institutions which are deemed to be undercapitalized depending on the category to which they are assigned are subject to certain mandatory supervisory corrective actions.

Other Laws and Regulations

International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001. On October 26, 2001, the USA PATRIOT Act was enacted. It includes the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001 (the IMLAFA) and strong measures to prevent, detect and prosecute terrorism and international money laundering. As required by the IMLAFA, the federal banking agencies, in cooperation with the U.S. Treasury Department, established rules that generally apply to insured depository institutions and U.S. branches and agencies of foreign banks.

Among other things, the new rules require that financial institutions implement reasonable procedures to (1) verify the identity of any person opening an account; (2) maintain records of the information used to verify the person s identity; and (3) determine whether the person appears on any list of known or suspected terrorists or terrorist organizations. The rules also prohibit banks from establishing correspondent accounts with foreign shell banks with no physical presence and encourage cooperation among financial institutions, their regulators and law enforcement to share information regarding individuals, entities and organizations engaged in terrorist acts or money laundering activities. The rules also limit a financial institution s liability for submitting a report of suspicious activity and for voluntarily disclosing a possible violation of law to law enforcement.

Sarbanes-Oxley Act of 2002. The Sarbanes-Oxley Act of 2002 (the SOA) was enacted to address corporate and accounting fraud. It established a new accounting oversight board that enforces auditing standards and restricts the scope of services that accounting firms may provide to their public company audit clients. Among other things, it also (i) requires chief executive officers and chief financial officers to certify to the accuracy of periodic reports filed with the SEC; (ii) imposes new disclosure requirements regarding internal controls, off-balance-sheet transactions, and pro forma (non-GAAP) disclosures; (iii) accelerates the time frame

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for reporting of insider transactions and periodic disclosures by certain public companies; and (iv) requires companies to disclose whether or not they have adopted a code of ethics for senior financial officers and whether the audit committee includes at least one audit committee financial expert.