

SEACOAST BANKING CORP OF FLORIDA

Form S-4

June 06, 2014

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As filed with the Securities and Exchange Commission on June 6, 2014

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SEACOAST BANKING CORPORATION OF FLORIDA

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

6022
(Primary Standard Industrial
Classification Code Number)

59-2260678
(I.R.S. Employer
Identification No.)

815 Colorado Avenue

Stuart, Florida 34994

(772) 287-4000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Dennis S. Hudson, III

Chief Executive Officer

Seacoast Banking Corporation of Florida

815 Colorado Avenue

Stuart, Florida 34994

(772) 287-4000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Randolph A. Moore III

Alston & Bird LLP

One Atlantic Center

1201 W. Peachtree Street

Atlanta, Georgia 30309

Telephone: (404) 881-7000

Donald J. McGowan

The BANKshares, Inc.

1031 W. Morse Blvd., Suite 323

Winter Park, Florida 32789

Telephone: (407) 622-3181

John P. Greeley

Smith Mackinnon, PA

**255 South Orange Avenue, Suite
800**

Orlando, Florida 32801

Telephone: (407) 843-7300

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and all other conditions to the proposed merger described herein have been satisfied or waived.

If the securities being registered on this form are to be 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: "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer " Accelerated filer x
 Non-accelerated filer " (Do not check if a smaller reporting company) Smaller reporting company "

If applicable, please an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 14e-4(i) (Cross-Border Issuer Tender Offer) "

Exchange Act Rule 14d-1(d) (Cross-Border Third-party Tender Offer) "

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to Be Registered	Proposed	Proposed	Amount of Registration Fee ⁽²⁾
		Maximum Offering Price Per Unit	Maximum Aggregate Offering Price ⁽²⁾	
Common Stock \$.10 par value	7,086,041 shares ⁽¹⁾	Not applicable	\$148,842,464.10	\$19,170.91

(1) The maximum number of full shares issuable upon consummation of the transaction described herein. Pursuant to Rule 416, this registration statement also covers additional shares that may be issued as a result of stock splits,

stock dividends or similar transactions.

- (2) Computed in accordance with Rule 457(f)(2) solely for the purpose of calculating the registration fee and based upon \$10.45 (the book value as of March 31, 2014 of the 14,243,298 shares of BANKshares. Inc. common and preferred stock to be acquired).

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 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 preliminary joint proxy statement/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 joint proxy statement/prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JUNE 6, 2014

PRELIMINARY JOINT PROXY STATEMENT/PROSPECTUS

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

To the Shareholders of Seacoast Banking Corporation of Florida and The BANKshares, Inc.:

On April 24, 2014, Seacoast Banking Corporation of Florida, or Seacoast, Seacoast National Bank, or SNB, The BANKshares, Inc., or BANKshares, and BankFIRST, entered into an Agreement and Plan of Merger (which we refer to as the merger agreement) that provides for the combination of two holding companies. Under the merger agreement, BANKshares will merge with and into Seacoast, with Seacoast as the surviving corporation (which we refer to as the merger). Immediately following the merger, BankFIRST will merge with and into SNB, with SNB as the surviving bank (which we refer to as the bank merger and collectively, with the merger, the mergers). The mergers will create the sixth largest Florida-based bank by total assets with approximately \$3.0 billion. The combined franchise will also have \$2.3 billion of deposits and 46 branches.

In the merger, each share of BANKshares common stock and preferred stock (except for specified shares of BANKshares common stock held by BANKshares or Seacoast and any dissenting shares) will be converted into the right to receive 0.4975 shares of Seacoast common stock (which we refer to as the exchange ratio or the merger consideration). Although the number of shares of Seacoast common stock that BANKshares shareholders will receive is fixed, the market value of the merger consideration will fluctuate with the market price of Seacoast common stock and will not be known at the time BANKshares shareholders vote on the merger. Based on the closing price of Seacoast's common stock on the NASDAQ Global Select Market on [], 2014, the last practicable date before the date of this document, the value of the per share merger consideration payable to holders of BANKshares common stock and preferred stock was \$[]. **We urge you to obtain current market quotations for Seacoast (trading symbol SBCF) because the value of the per share merger consideration will fluctuate.**

Based on the current number of shares of BANKshares common stock and preferred stock outstanding and reserved for issuance under employee benefit plans, Seacoast expects to issue approximately 7,086,041 shares of common stock to BANKshares shareholders in the aggregate upon completion of the merger. Based on these numbers, upon completion of the merger, current BANKshares shareholders would own approximately []% of the common stock of Seacoast immediately following the merger. However, any increase or decrease in the number of shares of BANKshares common stock and preferred stock outstanding that occurs for any reason prior to the completion of the merger would cause the actual number of shares issued upon completion of the merger to change.

Seacoast and BANKshares will each hold a special meeting of their respective shareholders in connection with the merger. Holders of BANKshares common stock and preferred stock, voting as a separate class, will be asked to vote

to approve the merger agreement and related matters as described in this joint proxy statement/prospectus, and Seacoast shareholders will be asked to vote to approve the issuance of shares of Seacoast common stock to BANKshares shareholders in connection with the merger (which we refer to as the stock issuance). Both BANKshares and Seacoast shareholders will also be asked to approve the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the merger agreement and related matters and the approval of the stock issuance, respectively, as described in this joint proxy statement/prospectus.

The special meeting of BANKshares shareholders will be held on [], 2014 at [], [], at [] local time. The special meeting of Seacoast shareholders will be held on [], 2014 at [], at [] local time.

BANKshares board of directors has determined that the merger agreement and the transactions contemplated thereby, including the merger, are in the best interests of BANKshares and its shareholders,

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has approved the merger agreement and recommends that BANKshares shareholders vote **FOR** the proposal to approve the merger agreement and **FOR** the proposal to adjourn the BANKshares special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger agreement.

Seacoast's board of directors has determined that the merger agreement and the transactions contemplated thereby, including the merger and the stock issuance, are advisable and in the best interests of Seacoast and its shareholders, has approved the merger agreement and recommends that Seacoast shareholders vote **FOR** the proposal to approve the stock issuance and **FOR** the proposal to adjourn the Seacoast special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the stock issuance.

This document, which serves as a joint proxy statement for the special meetings of Seacoast and BANKshares shareholders and as a prospectus for the shares of Seacoast common stock to be issued in the merger to BANKshares shareholders, describes the special meeting of BANKshares, the special meeting of Seacoast, the merger, the documents related to the merger and other related matters. **Please carefully read this entire joint proxy statement/prospectus, including Risk Factors, beginning on page 18, for a discussion of the risks relating to the proposed merger.** You also can obtain information about Seacoast from documents that Seacoast has filed with the Securities and Exchange Commission.

If you have any questions concerning the merger, BANKshares shareholders should contact Thomas P. Abelmann, Chief Financial Officer, Secretary and Treasurer, 1031 W. Morse Blvd., Suite 323, Winter Park, Florida 32789 at (407) 622-3183, and Seacoast shareholders should please contact William R. Hahl, Chief Financial Officer, 815 Colorado Avenue, Stuart, Florida, 34994 at (772) 288-6085. We look forward to seeing you at the meetings.

Dennis S. Hudson, III

Donald J. McGowan

Chairman and Chief Executive Officer

President and Chief Executive Officer

Seacoast Banking Corporation of Florida

The BANKshares, Inc.

Neither the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, nor any state securities commission or any other bank regulatory agency has approved or disapproved the merger, the issuance of the Seacoast common stock to be issued in the merger or the other transactions described in this document or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either Seacoast or BANKshares, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this joint proxy statement/prospectus is [], 2014, and it is first being mailed or otherwise delivered to the shareholders of Seacoast and BANKshares on or about [], 2014.

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON [], 2014

To the Shareholders of Seacoast Banking Corporation of Florida:

Seacoast Banking Corporation of Florida, or Seacoast, will hold a special meeting of shareholders at [] a.m. local time, on [], 2014, at [], to consider and vote upon the following matters:

a proposal to issue shares of Seacoast common stock to shareholders of The BANKshares Inc., or BANKshares, in connection with the merger of BANKshares with and into Seacoast, which we refer to as the stock issuance, pursuant to the Agreement and Plan of Merger, dated April 24, 2014, by and among Seacoast, Seacoast National Bank, BANKshares and BankFIRST, or the merger agreement; and

a proposal to adjourn the Seacoast special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the stock issuance.

We have fixed the close of business on [], 2014 as the record date for the special meeting. Only Seacoast common shareholders of record at that time are entitled to notice of, and to vote at, the Seacoast special meeting, or any adjournment or postponement of the Seacoast special meeting. The approval of the stock issuance proposal requires the affirmative vote of holders of a majority of the Seacoast common stock represented in person or by proxy at the Seacoast special meeting, assuming a quorum is present.

Seacoast's board of directors has approved the merger agreement, has determined that the merger agreement and the transactions contemplated thereby, including the merger and the stock issuance, are advisable and in the best interests of Seacoast and its shareholders, and recommends that Seacoast shareholders vote FOR the proposal to approve the stock issuance and FOR the proposal to adjourn the Seacoast special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the stock issuance.

Your vote is very important. We cannot complete the merger unless Seacoast's common shareholders approve the stock issuance.

Regardless of whether you plan to attend the Seacoast special meeting, please vote as soon as possible. If you hold stock in your name as a shareholder of record, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope or follow the telephone or Internet voting procedures described on the proxy card. If you hold your stock in street name through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.

The enclosed joint proxy statement/prospectus provides a detailed description of the special meeting, the merger, the documents related to the merger, including the merger agreement, and other related matters. We urge you to read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its appendices carefully and in their entirety. If you have any questions concerning the merger or the joint proxy statement/prospectus, would like additional copies of the joint proxy statement/prospectus or need help

voting your shares of Seacoast common stock, please contact William R. Hahl, Chief Financial Officer, at (772) 288-6085.

BY ORDER OF THE BOARD OF DIRECTORS,

Dennis S. Hudson, III

Chairman & Chief Executive Officer

Stuart, Florida

, 2014

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON [], 2014

To the Shareholders of The BANKshares, Inc.:

The BANKshares, Inc. will hold a special meeting of shareholders at [] p.m. local time, on [], 2014, at [] to consider and vote upon the following matters:

a proposal to approve the Agreement and Plan of Merger, dated as of April 24, 2014, by and among Seacoast Banking Corporation of Florida, Seacoast National Bank, The BANKshares, Inc. and BankFIRST, pursuant to which BANKshares will merge with and into Seacoast Banking Corporation of Florida, as more fully described in the attached joint proxy statement/prospectus; and

a proposal to adjourn the BANKshares special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger agreement.

We have fixed the close of business on [], 2014 as the record date for the BANKshares special meeting. Only holders of record of BANKshares common stock and BANKshares preferred stock at that time are entitled to notice of, and to vote as a separate class at, the BANKshares special meeting, or any adjournment or postponement of the BANKshares special meeting. In order for the merger to be approved, at least a majority of the outstanding shares of BANKshares common stock and BANKshares preferred stock, voting as a separate class, must be voted in favor of the proposal to approve the merger agreement.

BANKshares shareholders have appraisal rights under Florida state law entitling them to obtain payment in cash for the fair value of their shares, provided they comply with each of the requirements under Florida law, including not voting in favor of the merger agreement and providing notice to BANKshares. For more information regarding appraisal rights, please see *The Merger Appraisal Rights for BANKshares Shareholders* beginning on page [].

Your vote is very important. We cannot complete the merger unless BANKshares common and preferred shareholders, voting as a separate class, approve the merger agreement.

Regardless of whether you plan to attend the BANKshares special meeting, please vote as soon as possible. If you hold stock in your name as a shareholder of record, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope as described on the proxy card. If you hold your stock in street name through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.

The enclosed joint proxy statement/prospectus provides a detailed description of the special meeting, the merger, the documents related to the merger, including the merger agreement, and other related matters. We urge you to read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its appendices carefully and in their entirety. If you have any questions concerning the merger or the joint proxy statement/prospectus, would like additional copies of the joint proxy statement/prospectus or need help voting your shares of BANKshares common or preferred stock, please contact Thomas P. Abelmann, Chief Financial Officer, Secretary and Treasurer, at (407) 622-3183.

BANKshares board of directors has approved the merger and the merger agreement and recommends that BANKshares shareholders vote FOR the proposal to approve the merger agreement and FOR the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger agreement.

By Order of the Board of Directors,

Donald J. McGowan

President and Chief Executive Officer

Winter Park, Florida

, 2014

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WHERE YOU CAN FIND MORE INFORMATION

Seacoast Banking Corporation of Florida

Seacoast files annual, quarterly, current and special reports, proxy statements and other business and financial information with the Securities and Exchange Commission (the SEC). You may read and copy any materials that Seacoast files with the SEC at its Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Please call the SEC at (800) SEC-0330 ((800) 732-0330) for further information on the public reference room. In addition, Seacoast files reports and other business and financial information with the SEC electronically, and the SEC maintains a website located at <http://www.sec.gov> containing this information. You will also be able to obtain these documents, free of charge, from Seacoast by accessing Seacoast's website at www.seacoastbanking.com. Copies can also be obtained, free of charge, by directing a written request to:

Seacoast Banking Corporation of Florida

815 Colorado Avenue

P.O. Box 9012

Stuart, Florida 34994

Attn: Investor Relations

Telephone: (772) 288-6085

Seacoast has filed a Registration Statement on Form S-4 to register with the SEC up to 7,086,041 shares of Seacoast common stock to be issued pursuant to the merger. This joint proxy statement/prospectus is a part of that Registration Statement on Form S-4. As permitted by SEC rules, this joint proxy statement/prospectus does not contain all of the information included in the Registration Statement on Form S-4 or in the exhibits or schedules to the Registration Statement on Form S-4. You may read and copy the Registration Statement on Form S-4, including any amendments, schedules and exhibits, at the SEC's public reference room at the address set forth above. The Registration Statement on Form S-4, including any amendments, schedules and exhibits, is also available, free of charge, by accessing the websites of the SEC and Seacoast or upon written request to Seacoast at the address set forth above.

Statements contained in this joint proxy statement/prospectus as to the contents of any contract or other documents referred to in this joint proxy statement/prospectus are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the Registration Statement on Form S-4. This joint proxy statement/prospectus incorporates important business and financial information about Seacoast that is not included in or delivered with this document, including incorporating by reference documents that Seacoast has previously filed with the SEC. These documents contain important information about Seacoast and its financial condition. See Documents Incorporated by Reference beginning on page []. These documents are available free of charge upon written request to Seacoast at the address listed above.

To obtain timely delivery of these documents, you must request them no later than [], 2014 in order to receive them before the special meeting of shareholders.

Except where the context otherwise specifically indicates, Seacoast supplied all information contained in, or incorporated by reference into, this joint proxy statement/prospectus relating to Seacoast, and BANKshares supplied

all information contained in this joint proxy statement/prospectus relating to BANKshares.

The BANKshares, Inc.

BANKshares does not have a class of securities registered under Section 12 of the Securities Exchange Act of 1934 (the Exchange Act), is not subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, and accordingly does not file documents and reports with the SEC.

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If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of BANKshares common and/or preferred stock, please contact BANKshares at:

The BANKshares, Inc.

1031 W. Morse Blvd., Suite 323

Winter Park, Florida 32789

Attention: Corporate Secretary

Telephone: (407) 622-3183

You should rely only on the information contained in, or incorporated by reference into, this joint proxy statement/prospectus. No one has been authorized to give any information or make any representation about the merger or Seacoast or BANKshares that differs from, or adds to, the information in this joint proxy statement/prospectus or in documents that are incorporated by reference herein and publicly filed with the Securities and Exchange Commission. Therefore, if anyone does give you different or additional information, you should not rely on it. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than the date of this joint proxy statement/prospectus, and you should not assume that any information incorporated by reference into this document is accurate as of any date other than the date of such other document, and neither the mailing of this joint proxy statement/prospectus to Seacoast shareholders or BANKshares shareholders nor the issuance of Seacoast common stock in the merger shall create any implication to the contrary.

This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this proxy statement/prospectus, or the solicitation of a proxy, in any jurisdiction to or from any person to whom or from whom it is unlawful to make such offer, solicitation of an offer or proxy solicitation in such jurisdiction.

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RIGHTS OF SHAREHOLDERS

BANKSHARES

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DESCRIPTION OF SEACOAST CAPITAL STOCK

SHAREHOLDERS

SHAREHOLDERS

INFORMATION INCORPORATED BY REFERENCE

PRO FORMA COMBINED CONSOLIDATED FINANCIAL INFORMATION

BANKSHARES CONSOLIDATED FINANCIAL STATEMENTS

:

Agreement and Plan of Merger

Opinion of Hovde Group, LLC

Opinion of Guggenheim Securities, LLC

Provisions of Florida Business Corporation Act Relating to Appraisal Rights

We have not been authorized to give any information or make any representation about the merger of Seacoast Banking Corporation of Florida or BANKshares, Inc. that differs from, or adds to, the information in this joint proxy statement/prospectus or in documents that are publicly filed with the Securities Exchange Commission. Therefore, if anyone does give you different or additional information, you should not rely on it.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS

The following are answers to certain questions that you may have regarding the special meetings. The parties urge you to read carefully the remainder of this document because the information in this section may not provide all the information that might be important to you in determining how to vote. Additional important information is also contained in the appendices to, and the documents incorporated by reference in, this document. In this joint proxy statement/prospectus we refer to Seacoast Banking Corporation of Florida as Seacoast, Seacoast National Bank as SNB, and The BANKshares, Inc. as BANKshares.

Q: Why am I receiving this joint proxy statement/prospectus?

A: Seacoast, SNB, BANKshares, and BankFIRST have entered into an Agreement and Plan of Merger, dated as of April 24, 2014 (which we refer to as the merger agreement) pursuant to which BANKshares will be merged with and into Seacoast, with Seacoast continuing as the surviving company. Immediately following the merger, BankFIRST, a wholly owned bank subsidiary of BANKshares, will merge with and into Seacoast's wholly owned bank subsidiary, SNB, with Seacoast's bank subsidiary continuing as the surviving bank and using the name Seacoast National Bank (the bank merger). A copy of the merger agreement is included in this joint proxy statement/prospectus as Appendix A.

The merger cannot be completed unless, among other things:

a majority of Seacoast's common stock represented in person or by proxy at the Seacoast special meeting vote in favor of the proposal to approve the issuance of shares of Seacoast common stock to BANKshares shareholders in connection with the merger (which we refer to as the stock issuance); and

a majority of the outstanding shares of BANKshares' common stock and preferred stock, voting as a separate class, vote in favor of the proposal to approve the merger agreement.

In addition, both Seacoast and BANKshares are soliciting proxies from its shareholders with respect to proposals to adjourn the Seacoast and BANKshares special meetings, as applicable, and if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the stock issuance or merger agreement, as applicable, if there are insufficient votes at the time of such adjournment to approve such proposals.

Each of Seacoast and BANKshares will hold separate special meetings to obtain these approvals. This joint proxy statement/prospectus contains important information about the merger and the other proposals being voted on at the special meetings, and you should read it carefully. It is a joint proxy statement because both the Seacoast and BANKshares boards of directors are soliciting proxies from their respective shareholders. It is a prospectus because Seacoast will issue shares of Seacoast common stock to holders of BANKshares common and preferred stock in connection with the merger. The enclosed materials allow you to have your shares voted by proxy without attending your respective meeting. Your vote is important. We encourage you to submit your proxy as soon as possible.

Q: Why do Seacoast and BANKshares want to merge?

A: We believe the combination of Seacoast and BANKshares will create one of the leading community banking franchises in the state of Florida. Each of the Seacoast and BANKshares boards of directors has determined that the merger is fair to, and in the best interest of, its respective shareholders, and recommends that its shareholders vote for their respective proposals. You should review the reasons for the merger described in greater detail under The Merger BANKshares Reasons for the Merger and Recommendations of the Board of Directors of BANKshares and The Merger Seacoast s Reasons for the Merger and Recommendations of the Board of Directors of Seacoast.

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Q: What will I receive in the merger?

A: *Seacoast shareholders:* If the merger is completed, Seacoast shareholders will not receive any merger consideration and will continue to hold the shares of Seacoast common stock that they currently hold. Following the merger, shares of Seacoast common stock will continue to be traded on the NASDAQ Global Select Market under the symbol SBCF.

BANKshares shareholders: If the merger is completed, you will receive 0.4975 of a share of Seacoast common stock, which we refer to as the exchange ratio, for each share of BANKshares common and preferred stock that you hold immediately prior to the merger. Seacoast will not issue any fractional shares of Seacoast common stock in the merger. Rather, BANKshares shareholders who would otherwise be entitled to a fractional share of Seacoast common stock upon the completion of the merger will instead receive an amount in cash equal to such fractional part of a share of Seacoast common stock multiplied by the average closing price per share of Seacoast common stock on the Nasdaq Global Select Market for the 5 trading day period ending on the trading day preceding the date of the closing of the merger.

Q: Will the value of the merger consideration change between the date of this joint proxy statement/prospectus and the time the merger is completed?

A: Yes, the value of the merger consideration will fluctuate between the date of this joint proxy statement/prospectus and the completion of the merger based upon the market value of Seacoast common stock. In the merger, BANKshares shareholders will receive a fraction of a share of Seacoast common stock for each share of BANKshares common and preferred stock they hold. Any fluctuation in the market price of Seacoast common stock after the date of this joint proxy statement/prospectus will change the value of the shares of Seacoast common stock that BANKshares shareholders will receive.

Q: How does BANKshares board of directors recommend that I vote at the special meeting?

A: BANKshares board of directors recommends that you vote FOR the proposal to approve the merger agreement and FOR the adjournment proposal.

Q: How does Seacoast's board of directors recommend that I vote at the special meeting?

A: Seacoast's board of directors recommends that you vote FOR the proposal to approve the issuance of Seacoast common stock as the merger consideration and FOR the adjournment proposal.

Q: When and where are the special meetings?

A: The Seacoast special meeting will be held at [], on [], 2014, at [] a.m. local time.

The BANKshares special meeting will be held at [], [], on [], 2014, at [] p.m. local time.

Q: Who can vote at the special meetings of shareholders?

A: *Seacoast Special Meeting.* Holders of shares of Seacoast common stock at the close of business on [], 2014, which is the date that the Seacoast board of directors has fixed as the record date for the Seacoast special meeting, are entitled to vote at the special meeting.

BANKshares Special Meeting. Holders of record of BANKshares common stock and preferred stock at the close of business on [], 2014, which is the date that the BANKshares board of directors has fixed as the record date for the BANKshares special meeting, are entitled to vote at the special meeting.

Q: What do I need to do now?

A: After you have carefully read this joint proxy statement/prospectus and have decided how you wish to vote your shares, please vote your shares promptly so that your shares are represented and voted at the special

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meeting. If you hold your shares in your name as a shareholder of record, you must complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope, or follow the telephone or Internet voting procedures described on the proxy card in the case of holders of Seacoast common stock, as soon as possible. If you hold your shares in street name through a bank or broker, you must direct your bank or broker how to vote in accordance with the instructions you have received from your bank or broker. Street name shareholders who wish to vote in person at the special meeting will need to obtain a proxy form from the institution that holds their shares.

Q: What constitutes a quorum for the Seacoast special meeting?

A: The presence at the Seacoast special meeting, in person or by proxy, of holders of a majority of the outstanding shares of Seacoast common stock entitled to vote at the special meeting will constitute a quorum for the transaction of business. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

Q: What constitutes a quorum for the BANKshares special meeting?

A: The presence at the BANKshares special meeting, in person or by proxy, of holders of a majority of the outstanding shares of BANKshares common stock and preferred stock will constitute a quorum for the transaction of business. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

Q: What is the vote required to approve each proposal?

A: *Seacoast special meeting:* Approval of the stock issuance and adjournment proposals requires the affirmative vote of a majority of votes cast at the special meeting, in person or by proxy, of the shares of Seacoast common stock entitled to vote as of the close of business on [], 2014, the record date for the Seacoast special meeting, assuming a quorum is present. If you (1) fail to submit a proxy or vote in person at the Seacoast special meeting, (2) mark ABSTAIN on your proxy proposal or (3) fail to instruct your bank or broker how to vote with respect to the stock issuance proposal or the adjournment proposal, it will have no effect on both proposals.

BANKshares special meeting: Approval of the merger agreement requires the affirmative vote of at least a majority of all the outstanding shares of common stock and preferred stock, voting separately as a class, and entitled to vote on the merger agreement as of the close of business on [], 2014, the record date for the special meeting. If you (1) fail to submit a proxy or vote in person at the BANKshares special meeting, (2) mark ABSTAIN on your proxy or (3) fail to instruct your bank or broker how to vote with respect to the proposal to approve the merger agreement, it will have the same effect as a vote AGAINST the proposal and no effect on the adjournment proposal. Approval of the adjournment proposal requires the affirmative vote of a majority of the shares of BANKshares common and preferred stock represented in person or by proxy at the special meeting and entitled to vote thereon.

Q: Why is my vote important?

A: If you do not submit a proxy or vote in person, it may be more difficult for Seacoast or BANKshares to obtain the necessary quorum to hold their special meetings. In addition, if you are a BANKshares shareholder, your failure to submit a proxy or vote in person, or failure to instruct your bank or broker how to vote, or abstention will have the same effect as a vote against approval of the merger agreement. The merger agreement must be approved by the affirmative vote of at least a majority of the outstanding shares of BANKshares common stock and preferred stock, voting as a separate class and entitled to vote on the merger agreement. BANKshares board of directors recommends that you vote FOR the proposal to approve the merger agreement.

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

A: No. Your bank or broker cannot vote your shares without instructions from you. You should instruct your bank or broker how to vote your shares in accordance with the instructions provided to you. Please check the voting form used by your bank or broker.

Q: What if I abstain from voting or fail to instruct my bank or broker?

A: *Seacoast shareholders:* If you (1) mark ABSTAIN on your proxy with respect to the stock issuance proposal, (2) fail to submit a proxy or vote in person at the Seacoast special meeting or (3) fail to instruct your bank or broker how to vote with respect to the stock issuance proposal or the adjournment proposal, it will have no effect on the proposals.

BANKshares shareholders: If you (1) fail to submit a proxy or vote in person at the BANKshares special meeting, (2) mark ABSTAIN on your proxy or (3) fail to instruct your bank or broker how to vote with respect to the proposal to approve the merger agreement, it will have the same effect as a vote AGAINST the proposal. If you fail to submit a proxy or vote in person at the BANKshares special meeting or fail to instruct your bank or broker how to vote or mark ABSTAIN on your proxy with respect to the adjournment proposal, it will have no effect on such proposal.

Q: How will my shares of stock held in Seacoast's Retirement Savings Plan or Employee Stock Purchase Plan be voted?

A: If you are a participant in Seacoast's Retirement Savings Plan or Employee Stock Purchase Plan, your voting instructions must be received by [], 2014 (the cut-off date) to be counted. When your voting instructions are received by the cut-off date, your shares in these plans will be voted as directed by you. For the shares in your account in Seacoast's Retirement Savings Plan, if you do not submit your voting instructions by following the instructions on the proxy card, then the trustee of the Retirement Savings Plan will vote, or not vote, in its sole discretion, the shares of common stock in your account. For shares held in your account in the Employee Stock Purchase Plan, your shares will not be voted if you do not give voting instructions as to such shares by proxy.

Q: How will my shares of common stock held in Seacoast's Dividend Reinvestment and Stock Purchase Plan be voted?

A: If you are a participant in Seacoast's Dividend Reinvestment and Stock Purchase Plan, follow the instructions on the proxy card to provide voting instructions to the trustee. Shares held in your plan account will be combined and voted at the special meeting in the same manner in which you voted those shares registered in your own name either by proxy or in person.

Q: Can I attend the special meeting and vote my shares in person?

A: Yes. All shareholders of Seacoast and BANKshares, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend their respective special meetings. Holders of record of Seacoast common stock and holders of record of BANKshares common and preferred stock can vote in person at the Seacoast special meeting and BANKshares special meeting, respectively. If you are not a shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meetings. If you plan to attend your special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. Seacoast and BANKshares reserve the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the Seacoast or BANKshares special meeting is prohibited without Seacoast's or BANKshares' express written consent, respectively.

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Q: Can I change my vote?

A: *Seacoast shareholders:* Yes. If you are a holder of record of Seacoast common stock, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) timely submitting another proxy via the telephone or Internet, (3) delivering a written revocation letter to Seacoast's corporate secretary or (4) attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting. Attendance at the special meeting will not automatically revoke your proxy. A revocation or later-dated proxy received by Seacoast after the vote will not affect the vote. Seacoast's corporate secretary's mailing address is: 815 Colorado Avenue, P.O. Box 9012, Stuart, Florida 34995, Attention: Corporate Secretary. If you hold your shares in street name through a bank or broker, you should contact your bank or broker to revoke your proxy.

BANKshares shareholders: Yes. If you are a holder of record of BANKshares common or preferred stock, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to BANKshares' corporate secretary or (3) attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting. Attendance at the special meeting will not automatically revoke your proxy. A revocation or later-dated proxy received by BANKshares after the vote will not affect the vote. BANKshares' corporate secretary's mailing address is: 1031 W. Morse Boulevard, Suite 323, Winter Park, Florida 32789. If you hold your shares in street name through a bank or broker, you should contact your bank or broker to revoke your proxy.

Q: What are the U.S. federal income tax consequences of the merger to BANKshares shareholders?

A: The merger is intended to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, and accordingly holders of BANKshares common stock and preferred stock are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of BANKshares common and preferred stock for shares of Seacoast common stock in the merger, except to the extent of any cash received in lieu of any fractional shares of Seacoast common stock.

For further information, see *The Merger* Material U.S. Federal Income Tax Consequences of the Merger.

The U.S. federal income tax consequences described above may not apply to all holders of BANKshares common stock and preferred stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your own tax advisor to determine the particular tax consequences of the merger to you.

Q: Are BANKshares shareholders entitled to appraisal rights?

A: Yes. If a BANKshares shareholder wants to exercise appraisal rights and receive the fair value of shares of BANKshares common stock and preferred stock in cash instead of the merger consideration, then you must file a written objection with BANKshares prior to the special meeting stating, among other things, that you will exercise your right to dissent if the merger is completed. Also, you may not vote in favor of the merger agreement

and must follow other procedures, both before and after the special meeting, as described in Appendix D to this joint proxy statement/prospectus. Note that if you return a signed proxy card without voting instructions or with instructions to vote **FOR** the merger agreement, then your shares will automatically be voted in favor of the merger agreement and you will lose all appraisal rights available under Florida law. A summary of these provisions can be found under **The Merger Appraisal Rights for BANKshares Shareholders** beginning on page [] and detailed information about the special meeting can be found under **Information About the BANKshares Special Meeting** on page []. Due to the complexity of the procedures for exercising the right to seek appraisal, BANKshares shareholders who are considering exercising such rights are encouraged to seek the advice of legal counsel. Failure to strictly comply with the applicable Florida law provisions will result in the loss of the right of appraisal.

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Q: If I am a BANKshares shareholder, should I send in my BANKshares stock certificates now?

A: No. Please do not send in your BANKshares stock certificates with your proxy. After the merger, Seacoast's exchange agent, Continental Stock Transfer and Trust Company, will send you instructions for exchanging BANKshares stock certificates for the merger consideration. See The Merger Agreement Exchange of Stock Certificates.

Q: What should I do if I hold my shares of BANKshares stock in book-entry form?

A: You are not required to take any specific actions if your shares of BANKshares stock are held in book-entry form. After the completion of the merger, shares of BANKshares stock held in book-entry form automatically will be exchanged for the merger consideration, including shares of Seacoast common stock in book-entry form and any cash to be paid in exchange for fractional shares in the merger.

Q: Whom may I contact if I cannot locate my BANKshares stock certificate(s)?

A: If you are unable to locate your original BANKshares stock certificate(s), you should contact Registrar and Transfer Company, Attn: Lost Certificate Department at 10 Commerce Drive, Cranford, NJ 07016, or at (800) 368-5948.

Q: When do you expect to complete the merger?

A: Seacoast and BANKshares expect to complete the merger in the fourth quarter of 2014. However, neither Seacoast nor BANKshares can assure you when or if the merger will occur. Seacoast and BANKshares must first obtain the approval of Seacoast shareholders for the stock issuance and BANKshares shareholders for the merger, respectively, as well as the necessary regulatory approvals.

Q: Whom should I call with questions?

A: *Seacoast shareholders:* If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of Seacoast common stock, please contact: William R. Hahl, Chief Financial Officer, 815 Colorado Avenue, Stuart, Florida 34994 (772) 288-6085.

BANKshares shareholders: If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of BANKshares common or preferred stock, please contact: Thomas P. Abelmann, Chief Financial Officer, Secretary and Treasurer, 1031 West Morse Blvd., Suite 323, Winter Park, FL 32789 (407) 622-3183.

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SUMMARY

*The following summary highlights selected information from this joint proxy statement/prospectus. It does not contain all of the information that is important to you. Each item in this summary refers to the page where that subject is discussed in more detail. You should carefully read the entire joint proxy statement/prospectus and the other documents to which we refer to understand fully the merger. See *Where You Can Find More Information* on how to obtain copies of those documents. In addition, the merger agreement is attached as Appendix A to this joint proxy statement/prospectus. The BANKshares, Inc. (*BANKshares*) and Seacoast Banking Corporation of Florida (*Seacoast*) encourage you to read the merger agreement because it is the legal document that governs the merger.*

*Unless the context otherwise requires throughout this document, *Seacoast* refers to Seacoast Banking Corporation of Florida, *BANKshares* refers to The BANKshares, Inc. and *we*, and *our* refer collectively to Seacoast and BANKshares. The parties refer to the proposed merger of BANKshares with and into Seacoast as the *merger*, the merger of BankFIRST with and into Seacoast National Bank, or *SNB*, as the *bank merger*, and the Agreement and Plan of Merger dated April 24, 2014 by and among Seacoast, BANKshares, BankFIRST and SNB as the *merger agreement*.*

Information Regarding Seacoast and BANKshares

Seacoast Banking Corporation of Florida

815 Colorado Avenue

Stuart, Florida 34994

(772) 288-6085

Seacoast is a bank holding company, incorporated in Florida in 1983, and registered under the Bank Holding Company Act of 1956, as amended, or the BHC Act. Seacoast's principal subsidiary is Seacoast National Bank, a national banking association. SNB commenced its operations in 1933 and operated as First National Bank & Trust Company of the Treasure Coast prior to 2006 when it changed its name to Seacoast National Bank.

Seacoast and its subsidiaries offer a full array of deposit accounts and retail banking services, engage in consumer and commercial lending and provide a wide variety of trust and asset management services, as well as securities and annuity products to its customers. SNB had 34 banking offices in 12 counties in Florida at year-end 2013. It has 21 branches in the Treasure Coast of Florida, including the counties of Martin, St. Lucie and Indian River on Florida's southeastern coast. During 2013, Seacoast expanded its footprint by strategically opening five new loan production offices in the larger metropolitan markets it serves, more specifically, three in Orlando, one in Boca Raton, and one in Ft. Lauderdale, Florida.

Seacoast is one of the largest community banks headquartered in Florida with approximately \$2.3 billion in assets and \$1.8 billion in deposits as of March 31, 2014.

The BANKshares, Inc.

1031 West Morse Boulevard, Suite 323

Winter Park, Florida 32789

Telephone: (407) 622-3183

BANKshares, headquartered in Winter Park, Florida and which operates BankFIRST, was founded in 1989 and has successfully executed a relationship-based business strategy resulting in a solid deposit franchise and an attractive commercial loan production network. Approximately 80% of BankFIRST's total deposits consist of

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low cost core deposit accounts, with approximately 39% of total deposits in noninterest bearing demand deposits. BANKshares subsidiary bank, BankFIRST, has 12 office locations in central and east central Florida and over \$674 million in assets as of March 31, 2014.

The Merger (see page [])

The terms and conditions of the merger are contained in the merger agreement, a copy of which is included as Appendix A to this joint proxy statement/prospectus and is incorporated by reference herein. You should read the merger agreement carefully and in its entirety, as it is the legal document governing the merger.

In the merger, BANKshares will merge with and into Seacoast, with Seacoast as the surviving company in the merger. Immediately following the merger of BANKshares into Seacoast, BankFIRST will merge with and into SNB, with SNB as the surviving bank of such merger.

Closing and Effective Time of the Merger (see page [])

The closing date is currently expected to occur in the fourth quarter of 2014. Simultaneously with the closing of the merger, Seacoast will file articles of merger with the Secretary of State of the State of Florida. The merger will become effective at such time as the articles of merger are filed or such other time as may be specified in the articles of merger. Neither Seacoast nor BANKshares can predict, however, the actual date on which the merger will be completed because it is subject to factors beyond each company's control, including whether or when the required regulatory approvals and the parties' respective shareholders' approvals will be received.

Merger Consideration (see page [])

Under the terms of the merger agreement, each share of BANKshares common and preferred stock outstanding immediately prior to the effective time of the merger (excluding certain shares held by Seacoast, BANKshares and their wholly-owned subsidiaries and dissenting shares described below) will be converted into the right to receive 0.4975 shares of Seacoast common stock. For each fractional share that would otherwise be issued, Seacoast will pay cash in an amount equal to such fractional part of a share of Seacoast common stock multiplied by the average closing price per share of Seacoast common stock on the Nasdaq Global Select Market for the 5 trading day period ending on the trading day preceding the date of the closing of the merger. No interest will be paid or accrue on cash payable to holders in lieu of fractional shares.

The value of the shares of Seacoast common stock to be issued in the merger will fluctuate between now and the closing date of the merger. Based on the closing price of Seacoast common stock on April 24, 2014, the date of the signing of the merger agreement, the value of the per share merger consideration payable to BANKshares shareholders was approximately \$5.34. Based on the closing price of Seacoast common stock on [], 2014, the last practicable date before the date of this document, the value of the per share merger consideration payable to BANKshares shareholders was approximately \$[]. BANKshares shareholders should obtain current sale prices for Seacoast common stock, which is traded on the Nasdaq Global Select Market under the symbol SBCF.

Equivalent BANKshares Per Share Value (see page [])

Seacoast common stock trades on the Nasdaq Global Select Market under the symbol SBCF. Neither BANKshares common stock nor preferred stock is listed or traded on any established securities exchange or quotation system. Accordingly, there is no established public trading market for the BANKshares common or preferred stock. The following table presents the closing price of Seacoast common stock on April 24, 2014, the date of the public

announcement of the merger agreement, and [], 2014, the last practicable trading day prior to the printing of this joint proxy statement/prospectus. The table also presents the equivalent value of the

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merger consideration per share of BANKshares common stock and preferred stock on those dates, calculated by multiplying the closing sales price of Seacoast common stock on those dates by the exchange ratio of 0.4975.

Date	Seacoast closing sale price	Equivalent BANKshares per share value
April 24, 2014	\$ 10.74	\$ 5.34
[], 2014	\$ []	\$ []

The value of the shares of Seacoast common stock to be issued in the merger will fluctuate between now and the closing date of the merger. BANKshares shareholders should obtain current sale prices for the Seacoast common stock.

Exchange of Stock Certificates (see page [])

Promptly after the effective time of the merger, Seacoast's exchange agent, Continental Stock Transfer and Trust Company, will mail to each holder of record of BANKshares common and preferred stock that is converted into the right to receive the merger consideration a letter of transmittal and instructions for the surrender of the holder's BANKshares stock certificate(s) for the merger consideration (including cash in lieu of any fractional Seacoast shares) and any dividends or distributions to which such holder is entitled to pursuant to the merger agreement.

Please do not send in your certificate until you receive these instructions.

Material U.S. Federal Income Tax Consequences of the Merger (see page [])

The merger is expected to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code, and accordingly holders of BANKshares common and preferred stock are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of BANKshares common stock and preferred stock for shares of Seacoast common stock in the merger, except to the extent of cash received in lieu of any fractional shares of Seacoast common stock.

The U.S. federal income tax consequences described above may not apply to all BANKshares shareholders. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your own tax advisor to determine the particular tax consequences of the merger to you.

Appraisal Rights (see page [] and Appendix D)

Under Florida law, BANKshares shareholders have the right to dissent from the merger and receive a cash payment equal to the fair value of their shares of BANKshares stock instead of receiving the merger consideration. To exercise appraisal rights, BANKshares shareholders must strictly follow the procedures established by Sections 607.1301 through 607.1333 of the Florida Business Corporation Act, or the FBCA, which include filing a written objection with BANKshares prior to the special meeting stating, among other things, that the shareholder will exercise his or her right to dissent if the merger is completed, and not voting for approval of the merger agreement. A shareholder's failure to vote against the merger agreement will not constitute a waiver of such shareholder's dissenters' rights.

Opinion of BANKshares's Financial Advisor (see page [] and Appendix B)

Hovde Group, LLC (Hovde) has delivered a written opinion to the board of directors of BANKshares that, as of the date of the merger agreement, based upon and subject to certain matters stated in the opinion, the

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exchange ratio in connection with the merger is fair to the holders of BANKshares common stock and preferred stock from a financial point of view. We have attached this opinion to this joint proxy statement/prospectus as Appendix B. The opinion of Hovde is not a recommendation to any BANKshares shareholder as to how to vote on the proposal to approve the merger agreement. You should read this opinion completely to understand the procedures followed, matters considered and limitations and qualifications on the reviews undertaken by Hovde in providing its opinion

For further information, please see the section entitled "The Merger - Opinion of BANKshares - Financial Advisor" beginning on page [].

Opinion of Seacoast's Financial Advisor (see page [] and Appendix C)

Guggenheim Securities, LLC ("Guggenheim Securities") delivered its opinion to the board of directors of Seacoast to the effect that, as of April 21, 2014 and based on the matters considered, the procedures followed, the assumptions made and various limitations of and qualifications to the review undertaken, the exchange ratio in the merger was fair, from a financial point of view, to Seacoast. The full text of Guggenheim Securities' written opinion, which is attached as Appendix C to this joint proxy statement/prospectus and which you should read carefully and in its entirety, is subject to the assumptions, limitations, qualifications and other conditions contained in such opinion and is necessarily based on economic, capital markets and other conditions, and the information made available to Guggenheim Securities, as of the date of such opinion.

Guggenheim Securities' opinion was provided to Seacoast's board of directors (in its capacity as such) for its information and assistance in connection with its evaluation of the exchange ratio, did not constitute a recommendation to Seacoast's board of directors with respect to the merger, nor does it or any materials provided in connection therewith constitute advice or a recommendation to any holder of Seacoast common stock as to how to vote in the merger or otherwise. Guggenheim Securities' opinion addresses only the fairness, from a financial point of view, of the exchange ratio to Seacoast in connection with the merger and does not address any other term or aspect of the merger agreement, the merger or any other agreement, transaction document or instrument contemplated by the merger agreement or to be entered into or amended in connection with the merger or any financing or other transactions related thereto.

For further information, please see the section entitled "The Merger - Opinion of Seacoast's Financial Advisor" beginning on page [].

Recommendation of the Seacoast Board of Directors (see page [])

After careful consideration, the Seacoast board of directors recommends that Seacoast shareholders vote **FOR** the approval of the Seacoast share issuance proposal and the approval of the adjournment proposal described in this document. Each of the directors of Seacoast has entered into a support agreement with BANKshares, pursuant to which each has agreed to vote **FOR** the Seacoast share issuance proposal and any other matter required to be approved by the shareholders of Seacoast to facilitate the transactions contemplated by the merger agreement, subject to the terms of the support agreements.

For more information regarding the support agreements, please see the section entitled "Information About the Seacoast Special Meeting - Shares Subject to Support Agreements; Shares Held by Directors and Executive Officers."

For a more complete description of Seacoast's reasons for the merger and the recommendations of the Seacoast board of directors, please see the section entitled "The Merger - Seacoast's Reasons for the Merger and Recommendations of the Board of Directors of Seacoast" beginning on page [].

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Recommendation of the BANKshares Board of Directors (see page [])

After careful consideration, the BANKshares board of directors recommends that BANKshares shareholders vote **FOR** the approval of the merger agreement and the approval of the adjournment proposal described in this document. Each of the directors of BANKshares has entered into a support agreement with Seacoast pursuant to which each has agreed to vote **FOR** the approval of the merger agreement and any other matter required to be approved by the shareholders of BANKshares to facilitate the transactions contemplated by the merger agreement, subject to the terms of the support agreements.

For more information regarding the support agreements, please see the section entitled Information About the BANKshares Special Meeting Shares Subject to Support Agreements; Shares Held by Directors and Executive Officers.

For a more complete description of BANKshares reasons for the merger and the recommendations of the BANKshares board of directors, please see the section entitled The Merger BANKshares s Reasons for the Merger and Recommendations of the Board of Directors of BANKshares beginning on page [].

Interests of BANKshares Directors and Executive Officers in the Merger (see page [])

In considering the recommendation of the BANKshares board of directors with respect to the merger agreement, you should be aware that some of BANKshares directors and executive officers have interests in the merger that are different from, or in addition to, the interests of BANKshares s shareholders generally. Interests of officers and directors that may be different from or in addition to the interests of BANKshares shareholders include:

The merger agreement provides for the acceleration of the vesting of certain BANKshares restricted stock and restricted stock units.

Certain of BANKshares s executive officers have entered into agreements with Seacoast that provide for the termination of existing employment agreements and provide for certain payments and benefits in connection with or following the merger.

BANKshares s directors and executive officers are entitled to continued indemnification and insurance coverage under the merger agreement.

These interests are discussed in more detail in the section entitled The Merger Interests of BANKshares Directors and Executive Officers in the Merger beginning on page []. The BANKshares board of directors was aware of the different or additional interests set forth herein and considered such interests along with other matters in adopting and approving the merger agreement and the transactions contemplated thereby, including the merger.

Treatment of BANKshares Equity Awards (see page [])

The merger agreement provides that, immediately prior to the effective time, each then-outstanding award, grant, unit, option to purchase or other right to purchase shares of BANKshares common stock under a BANKshares equity plan, including any restricted stock awards, to (i) become vested in accordance with its terms, (ii) exercised in accordance with its terms or (iii) terminated. All such equity awards, to the extent they become vested or exercisable, will be

cancelled and converted into the right to receive, at the effective time, the number of shares of Seacoast common stock equal to the exchange ratio.

Regulatory Approvals (see page [])

Completion of the merger and the bank merger are subject to various regulatory approvals, including approvals from the Board of Governors of the Federal Reserve System, referred to as the Federal Reserve, and

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the Office of the Comptroller of the Currency, referred to as the OCC. Notifications and/or applications requesting approvals for the merger or for the bank merger may also be submitted to other federal and state regulatory authorities and self-regulatory organizations. The parties have filed notices and applications to obtain the necessary regulatory approvals of the Federal Reserve and the OCC. Although the parties currently believe they should be able to obtain all regulatory approvals in a timely manner, they cannot be certain when or if they will obtain them or, if obtained, whether they will contain terms, conditions or restrictions not currently contemplated that will be detrimental to or have a material adverse effect on the combined company after the completion of the merger. The regulatory approvals to which the completion of the merger and bank merger are subject are described in more detail under the section entitled **The Merger Regulatory Approvals**.

Conditions to Completion of the Merger (see page [])

The completion of the merger depends on a number of conditions being satisfied or, where permitted, waived, including:

the approval of the merger agreement by BANKshares shareholders;

the approval of the Seacoast share issuance by Seacoast shareholders;

all regulatory approvals from the Federal Reserve, the OCC, and any other regulatory approval required to consummate the merger and the bank merger shall have been obtained and remain in full force and effect and all statutory waiting periods shall have expired, and such approvals or consents shall not be subject to any conditions or consequences that would have a material adverse effect on Seacoast or any of its subsidiaries after the effective time of the merger;

the absence of any order, injunction or decree issued by any court or agency of competent jurisdiction or other law preventing or making illegal the consummation of the merger, the bank merger or the other transactions contemplated by the merger agreement;

the effectiveness of the Registration Statement on Form S-4, of which this joint proxy statement/prospectus is a part, under the Securities Act of 1933, as amended, or the Securities Act, and no order suspending such effectiveness having been issued or threatened;

the authorization for listing on the Nasdaq Global Select Market of the shares of Seacoast common stock to be issued in the merger;

the accuracy of the other party's representations and warranties in the merger agreement on the date of the merger agreement and as of the effective time of the merger (or such other date specified in the merger agreement) other than, in most cases, inaccuracies that would not reasonably be likely to have a material adverse effect on such party;

performance in all material respects by the other party of its respective obligations under the merger agreement;

the receipt of corporate authorizations and other certificates;

in the case of Seacoast, BANKshares receipt of all consents required as a result of the transactions contemplated by the merger agreement pursuant to certain material contracts;

the absence of any material adverse effect on the other party;

receipt by each party of a legal opinion of its counsel or accounting advisor, as to the tax-free nature of the merger;

the maintenance by both parties of certain minimum consolidated tangible shareholders equity amounts; and

in the case of Seacoast, the vesting, exercise or termination of BANKshares equity awards.

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No assurance is given as to when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

Third Party Proposals (see page [])

BANKshares has agreed to a number of limitations with respect to soliciting, negotiating and discussing acquisition proposals involving persons other than Seacoast, and to certain related matters. The merger agreement does not, however, prohibit BANKshares from considering an unsolicited bona fide acquisition proposal from a third party if certain specified conditions are met.

Termination (see page [])

The merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after the approval of the merger agreement by BANKshares shareholders:

by mutual consent of Seacoast and BANKshares;

by either Seacoast or BANKshares, if there is a breach by the other party of any representation, warranty, covenant or other agreement set forth in the merger agreement, that would, if occurring or continuing on the closing date, result in the failure to satisfy the closing conditions of the party seeking termination and such breach cannot be or is not cured within 30 days following written notice to the breaching party;

by either Seacoast or BANKshares, if a requisite regulatory consent has been denied and such denial has become final and non-appealable;

by either Seacoast or BANKshares, if the Seacoast or BANKshares shareholders fail to approve the merger agreement or the Seacoast share issuance in connection with the merger, as applicable, at a duly held meeting of such shareholders or any adjournment or postponement thereof;

by either Seacoast or BANKshares, if the merger has not been completed by December 31, 2014, unless the failure to complete the merger by such date is due to a breach of the merger agreement by the party seeking to terminate the merger agreement;

by Seacoast, if (i) the BANKshares board of directors withdraws, qualifies or modifies their recommendation that the BANKshares shareholders approve the merger agreement in a manner adverse to Seacoast, (ii) Seacoast fails to substantially comply with any of the provisions of the merger agreement relating to third party acquisition proposals, or (iii) the BANKshares board of directors recommends, endorses, accepts or agrees to a third party acquisition proposal;

by BANKshares, in order to enter into an agreement relating to a superior proposal in accordance with the provisions of the merger agreement relating to third party acquisition proposals (provided that BANKshares has not materially breached any such provisions and pays Seacoast the required termination fee); and

by Seacoast, if holders of more than 5% in the aggregate of BANKshares common stock have voted such shares against the merger agreement or the merger at the BANKshares special meeting and have given notice of their intent to exercise their dissenters' rights.

Termination Fee (see page [])

BANKshares must pay Seacoast a termination fee of \$4.0 million if:

Seacoast terminates the merger agreement (i) as a result of a willful breach of a covenant, or agreement by BANKshares; (ii) because BANKshares has withdrawn, qualified or modified its recommendation

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to shareholders in a manner adverse to Seacoast; or (iii) because BANKshares has failed to substantially comply with the no-shop covenant or its obligations under the merger agreement by failing to hold a special meeting of BANKshares shareholders; and

BANKshares receives or there is a publicly announced third party acquisition proposal that has not been formally withdrawn or abandoned prior to the termination of the merger agreement; and

within 12 months of the termination of the merger agreement, BANKshares either consummates a third party acquisition proposal or enters into a definitive agreement or letter of intent with respect to a third party acquisition proposal; or

Seacoast terminates the merger agreement as a result of the board of directors of BANKshares recommending, endorsing, accepting or agreeing to a third party acquisition proposal; or

BANKshares terminates the merger agreement because a superior proposal has been made and has not been withdrawn and BANKshares has accepted or agreed to an acquisition proposal (and none of BANKshares nor its representatives has failed to comply in all material respects with the terms of the merger agreement including third party acquisition proposals).

Except in the case of a willful breach of the merger agreement, the payment of the termination fee will fully discharge BANKshares from any losses that may be suffered by the other party arising out of the termination of the merger agreement.

NASDAQ Listing (see page [])

Seacoast will cause the shares of Seacoast common stock to be issued to the holders of BANKshares common and preferred stock in the merger to be authorized for listing on the NASDAQ Global Select Market, subject to official notice of issuance, prior to the effective time of the merger.

Accounting Treatment (see page [])

Seacoast will account for the merger under the acquisition method of accounting for business combinations under accounting principles generally accepted in the United States of America.

Seacoast Special Meeting (see page [])

The special meeting of Seacoast shareholders will be held on [], 2014, at [] a.m., local time, at []. At the special meeting, Seacoast shareholders will be asked to vote on:

the proposal to approve the issuance of Seacoast common stock in connection with the merger;

the Seacoast adjournment proposal; and

any other matters as may properly be brought before the special meeting or any adjournment or postponement of the special meeting.

Holders of Seacoast common stock as of the close of business on the [], 2014 record date are entitled to notice of and to vote at the Seacoast special meeting. As of the record date, there were an aggregate of [] shares of Seacoast common stock outstanding and entitled to vote held by approximately [] holders of record. Each Seacoast shareholder can cast one vote for each share of Seacoast common stock owned on the record date.

As of the record date, directors and executive officers of Seacoast and their affiliates owned and were entitled to vote [] shares of Seacoast common stock, representing approximately []% of the shares of

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Seacoast outstanding and entitled to vote on that date. As of the record date, BANKshares did not own or have the right to vote any of the outstanding shares of Seacoast common stock. As of the record date, one director of BANKshares owned or had the right to vote with respect to [] shares of Seacoast common stock, representing approximately []% of the shares Seacoast common stock outstanding.

BANKshares Special Meeting (see page [])

The special meeting of BANKshares shareholders will be held on [], 2014, at [] p.m., local time, at the [], [], Florida []. At the special meeting, BANKshares shareholders will be asked to vote on:

the proposal to approve the merger agreement;

the BANKshares adjournment proposal; and

any other matters as may properly be brought before the special meeting or any adjournment or postponement of the special meeting.

Holders of BANKshares common and preferred stock as of the close of business on the [], 2014 record date will be entitled to vote at the special meeting. As of the record date, there were an aggregate of [] shares of BANKshares common stock and [] shares of preferred stock outstanding and entitled to notice and to vote held by approximately [] holders of record. Each BANKshares shareholder can cast one vote for each share of BANKshares voting common or preferred stock owned on the record date.

As of the record date, directors and executive officers of BANKshares and their affiliates owned and were entitled to vote [] shares of BANKshares common stock, representing approximately []% of the shares of BANKshares outstanding and entitled to vote on that date. As of the record date, Seacoast did not own or have the right to vote any of the outstanding shares of BANKshares common or preferred stock. As of the record date, one director of Seacoast owned or had the right to vote with respect to 5,103,618 shares of BANKshares common stock and another director owned or had the right to vote with respect to 1,161,458 shares of BANKshares preferred stock.

Required Shareholder Votes (see pages [] and [])

In order to approve the merger agreement, the holders of at least a majority of the outstanding shares of BANKshares common and preferred stock, voting as a separate class and entitled to vote at the BANKshares special meeting must vote in favor of the merger agreement. In order to approve the Seacoast share issuance in connection with the merger, a majority of the votes cast on the Seacoast share issuance proposal at the Seacoast special meeting must be voted in favor of the proposal.

No Restrictions on Resale (see page [])

All shares of Seacoast common stock received by BANKshares shareholders in the merger will be freely tradable, except that shares of Seacoast received by persons who are or become affiliates of Seacoast for purposes of Rule 144 under the Securities Act may be resold by them only in transactions permitted by Rule 144, or as otherwise permitted under the Securities Act.

Market Prices and Dividend Information (see page [])

Seacoast common stock is listed and trades on The NASDAQ Global Select Market under the symbol SBCF. As of March 31, 2014, there were 25,984,488 shares of Seacoast common stock outstanding.

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Approximately 48.9% of these shares are owned by institutional investors, as reported by NASDAQ. Seacoast's top two institutional investors own approximately 27.4% of its outstanding stock. Seacoast has approximately 7,368 shareholders of record.

To Seacoast's knowledge, the only shareholders who owned more than 5% of the outstanding shares of Seacoast common stock on March 31, 2014 were: CapGen Capital Group III LP (21.1%), 120 West 45th Street, Suite 1010, New York, New York 10036; and Second Curve Capital, LLC (6.3%), 237 Park Avenue, 9th Floor, New York, NY 10017.

Neither BANKshares common stock nor preferred stock is listed or traded on any established securities exchange or quotation system. Accordingly, there is no established public trading market for the BANKshares common stock or preferred stock. The shares of BANKshares common and preferred stock are not traded on any exchange or other organized market. BANKshares is not aware of any sales of shares of BANKshares' common stock or preferred stock that have occurred after January 1, 2012. Transactions in the shares are privately negotiated directly between the purchaser and sales, if they do occur, are not subject to any reporting system. The shares of BANKshares are not traded frequently. As of March 31, 2014, there were 12,550,103 shares of BANKshares common stock outstanding held by approximately 161 shareholders of record. In addition, there were 1,476,666 shares of preferred stock outstanding as of March 31, 2014 held by approximately 15 shareholders of record.

The following tables show, for the indicated periods, the high and low sales prices per share for Seacoast common stock, as reported on NASDAQ. Seacoast did not pay cash dividends on its common stock during the periods indicated.

	Seacoast Common Stock		
	High	Low	Dividends
2014			
First Quarter	\$ 12.51	\$ 10.55	\$ 0.00
Second Quarter (through [], 2014)	\$	\$	\$ 0.00
2013			
First Quarter	\$ 11.25	\$ 7.75	\$ 0.00
Second Quarter	\$ 11.00	\$ 8.50	\$ 0.00
Third Quarter	\$ 12.30	\$ 10.10	\$ 0.00
Fourth Quarter	\$ 12.49	\$ 10.10	\$ 0.00
2012			
First Quarter	\$ 9.70	\$ 7.50	\$ 0.00
Second Quarter	\$ 9.55	\$ 6.85	\$ 0.00
Third Quarter	\$ 8.45	\$ 6.60	\$ 0.00
Fourth Quarter	\$ 8.25	\$ 6.90	\$ 0.00

Dividends from SNB are Seacoast's primary source of funds to pay dividends on its common stock. Under the National Bank Act, national banks may in any calendar year, without the approval of the OCC, pay dividends to the extent of net profits for that year, plus retained net profits for the preceding two years (less any required transfers to surplus). The need to maintain adequate capital in SNB also limits dividends that may be paid to Seacoast. Beginning in the third quarter of 2008, Seacoast reduced its dividend per share of common stock to de minimis \$0.01. On May 19, 2009, Seacoast's board of directors voted to suspend quarterly dividends on its common stock entirely.

Any dividends paid on Seacoast's common stock would be declared and paid at the discretion of its board of directors and would be dependent upon Seacoast's liquidity, financial condition, results of operations, capital

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requirements and such other factors as the board of directors may deem relevant. Seacoast does not expect to pay dividends on its common stock in the foreseeable future and expects to retain all earnings, if any, to support its capital adequacy and growth.

BANKshares has not paid any dividends on the shares of BANKshares common stock or preferred stock.

Comparison of Shareholders Rights (see page [])

The rights of BANKshares shareholders who continue as Seacoast shareholders after the merger will be governed by the articles of incorporation and bylaws of Seacoast rather than the articles of incorporation and bylaws of BANKshares. For more information, please see the section entitled Comparison of Shareholders Rights beginning on page [].

Risk Factors (see page [])

Before voting at the Seacoast or BANKshares special meeting, you should carefully consider all of the information contained or incorporated by reference into this joint proxy statement/prospectus, including the risk factors set forth in the section entitled Risk Factors beginning on page [] or described in Seacoast's reports filed with the SEC, which are incorporated by reference into this joint proxy statement/prospectus. Please see Documents Incorporated by Reference beginning on page [].

Table of Contents**RISK FACTORS**

An investment in Seacoast common stock in connection with the merger involves risks. Seacoast describes below the material risks and uncertainties that it believes affect its business and an investment in the Seacoast common stock. In addition to the other information contained in, or incorporated by reference into, this joint proxy statement/prospectus, including Seacoast's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, and the matters addressed under Forward-Looking Statements, you should carefully read and consider all of the risks and all other information contained in this joint proxy statement/prospectus in deciding whether to vote to approve the merger agreement or share issuance, as the case may be. Additional Risk Factors included in Item 1A in Seacoast's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 are incorporated by reference. You should read and consider those Risk Factors in addition to the Risk Factors listed below. If any of the risks described in this joint proxy statement/prospectus occur, Seacoast's financial condition, results of operations and cash flows could be materially and adversely affected. If this were to happen, the value of the Seacoast common stock could decline significantly, and you could lose all or part of your investment.

Risks Associated with the Merger

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

The businesses of Seacoast and BANKshares differ in some respects and, accordingly, the results of operations of the combined company and the market price of Seacoast'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 Seacoast and BANKshares. For a discussion of the business of Seacoast and of certain factors to consider in connection with that business, see the documents incorporated by reference into this joint proxy statement/prospectus and referred to under Documents Incorporated by Reference.

Because the sale price of Seacoast common stock will fluctuate, you cannot be sure of the value of the merger consideration that you will receive in the merger until the closing.

Under the terms of the merger agreement, each share of BANKshares common and preferred stock outstanding immediately prior to the effective time of the merger (excluding dissenting shares) will be converted into the right to receive 0.4975 shares of Seacoast common stock (plus cash in lieu of fractional shares). The value of the shares of Seacoast common stock to be issued to BANKshares shareholders in the merger will fluctuate between now and the closing date of the merger due to a variety of factors, including general market and economic conditions, changes in the parties' respective businesses, operations and prospects, and regulatory considerations, among other things. Many of these factors are beyond the control of Seacoast and BANKshares. We make no assurances as to whether or when the merger will be completed. BANKshares shareholders should obtain current sale prices for shares of Seacoast common stock before voting their shares of BANKshares common stock at the special meeting.

Shares of Seacoast common stock to be received by BANKshares shareholders as a result of the merger will have rights different from the shares of BANKshares common and preferred stock.

Upon completion of the merger, the rights of former BANKshares shareholders will be governed by the articles of incorporation, as amended, and bylaws of Seacoast. The rights associated with BANKshares common and preferred stock are different from the rights associated with Seacoast common stock, although both companies are organized under Florida law. Please see the section entitled Comparison of Shareholders' Rights beginning on page [] for a discussion of the different rights associated with Seacoast common stock.

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Seacoast and BANKshares shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

Seacoast shareholders currently have the right to vote in the election of the board of directors of Seacoast and on other matters affecting Seacoast. BANKshares shareholders currently have the right to vote in the election of the board of directors of BANKshares and on other matters affecting BANKshares. Upon the completion of the merger, each party's shareholders will be a shareholder of Seacoast with a percentage ownership of Seacoast that is smaller than such shareholder's current percentage ownership of Seacoast or BANKshares, as applicable. It is currently expected that the former shareholders of BANKshares as a group will receive shares in the merger constituting approximately []% of the outstanding shares of the combined company's common stock immediately after the merger. Because of this, BANKshares and Seacoast shareholders will have less influence on the management and policies of the combined company than they now have on the management and policies of Seacoast or BANKshares, as applicable.

CapGen is the largest shareholder of both Seacoast and BANKshares and its ownership position in both Seacoast and BANKshares causes them to be bank holding companies under the law and, as a result, the merger may require additional regulatory approvals and commitments.

CapGen Capital Group III LP, and its general partner, CapGen Capital Group III LLC, are bank holding companies of Seacoast, and CapGen Capital Group LP and its general partner, CapGen Capital Group LLC, are bank holding companies of BANKshares. CapGen owns approximately 21% of the outstanding shares of Seacoast common stock and approximately 39.18% of the outstanding shares of BANKshares common stock. Each of CapGen Capital Group III LP and CapGen Capital Group III LLC may require certain approvals and commitments of the Federal Reserve before we can complete the merger. Furthermore, each of the CapGen entities executed a shareholder support agreement to vote in favor of the merger and the merger consideration, but the support agreements are subject to each CapGen entity obtaining the appropriate regulatory approvals and commitments. The receipt of such CapGen regulatory approvals and commitments may delay the closing of the merger and there can be no assurance that such approvals will be granted or obtained in a timely fashion.

Seacoast and BANKshares will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees, customers, suppliers and vendors may have an adverse effect on the business, financial condition and results of operations of BANKshares and Seacoast. These uncertainties may impair Seacoast's or BANKshares' ability to attract, retain and motivate key personnel, depositors and borrowers pending the consummation of the merger, as such personnel, depositors and borrowers may experience uncertainty about their future roles following the consummation of the merger. Additionally, these uncertainties could cause customers (including depositors and borrowers), suppliers, vendors and others who deal with Seacoast or BANKshares to seek to change existing business relationships with Seacoast or BANKshares or fail to extend an existing relationship. In addition, competitors may target each party's existing customers by highlighting potential uncertainties and integration difficulties that may result from the merger.

Seacoast and BANKshares have a small number of key personnel. The pursuit of the merger and the preparation for the integration may place a burden on each company's management and internal resources. Any significant diversion of management attention away from ongoing business concerns and any difficulties encountered in the transition and integration process could have a material adverse effect on each company's business, financial condition and results of operations.

In addition, the merger agreement restricts each party from taking certain actions without the other party's consent while the merger is pending. These restrictions may, among other matters, prevent such party from pursuing otherwise attractive business opportunities, selling assets, incurring indebtedness, engaging in significant capital expenditures in excess of certain limits set forth in the merger agreement, entering into other transactions or making other changes to such party's business prior to consummation of the merger or termination of the merger agreement. These restrictions could have a material adverse effect on each party's business, financial condition and results of

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operations. Please see the section entitled "The Merger Agreement - Conduct of Business Pending the Merger" beginning on page [] for a description of the covenants applicable to BANKshares and Seacoast.

Seacoast may fail to realize the cost savings estimated for the merger.

Although Seacoast estimates that it will realize cost savings from the merger when fully phased in, it is possible that the estimates of the potential cost savings could turn out to be incorrect. For example, the combined purchasing power may not be as strong as expected, and therefore the cost savings could be reduced. In addition, unanticipated growth in Seacoast's business may require Seacoast to continue to operate or maintain some facilities or support functions that are currently expected to be combined or reduced. The cost savings estimates also depend on Seacoast's ability to combine the businesses of Seacoast and BANKshares in a manner that permits those costs savings to be realized. If the estimates turn out to be incorrect or Seacoast is not able to combine the two companies successfully, the anticipated cost savings may not be fully realized or realized at all, or may take longer to realize than expected.

The combined company expects to incur substantial expenses related to the merger.

The combined company expects to incur substantial expenses in connection with completing the merger and combining the business, operations, networks, systems, technologies, policies and procedures of Seacoast and BANKshares. Although Seacoast and BANKshares have assumed that a certain level of transaction and combination expenses would be incurred, there are a number of factors beyond their control that could affect the total amount or the timing of their combination expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. Due to these factors, the transaction and combination expenses associated with the merger could, particularly in the near term, exceed the savings that the combined company expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings related to the combination of the businesses following the completion of the merger. In addition, prior to completion of the merger, each of BANKshares and Seacoast will incur or have incurred substantial expenses in connection with the negotiation and completion of the transactions contemplated by the merger agreement. If the merger is not completed, Seacoast and BANKshares would have to recognize these expenses without realizing the anticipated benefits of the merger.

Seacoast and BANKshares may waive one or more of the conditions to the merger without re-soliciting shareholder approval for the merger.

Each of the conditions to the obligations of Seacoast and BANKshares to complete the merger may be waived, in whole or in part, to the extent permitted by applicable law, by agreement of Seacoast and BANKshares, if the condition is a condition to both parties' obligation to complete the merger, or by the party for which such condition is a condition of its obligation to complete the merger. The boards of directors of Seacoast and BANKshares may evaluate the materiality of any such waiver to determine whether amendment of this joint proxy statement/prospectus and re-solicitation of proxies are necessary. Seacoast and BANKshares, however, generally do not expect any such waiver to be significant enough to require re-solicitation of shareholders. In the event that any such waiver is not determined to be significant enough to require re-solicitation of shareholders, the companies will have the discretion to complete the merger without seeking further shareholder approval.

The merger is expected to qualify as a tax-free reorganization within the meaning of the Code.

It is expected that the merger will qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code. If the merger does not qualify as a tax-free reorganization, then the holders of shares of BANKshares common stock and preferred stock will recognize any gain with respect to the entire consideration received in the merger, including the per share stock consideration received. The consequences of the merger to any particular BANKshares

shareholder will depend on that shareholder's individual situation. **We strongly urge you to consult your own tax advisor to determine the particular tax consequences of the merger to you.**

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Regulatory approvals may not be received, may take longer than expected or impose conditions that are not presently anticipated.

Before the transactions contemplated by the merger agreement, including the merger and the bank merger, may be completed, various approvals must be obtained from bank regulatory authorities. Certain parent company investors in Seacoast and BANKshares, respectively, each of which represent investment funds organized by CapGen Financial Group, will also combine as a result of the merger of SNB and BankFIRST, and such combination may require additional bank regulatory approvals be obtained before the transactions contemplated by the merger agreement, including the merger and the bank merger, may be completed. These governmental entities may impose conditions on the granting of such approvals. Such conditions or changes and the process of obtaining regulatory approvals could have the effect of delaying completing the merger or of imposing additional costs or limitations on Seacoast following the merger. The regulatory approvals may not be received at all, may not be received in a timely fashion, and may contain conditions on the completion of the merger that are not anticipated or have a material adverse effect. If the consummation of the merger is delayed, including by a delay in receipt of necessary governmental approvals, the business, financial condition and results of operations of each company may also be materially adversely affected.

The fairness opinions of Seacoast s and BANKshares financial advisors will not reflect changes in circumstances between the dates of the opinions and the completion of the merger.

Each of the Seacoast and BANKshares board of directors received opinions from its respective financial advisors to address the fairness of the exchange ratio from a financial point of view as of the date of such opinions. Subsequent changes in the operation and prospects of Seacoast or BANKshares, general market and economic conditions and other factors that may be beyond the control of Seacoast or BANKshares, and on which Seacoast s and BANKshares financial advisors opinions were based, may significantly alter the value of Seacoast or BANKshares or the prices of the shares of Seacoast common stock or BANKshares common and preferred stock by the time the merger is completed. Because Seacoast and BANKshares do not anticipate asking their respective advisors to update their opinions, the opinions will not address the fairness of the merger consideration from a financial point of view at the time the merger is completed, or as of any other date other than the date of such opinions. For a description of the opinions that Seacoast and BANKshares received from their respective financial advisors, please refer to the sections entitled The Merger Opinion of BANKshares Financial Advisor beginning on page [] and The Merger Opinion of Seacoast s Financial Advisor beginning on page [].

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

Executive officers of BANKshares negotiated the terms of the merger agreement with Seacoast, and the BANKshares board of directors approved (excluding the CapGen director who abstained) and recommended that BANKshares shareholders vote to approve the merger agreement. In considering these facts and the other information contained in this joint proxy statement/prospectus, you should be aware that certain BANKshares and BankFIRST executive officers and directors have financial interests in the merger that are different from, or in addition to, the interests of BANKshares shareholders generally. See The Merger Interests of BANKshares Directors and Executive Officers in the Merger on page [] for information about these financial interests.

The unaudited pro forma combined condensed consolidated financial information included in this document is illustrative only and the actual financial condition and results of operations after the merger may differ materially.

The unaudited pro forma combined condensed consolidated financial information in this document is presented for illustrative purposes only and is not necessarily indicative of what Seacoast s actual financial condition or results of

operations would have been had the merger been completed on the dates indicated. The

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pro forma combined condensed consolidated financial information reflects adjustments, which are based upon preliminary estimates, to record the BANKshares identifiable tangible and intangible assets acquired and liabilities assumed at fair value. The purchase price allocation reflected in this document is preliminary and the final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of BANKshares as of the date of the completion of the merger. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this document. For more information, please see the section entitled Unaudited Pro Forma Combined Consolidated Financial Information beginning on page [].

The termination fees and the restrictions on third party acquisition proposals set forth in the merger agreement may discourage others from trying to acquire BANKshares.

Until the completion of the merger, with some limited exceptions, BANKshares is prohibited from soliciting, initiating, encouraging or participating in any discussion concerning a proposal to acquire BANKshares, such as a merger or other business combination transaction, with any person other than Seacoast. In addition, BANKshares has agreed to pay to Seacoast in certain circumstances a termination fee equal to \$4.0 million. These provisions could discourage other companies from trying to acquire BANKshares even though those other companies might be willing to offer greater value to BANKshares shareholders than Seacoast has offered in the merger. The payment of any termination fee could also have an adverse effect on BANKshares financial condition. See The Merger Agreement Third Party Proposals beginning on page [] and The Merger Agreement Termination Fee beginning on page [].

Failure of the merger to be completed, the termination of the merger agreement or a significant delay in the consummation of the merger could negatively impact Seacoast and BANKshares.

If the merger is not consummated, the ongoing business, financial condition and results of operations of each party may be materially adversely affected and the market price of each party's common stock and preferred stock may decline significantly, particularly to the extent that the current market price reflects a market assumption that the merger will be consummated. If the consummation of the merger is delayed, the business, financial condition and results of operations of each company may be materially adversely affected. If the merger agreement is terminated and a party's board of directors seeks another merger or business combination, such party's shareholders cannot be certain that such party will be able to find a party willing to engage in a transaction on more attractive terms than the merger.

Some of the performing loans in the BANKshares loan portfolio being acquired by Seacoast may be under collateralized, which could affect Seacoast's ability to collect all of the loan amount due.

In an acquisition transaction, the purchasing financial institution may be acquiring under collateralized loans from the seller. Under collateralized loans are risks that are inherent in any acquisition transaction and are mitigated through the loan due diligence process that the purchaser performs and the estimated fair market value adjustment that the purchaser places on the seller's loan portfolio. The year a loan was originated can impact the current value of the collateral. Many Florida banks have performing loans that are under collateralized because of the decline in real estate values during the 2006 through 2010 economic downturn. While real estate values generally commenced stabilizing in 2011, and in some markets began to increase in recent years, nonetheless like other financial services institutions, BANKshares and Seacoast's loan portfolios have under collateralized loans that are still performing.

When it acquires another loan portfolio, Seacoast will place what is referred to as a fair market value adjustment on the acquired loan portfolio to address certain risks, including those relating to under collateralized loans. With respect to the BANKshares loan portfolio, Seacoast has placed a preliminary \$16 million fair value adjustment which Seacoast believes is adequate to mitigate the risk of under collateralized performing loans. Seacoast has engaged a third party valuation firm who will value the acquired loan portfolio as of the acquisition

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date. There is no assurance that the adjustment that Seacoast has placed on the BANKshares loan portfolio to mitigate against under collateralized performing loans will be adequate or that Seacoast will not incur losses that could be greater than this adjustment.

Risks Associated with Seacoast's Business

New lines of business or new products and services may subject Seacoast to additional risks.

From time to time, Seacoast may implement or may acquire new lines of business or offer new products and services within existing lines of business. There are substantial risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed. In developing and marketing new lines of business and/or new products and services, Seacoast may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and/or new products or services may not be achieved and price and profitability targets may not prove feasible. External factors, such as compliance with regulations, competitive alternatives and shifting market preferences, may also impact the successful implementation of a new line of business or a new product or service. Furthermore, any new line of business and/or new product or service could have a significant impact on the effectiveness of Seacoast's system of internal controls. Failure to successfully manage these risks in the development and implementation of new lines of business or new products or services could have a material adverse effect on Seacoast's business, financial condition and results of operations.

An interruption in or breach in security of Seacoast's information systems may result in a loss of customer business and have an adverse effect on Seacoast's results of operations, financial condition and cash flows.

Seacoast relies heavily on communications and information systems to conduct its business. Any failure, interruption or breach in security of these systems could result in failures or disruptions in Seacoast's customer relationship management, general ledger, deposits, servicing or loan origination systems. If any such failures, interruptions or security breaches of its communications or information systems occur, they may not be adequately addressed by Seacoast. Further, the occurrence of any such failures, interruptions or security breaches could damage Seacoast's reputation, result in a loss of customer business, subject Seacoast to additional regulatory scrutiny or expose Seacoast to civil litigation and possible financial liability, any of which could have a material adverse effect on Seacoast's results of operations, financial condition and cash flows.

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CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

Certain statements contained in this joint proxy statement/prospectus, including statements included or incorporated by reference in this joint proxy statement/prospectus, are not statements of historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and are intended to be protected by the safe harbor provided by the same. These statements are subject to risks and uncertainties, and include information about possible or assumed future results of operations of Seacoast after the merger is completed as well as information about the merger. Words such as believes, expects, anticipates, estimates, intends, would, continue, should, may, or similar expressions, or the negatives thereof, are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. Many possible events or factors could affect the future financial results and performance of each of Seacoast and BANKshares before the merger or Seacoast after the merger, and could cause those results or performance to differ materially from those expressed in the forward-looking statements. These possible events or factors include, but are not limited to:

the failure to obtain the approval of shareholders of Seacoast and BANKshares in connection with the merger;

the timing to consummate the proposed merger;

the risk that a condition to closing of the proposed merger may not be satisfied;

the risk that a regulatory approval that may be required for the proposed merger is not obtained or is obtained subject to conditions that are not anticipated;

the parties' ability to achieve the synergies and value creation contemplated by the proposed merger;

the parties' ability to promptly and effectively integrate the businesses of Seacoast and BANKshares;

the diversion of management time on issues related to the merger;

the failure to consummate or delay in consummating the merger for other reasons;

changes in laws or regulations; and

changes in general economic conditions

For additional information concerning factors that could cause actual conditions, events or results to materially differ from those described in the forward-looking statements, please refer to the Risk Factors section of this joint proxy

statement/prospectus, as well as the factors set forth under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Seacoast's most recent Form 10-K report and to Seacoast's most recent Form 8-K reports, which are available online at www.sec.gov, and are incorporated by reference herein. No assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of Seacoast or BANKshares. The forward-looking statements are made as of the date of this joint proxy statement/prospectus or the date of the applicable document incorporated by reference into this joint proxy statement/prospectus. We undertake no obligation to publicly update or otherwise revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Table of Contents**SEACOAST SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

The following selected historical consolidated financial data as of and for the twelve months ended December 31, 2013, 2012, 2011, 2010 and 2009 is derived from the audited consolidated financial statements of Seacoast. The following selected historical consolidated financial data as of and for the three months ended March 31, 2014 and 2013, is derived from the unaudited consolidated financial statements of Seacoast and has been prepared on the same basis as the selected historical consolidated financial data derived from the audited consolidated financial statements and, in the opinion of Seacoast's management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data for those dates.

The results of operations as of and for the three months ended March 31, 2014, are not necessarily indicative of the results that may be expected for the twelve months ending December 31, 2014 or any future period. You should read the following selected historical consolidated financial data in conjunction with: (i) the section entitled

Management's Discussion and Analysis of Financial Condition and Results of Operations and Seacoast's audited consolidated financial statements and accompanying notes included in Seacoast's Annual Report on Form 10-K for the twelve months ended December 31, 2013; and (ii) the section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations and Seacoast's unaudited consolidated financial statements and accompanying notes included in Seacoast's Quarterly Report on Form 10-Q for the three months ended March 31, 2014, both of which are incorporated by reference into this joint proxy statement/prospectus. See Documents Incorporated by Reference.

	(unaudited)						
	Three Months ended		Year ended December 31,				
	March 31,		2012				
	2014	2013	2013	2012	2011	2010	2009
Net interest income	\$ 16,221	\$ 16,000	\$ 65,206	\$ 64,809	\$ 66,839	\$ 66,212	\$ 73,589
Provision for loan losses	(735)	953	3,188	10,796	1,974	31,680	124,767
Noninterest income:							
Other	5,558	5,931	24,319	21,444	18,345	18,134	17,495
Loss on sale of commercial loan				(1,238)			
Securities gains, net	17	25	419	7,619	1,220	3,687	5,399
Noninterest expenses	18,783	18,959	75,152	82,548	77,763	89,556	130,227
Income (loss) before income taxes	3,748	2,044	11,604	(710)	6,667	(33,203)	(158,511)
Provision (benefit) for income taxes	1,449		(40,385)				(11,825)

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Net income (loss)	\$ 2,299	\$ 2,044	\$ 51,989	\$ (710)	\$ 6,667	\$ (33,203)	\$ (146,686)
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Per Share Data

Net income (loss) available to common shareholders:							
Diluted	0.09	0.06	2.44	(0.24)	0.16	2.41	(23.39)
Basic	0.09	0.06	2.46	(0.24)	0.16	2.41	(23.39)
Cash dividends declared	0.00	0.00	0.00	0.00	0.00	0.00	0.05
Book value per share common	8.79	6.20	8.40	6.16	6.46	6.42	9.25
Dividends to net income (%)	0.0	0.0	0.0	0.0	0.0	0.0	n/m ⁽¹⁾
Assets	\$ 2,315,992	\$ 2,202,049	\$ 2,268,940	\$ 2,173,929	\$ 2,137,375	\$ 2,016,381	\$ 2,151,315
Securities	658,512	649,196	641,611	656,868	668,339	462,001	410,735
Net loans	1,292,984	1,202,270	1,284,139	1,203,977	1,182,509	1,202,864	1,352,311
Deposits	1,819,795	1,762,164	1,806,045	1,758,961	1,718,741	1,637,228	1,779,434
Shareholders equity	228,382	166,705	198,604	165,546	170,077	166,299	151,935
Performance ratios:							
Return on average assets	0.41	0.38	2.38	(0.03)	0.32	(1.60)	(6.58)
Return on average equity	4.02	5.09	28.36	(0.43)	4.03	(19.30)	(73.79)
Net interest margin ⁽²⁾	3.07	3.15	3.15	3.22	3.42	3.37	3.55
Average equity to average assets	10.13	7.50	8.38	7.81	8.01	8.27	8.92

(1) Not meaningful

(2) On a fully taxable equivalent basis

Table of Contents**BANKSHARES SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

The following selected historical consolidated financial data as of and for the twelve months ended December 31, 2013, 2012, 2011, 2010 and 2009 is derived from the audited consolidated financial statements of BANKshares. The following selected historical consolidated financial data as of and for the three months ended March 31, 2014 and 2013, is derived from the unaudited consolidated financial statements of BANKshares and has been prepared on the same basis as the selected historical consolidated financial data derived from the audited consolidated financial statements and, in the opinion of BANKshares management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data for those dates.

The results of operations as of and for the three months ended March 31, 2014, are not necessarily indicative of the results that may be expected for the twelve months ending December 31, 2014 or any future period. You should read the following selected historical consolidated financial data in conjunction with the section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations

	(unaudited)						
	Three months ended		Year Ended December 31,				
	March 31,		2013	2012	2011	2010	2009
	2014	2013	2013	2012	2011	2010	2009
Net interest income	\$ 5,463	\$ 5,077	\$ 21,059	\$ 21,801	\$ 19,451	\$ 20,085	\$ 19,725
Provision for loan losses	133	334	1,435	1,771	2,066	4,788	5,936
Noninterest income:							
Other	692	789	3,078	3,068	2,733	2,771	2,532
Contingent note recovery			1,286				
Gain (loss) on sale of securities available for sale	9	49	51	2,017	(4)	493	84
Noninterest expenses	5,052	5,054	20,358	23,614	20,432	21,694	21,602
Earnings (loss) before income taxes	979	527	3,681	1,501	(318)	(3,133)	(5,197)
Provision (benefit) for income taxes	315	163	662	375	(397)	(1,483)	(2,116)
Net earnings (loss)	\$ 664	\$ 364	\$ 3,019	\$ 1,126	\$ 79	\$ (1,650)	\$ (3,081)
Net earnings (loss) available to common stockholders :							
Diluted ⁽¹⁾	0.05	0.03	0.24	0.09	0.01	(0.12)	(0.22)
Basic ⁽²⁾	0.05	0.03	0.24	0.09	0.01	(0.12)	(0.22)
Cash dividends declared							
Book value per share common ⁽³⁾	10.45	10.34	10.33	10.30	10.28	9.13	9.28
Tangible book value per share common ⁽³⁾	4.42	4.13	4.26	4.05	4.16	3.46	3.39
Tangible book value per share common and preferred ⁽⁴⁾	3.89	3.66	3.78	3.58	3.68	3.43	3.37

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Dividends to net earnings

Assets	\$ 674,072	\$ 671,467	\$ 656,028	\$ 664,774	\$ 608,566	\$ 600,754	\$ 604,738
Securities available for sale	146,199	169,565	150,892	174,259	149,462	125,115	123,571
Net loans (including loans held for sale)	366,200	339,759	360,739	334,515	289,615	295,548	321,706
Deposits	506,231	506,449	490,751	499,225	409,238	401,759	404,735
Stockholders equity	131,109	129,209	129,596	128,649	127,958	126,751	128,609
Stockholders tangible equity	55,432	51,680	53,490	50,570	51,705	48,003	46,951
Performance ratios:							
Return on average assets	0.40	0.22	1.83	0.65	0.05	(1.10)	(2.05)
Return on average tangible equity	4.83	2.78	22.03	8.60	0.65	(12.49)	(24.27)
Net interest margin ⁽⁵⁾	4.27	3.85	4.03	3.84	4.08	4.50	4.33
Average tangible equity to average assets	8.38	7.95	8.31	7.54	8.00	8.81	8.43

(1) Diluted net earnings (loss) available to common stockholders includes nonvested share grants and does not assume conversion of the Preferred shares.

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- (2) *Basic net earnings (loss) available to common stockholders excludes nonvested share grants and does not assume the conversion of the preferred shares.*
- (3) *Book value and tangible book value per share common excludes nonvested share grants and does not assume the conversion of the preferred shares.*
- (4) *Tangible book value per share common and preferred includes nonvested share grants and does assume the conversion of the preferred shares.*
- (5) *On a fully taxable equivalent basis.*

Table of Contents**SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED****CONSOLIDATED FINANCIAL DATA**

The following table presents selected unaudited pro forma combined consolidated financial data about the financial condition and results of operations of Seacoast giving effect to the merger. See *The Merger Accounting Treatment*.

The following table presents the information as if the merger had become effective on March 31, 2014 and December 31, 2013, respectively, with respect to condensed consolidated balance sheet data, and on January 1, 2014, with respect to condensed consolidated statement of earnings data. The selected unaudited pro forma combined consolidated financial data have been derived from, and should be read in conjunction with, the historical financial information that Seacoast and BANKshares have incorporated by reference into, or included, in this joint proxy statement/prospectus as of and for the indicated periods. See *Unaudited Pro Forma Combined Consolidated Financial Information, Documents Incorporated by Reference and Index to BANKshares Consolidated Financial Statements*.

The selected unaudited pro forma combined consolidated financial data are presented for illustrative purposes only and does not necessarily indicate the financial results of the combined companies had the companies actually been combined at the beginning of the period presented. The selected unaudited pro forma combined consolidated financial information also does not consider any potential impacts of current market conditions on revenues, potential revenue enhancements, anticipated cost savings and expense efficiencies, or asset dispositions, among other factors.

	Three Months Ended March 31, 2014	Year Ended Dec 31, 2013
Pro Forma Condensed Consolidated Statement of Earnings Data:		
Net interest income	\$ 21,831	\$ 86,865
Provision for loan losses	500	5,023
Income before provision for income taxes	5,913	20,035
Net income	3,694	57,929
Preferred stock dividends		
Net income available to common shareholders	3,694	57,929
Per Share Data:		
Earnings per share available to common shareholders		
Basic	\$ 0.11	\$ 2.17
Diluted	\$ 0.11	\$ 2.18
Cash dividends per common share	\$	\$
Pro Forma Condensed Consolidated Balance Sheet		
Total loans, net	\$ 1,652,465	\$ 1,638,213
Total assets	2,932,202	2,867,106
Total deposits	2,326,025	2,296,796
Total borrowings	115,144	115,144
Stockholders' equity	304,529	273,238

Table of Contents**UNAUDITED COMPARATIVE PER SHARE DATA**

Presented below for Seacoast and BANKshares is historical, unaudited pro forma combined and pro forma equivalent per share financial data as of and for the twelve months ended December 31, 2013 and as of and for the three months ended March 31, 2014. The information presented below should be read together with: (i) Seacoast's audited consolidated financial statements and accompanying notes included in Seacoast's Annual Report on Form 10-K for the twelve months ended December 31, 2013, and Seacoast's unaudited consolidated financial statements and accompanying notes included in Seacoast's Quarterly Report on Form 10-Q for the three months ended March 31, 2014, both of which are incorporated by reference into this joint proxy statement/prospectus; and (ii) BANKshares audited consolidated financial statements and accompany notes for the twelve months ended December 31, 2013, and unaudited consolidated financial statements and accompanying notes for the three months ended March 31, 2014, both of which are included elsewhere in this joint proxy statement/prospectus. See *Index to BANKshares Consolidated Financial Statements and Documents Incorporated by Reference*.

The unaudited pro forma combined and pro forma per equivalent share information gives effect to the merger as if the merger had been effective on December 31, 2013, or March 31, 2014, in the case of the book value data, and as if the merger had been effective as of January 1, 2014, in the case of the earnings per share and the cash dividends data. The unaudited pro forma data combines the historical results of BANKshares into Seacoast's consolidated statement of income. While certain adjustments were made for the estimated impact of fair value adjustments and other acquisition-related activity, they are not indicative of what could have occurred had the acquisition taken place on January 1, 2014.

The unaudited pro forma adjustments are based upon available information and certain assumptions that Seacoast management believes are reasonable. The unaudited pro forma data, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, do not reflect the impact of factors that may result as a consequence of the merger or consider any potential impacts of current market conditions of the merger on revenues, expense efficiencies, asset dispositions, among other factors. As a result, unaudited pro forma data are presented for illustrative purposes only and do not represent an attempt to predict or suggest future results. Upon completion of the merger, the operating results of BANKshares will be reflected in the consolidated financial statements of Seacoast on a prospective basis.

	As of and for the three months ended March 31, 2014			
	Seacoast historical	BANKshares historical	Pro Forma combined	Per equivalent BANKshares share ⁽¹⁾
Earnings per common share				
Basic	\$ 0.09	\$ 0.05	\$ 0.11	\$ 0.05
Diluted	\$ 0.09	\$ 0.05	\$ 0.11	\$ 0.05
Cash dividends per common share	\$	\$	\$	\$
Common equity per common share	\$ 8.79	\$ 10.45	\$ 9.20	\$ 4.58

	As of and for the three months ended December 31, 2013			
	Seacoast historical	BANKshares historical	Pro Forma combined	Per equivalent BANKshares

share⁽¹⁾

Earnings per common share				
Basic	\$ 2.44	\$ 0.24	\$ 2.17	\$ 1.08
Diluted	\$ 2.46	\$ 0.24	\$ 2.18	\$ 1.08
Cash dividends per common share	\$	\$	\$	\$
Common equity per common share	\$ 8.40	\$ 10.33	\$ 8.92	\$ 4.45

- (1) The equivalent share information in the above tables are computed using 7,086,041 additional shares of Seacoast common stock issued to BANKshares shareholders at an exchange ratio of 0.4975 shares of Seacoast for each share of BANKshares.

Table of Contents**MARKET PRICES AND DIVIDEND INFORMATION**

Seacoast common stock is listed and trades on The NASDAQ Global Select Market under the symbol SBCF. As of March 31, 2014, there were 25,984,488 shares of Seacoast common stock outstanding. Approximately 48.9% of these shares are owned by institutional investors, as reported by NASDAQ. Seacoast's top two institutional investors own approximately 27.4% of its outstanding stock. Seacoast has approximately 7,368 shareholders of record.

To Seacoast's knowledge, the only shareholders who owned more than 5% of the outstanding shares of Seacoast common stock on March 31, 2014 were: CapGen Capital Group III LP (21.1%), 120 West 45th Street, Suite 1010, New York, NY 10036; and Second Curve Capital, LLC (6.3%), 237 Park Avenue, 9th Floor, New York, NY 10017.

Neither BANKshares common stock nor preferred stock is listed or traded on any established securities exchange or quotation system. Accordingly, there is no established public trading market for the BANKshares common stock or preferred stock. BANKshares is not aware of any sales of shares of BANKshares' common stock or preferred stock that have occurred after January 1, 2012. Transactions in the shares are privately negotiated directly between the purchaser and the seller and sales, if they do occur, are not subject to any reporting system. The shares of BANKshares are not traded frequently. As of March 31, 2014, there were 12,769,457 shares of BANKshares common stock outstanding, which were held by 161 holders of record. In addition, there were 1,476,666 shares of preferred stock outstanding.

The following tables show, for the indicated periods, the high and low sales prices per share for Seacoast common stock, as reported on NASDAQ. Cash dividends declared and paid per share on Seacoast common stock are also shown for the periods indicated below. Seacoast did not pay cash dividends on its common stock during the periods indicated. BANKshares did not declare any cash dividends on its common stock or preferred stock for the indicated periods. Seacoast common stock is traded on the NASDAQ Global Select Market under the symbol SBCF.

The high and low sales prices reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions.

	Seacoast Common Stock			BANKshares Common and Preferred Stock		
	High	Low	Dividend	High	Low	Volume ⁽¹⁾
2012						
First Quarter	\$ 9.70	\$ 7.50	\$	\$	\$	
Second Quarter	\$ 9.55	\$ 6.85	\$	\$	\$	
Third Quarter	\$ 8.45	\$ 6.60	\$	\$	\$	
Fourth Quarter	\$ 8.25	\$ 6.90	\$	\$	\$	
2013						
First Quarter	\$ 11.25	\$ 7.75	\$	\$	\$	
Second Quarter	\$ 11.00	\$ 8.50	\$	\$	\$	
Third Quarter	\$ 12.30	\$ 10.10	\$	\$	\$	
Fourth Quarter	\$ 12.49	\$ 10.10	\$	\$	\$	
2014						
First Quarter	\$ 12.51	\$ 10.55	\$	\$	\$	
Second Quarter (through , 2014)	\$	\$	\$	\$	\$	

- (1) There have been little or no trades in BANKshares stock during the periods shown and no reports to management on the prices of shares traded.

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Dividends from SNB are Seacoast's primary source of funds to pay dividends on its common stock. Under the National Bank Act, national banks may in any calendar year, without the approval of the OCC, pay dividends to the extent of net profits for that year, plus retained net profits for the preceding two years (less any required transfers to surplus). The need to maintain adequate capital in SNB also limits dividends that may be paid to Seacoast. Beginning in the third quarter of 2008, Seacoast reduced its dividend per share of common stock to de minimis \$0.01. On May 19, 2009, Seacoast's board of directors voted to suspend quarterly dividends on its common stock entirely.

Any dividends paid on Seacoast's common stock would be declared and paid at the discretion of its board of directors and would be dependent upon Seacoast's liquidity, financial condition, results of operations, capital requirements and such other factors as the board of directors may deem relevant. Seacoast does not expect to pay dividends on its common stock in the foreseeable future and expects to retain all earnings, if any, to support its capital adequacy and growth.

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INFORMATION ABOUT THE SEACOAST SPECIAL MEETING

This section contains information about the special meeting that Seacoast has called to allow Seacoast shareholders to vote on the Seacoast share issuance in connection with the merger. The Seacoast board of directors is mailing this joint proxy statement/prospectus to you, as a Seacoast shareholder, on or about [], 2014. Together with this joint proxy statement/prospectus, the Seacoast board of directors is also sending to you a notice of the special meeting of Seacoast shareholders and a form of proxy that the Seacoast board of directors is soliciting for use at the special meeting and at any adjournments or postponements of the special meeting.

Time, Date, and Place

The special meeting is scheduled to be held on [], 2014 at [] a.m., local time, at [].

Matters to Be Considered at the Meeting

At the special meeting, Seacoast shareholders will be asked to consider and vote on:

a proposal to approve the issuance of Seacoast common stock in the merger, which we refer to in this document as the Seacoast share issuance proposal;

a proposal of the Seacoast board of directors to adjourn or postpone the special meeting, if necessary or appropriate, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the Seacoast share issuance proposal; and

any other matters as may properly be brought before the special meeting or any adjournment or postponement of the special meeting.

At this time, the Seacoast board of directors is unaware of any other matters that may be presented for action at the special meeting. If any other matters are properly presented, however, and you have completed, signed and submitted your proxy, the person(s) named as proxy will have the authority to vote your shares in accordance with his or her judgment with respect to such matters. A copy of the merger agreement is included in this joint proxy statement/prospectus as Appendix A, and we encourage you to read it carefully in its entirety.

Under the Nasdaq Listing Rules, a company listed on Nasdaq is required to obtain shareholder approval prior to the issuance of common stock or securities convertible into or exercisable for common stock in connection with the acquisition of the stock or assets of another company if the common stock has or will have upon issuance voting power equal to or in excess of 20% of the voting power outstanding before the issuance of stock or securities convertible into or exercisable for common stock, or the number of shares of common stock to be issued is or will be equal to or in excess of 20% of the number of shares of common stock outstanding before the issuance of the stock or securities. If we complete the merger, the number of shares of Seacoast common stock issued in the merger will exceed 20% of the shares of Seacoast common stock outstanding before such issuance. Accordingly, Seacoast must obtain the approval of Seacoast shareholders for the issuance of shares of Seacoast common stock in connection with the merger.

Recommendation of the Seacoast Board of Directors

The Seacoast board of directors unanimously recommends (excluding the CapGen representative who abstained) that Seacoast shareholders vote **FOR** the Seacoast share issuance proposal and **FOR** the Seacoast adjournment proposal. See The Merger Seacoast s Reasons for the Merger and Recommendations of the Board of Directors of Seacoast.

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Record Date and Quorum

[], 2014 has been fixed as the record date for the determination of Seacoast shareholders entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. At the close of business on the record date, there were [] shares of Seacoast common stock outstanding and entitled to vote at the special meeting, held by [] holders of record.

A quorum is necessary to transact business at the special meeting. The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Seacoast common stock entitled to vote at the special meeting is necessary to constitute a quorum. Shares of Seacoast common stock represented at the special meeting but not voted, including shares that a shareholder abstains from voting and shares held in street name with a bank, broker or other nominee for which a shareholder does not provide voting instructions, will be counted for purposes of establishing a quorum. Once a share of Seacoast common stock is represented at the special meeting, it will be counted for the purpose of determining a quorum not only at the special meeting but also at any adjournment or postponement of the special meeting. In the event that a quorum is not present at the special meeting, it is expected that the special meeting will be adjourned or postponed.

Required Vote

The Seacoast share issuance proposal will be approved if a majority of the votes cast on the proposal are voted in favor of the proposal. The Seacoast adjournment proposal will be approved if the votes cast in favor of such proposal exceed the votes cast against such proposal. For each proposal, you may vote **FOR**, **AGAINST** or **ABSTAIN**.

If you vote to **ABSTAIN** with respect to the Seacoast share issuance proposal, this will have no effect on the outcome of the vote on the proposal. If you do not vote on the Seacoast share issuance proposal, this will have no effect on the outcome of the vote on the proposal.

If you vote to **ABSTAIN** with respect to the Seacoast adjournment proposal, or if you do not vote on this proposal, this will have no effect on the outcome of the vote on the proposal.

Each share of Seacoast common stock you own as of the record date for the special meeting entitles you to one vote at the special meeting on all matters properly presented at the meeting.

How to Vote Shareholders of Record

Voting in Person. If you are a shareholder of record, you can vote in person by submitting a ballot at the special meeting. Nevertheless, we recommend that you vote by proxy as promptly as possible, even if you plan to attend the special meeting. This will ensure that your vote is received. If you attend the special meeting, you may vote by ballot, thereby canceling any proxy previously submitted.

Voting by Proxy. Your proxy card includes instructions on how to vote by mailing in the proxy card. If you choose to vote by proxy, please mark each proxy card you receive, sign and date it, and promptly return it in the envelope enclosed with the proxy card. If you sign and return your proxy without instruction on how to vote your shares, your shares will be voted **FOR** the Seacoast share issuance proposal and **FOR** the Seacoast adjournment proposal.

Toll-Free number. You may use the toll-free number shown on your proxy card to vote your shares.

Voting by Internet. You may vote your shares by visiting the website shown on your proxy card to vote via the Internet.

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How to Vote Shares Held in Street Name

If you are a Seacoast shareholder and your shares are held in street name through a bank, broker or other holder of record, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by the bank or broker. You may not vote shares held in street name by returning a proxy card directly to Seacoast or by voting in person at the Seacoast special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee. Further, brokers, banks or other nominees who hold shares of Seacoast common stock on behalf of their customers may not give a proxy to Seacoast to vote those shares with respect to any of the proposals without specific instructions from their customers, as brokers, banks and other nominees do not have discretionary voting powers on these matters. Therefore, if you are a Seacoast shareholder and you do not instruct your broker, bank or other nominee on how to vote your shares, your broker, bank or other nominee may not vote your shares on the Seacoast share issuance, which broker non-votes will have no effect on the outcome of the vote on these proposals.

YOUR VOTE IS VERY IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING IN PERSON, PLEASE MARK, SIGN AND DATE THE ENCLOSED PROXY CARD AND PROMPTLY RETURN IT IN THE ENCLOSED POSTAGE-PAID ENVELOPE. SHAREHOLDERS WHO ATTEND THE SPECIAL MEETING MAY REVOKE THEIR PROXIES BY VOTING IN PERSON.

Revocation of Proxies

You can revoke your proxy at any time before your shares are voted. If you are a shareholder of record, then you can revoke your proxy by:

submitting another valid proxy card bearing a later date;

prior to the special meeting, by logging onto the Internet website specified on your proxy card in the same manner you would to submit your proxy electronically or by calling the telephone number specified on your proxy card, in each case if you are eligible to do so and following the instructions on the proxy card;

attending the special meeting and voting your shares in person; or

delivering prior to the special meeting a written notice of revocation to Seacoast's Corporate Secretary.

If you choose to send a completed proxy card bearing a later date or a notice of revocation, the new proxy card or notice of revocation must be received before the beginning of the Seacoast special meeting. Attendance at the special meeting will not, in and of itself, constitute revocation of a proxy. If you hold your shares in street name with a bank, broker or other nominee, you must follow the directions you receive from your bank, broker or other nominee to change your vote. Your last vote will be the vote that is counted.

Shares Subject to Support Agreements; Shares Held by Directors and Executive Officers

A total of [] shares of Seacoast common stock, representing approximately []% of the outstanding shares of Seacoast common stock entitled to vote at the special meeting, are subject to shareholder support agreements between

BANKshares and each of Seacoast's directors. Pursuant to his/her respective shareholder support agreement, each director has agreed to, at any meeting of Seacoast shareholders, however called, or any adjournment or postponement thereof:

vote (or cause to be voted) all shares of Seacoast common stock beneficially owned by such director or its affiliates and which such director has the right to vote in favor of the approval of the terms of the merger agreement, the merger and each of the transactions contemplated by the merger agreement;

not vote or grant any proxies to any third party to vote, except where such proxies are directed to vote in favor of the merger agreement, against the merger and the transactions contemplated by the merger agreement; and

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not vote or execute any written consent to rescind or amend in any manner any prior vote or written consent to approve or adopt the merger agreement unless the support agreement has been terminated.

Pursuant to the shareholder support agreement, without the prior written consent of BANKshares, each director has further agreed not to sell or otherwise transfer any shares of Seacoast common stock. The foregoing summary of the support agreements entered into by Seacoast's directors does not purport to be complete, and is qualified in its entirety by reference to the form of support agreement attached as Exhibit B-1 to the merger agreement, which is attached as Appendix A to this document.

As of the record date, Seacoast's directors and executive officers and their affiliates beneficially owned and were entitled to vote, in the aggregate, a total of [] shares of Seacoast common stock (excluding shares issuable upon the exercise of outstanding options), representing approximately []% of the outstanding shares of Seacoast common stock entitled to vote at the special meeting.

Solicitation of Proxies

The proxy for the special meeting is being solicited on behalf of the Seacoast board of directors. Seacoast will bear the entire cost of soliciting proxies from you. Seacoast will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of Seacoast common stock. Proxies will be solicited principally by mail, but may also be solicited by the directors, officers, and other employees of Seacoast in person or by telephone, facsimile or other means of electronic communication. Directors, officers and employees will receive no compensation for these activities in addition to their regular compensation, but may be reimbursed for out-of-pocket expenses in connection with such solicitation.

Attending the Meeting

All holders of Seacoast common stock, including shareholders of record and shareholders who hold their shares in street name through banks, brokers or other nominees, are cordially invited to attend the special meeting. Shareholders of record can vote in person at the special meeting. If you are not a shareholder of record and would like to vote in person at the special meeting, you must produce a proxy executed in your favor by the record holder of your shares. In addition, you must bring a form of personal photo identification with you in order to be admitted at the special meeting. We reserve the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the special meeting is prohibited without Seacoast's express written consent.

Questions and Additional Information

If you have more questions about the merger or how to submit your proxy or vote, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card or voting instructions, please contact Seacoast at:

Seacoast Banking Corporation of Florida

815 Colorado Avenue

P.O. Box 9012

Stuart, Florida 34994

Attn: Investor Relations

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INFORMATION ABOUT THE BANKSHARES SPECIAL MEETING

This section contains information about the special meeting that the BANKshares has called to allow BANKshares shareholders to vote on the approval of the merger agreement. The BANKshares board of directors is mailing this joint proxy statement/prospectus to you, as a BANKshares shareholder, on or about [], 2014. Together with this joint proxy statement/prospectus, BANKshares board of directors is also sending to you a notice of the special meeting of BANKshares shareholders and a form of proxy that the BANKshares board of directors is soliciting for use at the special meeting and at any adjournments or postponements of the special meeting.

Time, Date, and Place

The special meeting is scheduled to be held on [], 2014 at [] p.m., local time, at [], Winter Park, Florida [].

Matters to be Considered at the Meeting

At the special meeting, BANKshares shareholders will be asked to consider and vote on:

a proposal to approve the merger agreement, which we refer to as the BANKshares merger proposal;

a proposal of the BANKshares board of directors to adjourn or postpone the special meeting, if necessary or appropriate, including to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger agreement; and

any other matters as may properly be brought before the special meeting or any adjournment or postponement of the special meeting.

At this time, the BANKshares board of directors is unaware of any other matters that may be presented for action at the special meeting. If any other matters are properly presented, however, and you have completed, signed and submitted your proxy, the person(s) named as proxy will have the authority to vote your shares in accordance with his or her judgment with respect to such matters. A copy of the merger agreement is included in this joint proxy statement/prospectus as Appendix A, and we encourage you to read it carefully in its entirety.

Recommendation of the BANKshares Board of Directors

The BANKshares board of directors recommends that BANKshares shareholders vote **FOR** the BANKshares merger proposal and **FOR** the BANKshares adjournment proposal. See The Merger BANKshares s Reasons for the Merger and Recommendations of the Board of Directors of BANKshares.

Record Date and Quorum

[], 2014 has been fixed as the record date for the determination of BANKshares shareholders entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. At the close of business on the record date, there were [] shares of BANKshares common stock outstanding and entitled to vote at the special meeting, held by approximately [] holders of record and [] shares of BANKshares preferred stock

outstanding and entitled to vote at the special meeting held by approximately [] holders of record.

A quorum is necessary to transact business at the special meeting. The presence, in person or by proxy, of the holders of a majority of the outstanding shares of BANKshares common and preferred stock entitled to vote at the special meeting is necessary to constitute a quorum. Shares of BANKshares common and preferred stock represented at the special meeting but not voted, including shares that a shareholder abstains from voting and

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shares held in street name with a bank, broker or other nominee for which a shareholder does not provide voting instructions, will be counted for purposes of establishing a quorum. Once a share of BANKshares common and preferred stock is represented at the special meeting, it will be counted for the purpose of determining a quorum not only at the special meeting but also at any adjournment or postponement of the special meeting. In the event that a quorum is not present at the special meeting, it is expected that the special meeting will be adjourned or postponed.

Required Vote

The affirmative vote of the holders of at least a majority of the outstanding shares of BANKshares common and preferred stock, voting as a separate class and entitled to vote at the special meeting is necessary to approve the merger proposal. If you vote to **ABSTAIN** with respect to the BANKshares merger proposal or if you fail to vote on the BANKshares merger proposal, or fail to instruct your bank or broker how to vote with respect to the BANKshares merger proposal, this will have the same effect as voting **AGAINST** the BANKshares merger proposal.

The adjournment proposal will be approved if the votes cast in favor of the adjournment proposal exceed the votes cast against the adjournment proposal. If you vote to **ABSTAIN** with respect to the adjournment proposal or if you fail to vote on the adjournment proposal, or fail to instruct your bank or broker how to vote with respect to the adjournment proposal, this will have no effect on the outcome of the vote on the adjournment proposal.

Each share of BANKshares voting common or preferred stock you own as of the record date for the special meeting entitles you to one vote at the special meeting on all matters properly presented at the meeting.

How to Vote Shareholders of Record

Voting in Person. If you are a shareholder of record, you can vote in person by submitting a ballot at the special meeting. Nevertheless, we recommend that you vote by proxy as promptly as possible, even if you plan to attend the special meeting. This will ensure that your vote is received. If you attend the special meeting, you may vote by ballot, thereby canceling any proxy previously submitted.

Voting by Proxy. Your proxy card includes instructions on how to vote by mailing in the proxy card. If you choose to vote by proxy, please mark each proxy card you receive, sign and date it, and promptly return it in the envelope enclosed with the proxy card. If you sign and return your proxy without instruction on how to vote your shares, your shares will be voted **FOR** the merger proposal and **FOR** the adjournment proposal. At this time, the BANKshares board of directors is unaware of any other matters that may be presented for action at the special meeting. If any other matters are properly presented, however, and you have signed and returned your proxy card, the person(s) named as proxy will have the authority to vote your shares in accordance with his or her judgment with respect to such matters. Please do not send in your BANKshares stock certificates with your proxy card. If the merger is completed, then you will receive a separate letter of transmittal and instructions on how to surrender your BANKshares stock certificates for the merger consideration.

How to Vote Shares Held in Street Name

If you are a BANKshares shareholder and your shares are held in street name through a bank, broker or other holder of record, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by the bank or broker. You may not vote shares held in street name by returning a proxy card directly to BANKshares or by voting in person at the BANKshares special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee. Further, brokers, banks or other nominees who hold shares of BANKshares common or preferred stock on behalf of their customers may not give a

proxy to BANKshares to vote those shares with respect to any of the proposals

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without specific instructions from their customers, as brokers, banks and other nominees do not have discretionary voting power on these matters. Therefore, if you are a BANKshares shareholder and you do not instruct your broker, bank or other nominee on how to vote your shares:

your broker, bank or other nominee may not vote your shares on the BANKshares merger proposal, which broker non-votes will have the same effect as a vote AGAINST this proposal; and

your broker, bank or other nominee may not vote your shares on the adjournment proposal, which broker non-votes will have no effect on the vote count for this proposal.

YOUR VOTE IS VERY IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING IN PERSON, PLEASE MARK, SIGN AND DATE THE ENCLOSED PROXY CARD AND PROMPTLY RETURN IT IN THE ENCLOSED POSTAGE-PAID ENVELOPE. SHAREHOLDERS WHO ATTEND THE SPECIAL MEETING MAY REVOKE THEIR PROXIES BY VOTING IN PERSON.

Revocation of Proxies

You can revoke your proxy at any time before your shares are voted. If you are a shareholder of record, then you can revoke your proxy by:

submitting another valid proxy card bearing a later date;

attending the special meeting and voting your shares in person; or

delivering prior to the special meeting a written notice of revocation to BANKshares's Corporate Secretary at the following address: 1031 W. Morse Blvd., Suite 323, Winter Park, Florida 32789.

If you choose to send a completed proxy card bearing a later date or a notice of revocation, the new proxy card or notice of revocation must be received before the beginning of the BANKshares special meeting. Attendance at the special meeting will not, in and of itself, constitute revocation of a proxy. If you hold your shares in street name with a bank, broker or other nominee, you must follow the directions you receive from your bank, broker or other nominee to change your vote. Your last vote will be the vote that is counted.

Shares Subject to Support Agreements; Shares Held by Directors and Executive Officers

A total of 7,352,564 shares of BANKshares common stock, representing approximately 57.6% of the outstanding shares of BANKshares common stock entitled to vote at the special meeting and 1,331,121 shares of BANKshares preferred stock, representing approximately 90.1% of the outstanding shares of BANKshares preferred stock entitled to vote at the special meeting, are subject to shareholder support agreements between Seacoast and each of BANKshares's directors. Pursuant to his or her respective shareholder support agreement, each director has agreed to, at any meeting of BANKshares shareholders, however called, or any adjournment or postponement thereof (and subject to certain exceptions):

vote (or cause to be voted) all shares of BANKshares' s common and/or preferred stock beneficially owned by such director and which such director has the right to vote in favor of the approval of the merger agreement, the merger and each of the transactions contemplated by the merger agreement;

not vote grant any proxies to any third party, except where such proxies are directed to vote in favor of the merger agreement, the merger and the transactions contemplated by the merger agreement; and

vote (or cause to be voted) his shares against any competing transaction.

Pursuant to the shareholder support agreement, without the prior written consent of Seacoast, each director has further agreed not to sell or otherwise transfer any shares of BANKshares' common and/or preferred stock. The foregoing summary of the support agreements entered into by BANKshares' s directors does not purport to

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be complete, and is qualified in its entirety by reference to the form of support agreement attached as Exhibit B to the merger agreement, which is attached as Appendix A to this document.

For more information about the beneficial ownership of the BANKshares common and preferred stock by each greater than 5% beneficial owner, each director and executive officer and executive officers as a group, see Beneficial Ownership of BANKshares Common Stock by Management and Principal Shareholders of BANKshares.

Solicitation of Proxies

The proxy for the special meeting is being solicited on behalf of the BANKshares board of directors. BANKshares will bear the entire cost of soliciting proxies from you. BANKshares will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of BANKshares stock. Proxies will be solicited principally by mail, but may also be solicited by the directors, officers, and other employees of BANKshares in person or by telephone, facsimile or other means of electronic communication. Directors, officers and employees will receive no compensation for these activities in addition to their regular compensation, but may be reimbursed for out-of-pocket expenses in connection with such solicitation.

Attending the Meeting

All holders of BANKshares common and preferred stock, including shareholders of record and shareholders who hold their shares in street name through banks, brokers or other nominees, are cordially invited to attend the special meeting. Shareholders of record can vote in person at the special meeting. If you are not a shareholder of record and would like to vote in person at the special meeting, you must produce a legal proxy executed in your favor by the record holder of your shares. In addition, you must bring a form of personal photo identification with you in order to be admitted at the special meeting. We reserve the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the special meeting is prohibited without BANKshares' s express written consent.

Questions and Additional Information

If you have more questions about the merger or how to submit your proxy or vote, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card or voting instructions, please contact BANKshares at:

The BANKshares, Inc.

1031 W. Morse Blvd., Suite 323

Winter Park, Florida 32789

Telephone: (407) 622-3183

Attn: Thomas P. Abelman

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THE MERGER

Background of the Merger

As part of its ongoing consideration and evaluation of its long-term prospects and strategies, Seacoast's board of directors and senior management have regularly reviewed and assessed its business strategies and objectives, including strategic opportunities and challenges, and have considered various strategic opportunities, including mergers and acquisitions, all with the goal of enhancing long term value for its shareholders and other stakeholders. During planning meetings in 2013, Seacoast's board of directors discussed the Florida banking market and acquisition opportunities generally and identified potential acquisition opportunities in the near term, based on conversations between Seacoast's CEO Dennis Hudson and other bank CEOs in the state.

From time to time, the board of directors of BANKshares has similarly engaged in reviews and discussions of BANKshares' long-term strategies and objectives, considering ways in which the company might enhance shareholder value and performance in light of competitive and other relevant factors. Generally, these reviews have centered on strategies to improve BANKshares' existing operations or to pursue opportunities in new markets or lines of business. Often these assessments included discussions and analyses of potential merger transactions as a means to enhance or improve shareholder value.

In late 2013, after considering alternative strategies, the board of directors of BANKshares determined that the best course of enhancing long-term shareholder value was to find a suitable merger partner, and on November 15, 2013 BANKshares engaged Hovde Group, LLC (Hovde), to assist the board in analyzing the potential for such a transaction and in selecting the most appropriate business partner.

During November and December 2013, Hovde prepared a confidential memorandum describing the business of BANKshares and its financial condition and results of operations and contacted four select prospective transaction partners that possessed liquid, attractively valued currencies. During that time, certain members of the senior management team of BANKshares and BankFIRST, including Donald McGowan, BANKshares' s President and Chief Executive Officer, and representatives of Hovde evaluated and engaged in discussions regarding several different financial institutions considered to be potentially attractive partners for BANKshares in a strategic business combination.

Also during this period, representatives of Hovde discussed with BANKshares' board of directors and certain members of the senior management team of BANKshares and BankFIRST its views concerning the current economic environment and banking consolidation generally and the types of proposals that BANKshares might expect to receive from potentially interested strategic partners, and representatives of BANKshares' outside counsel, Smith MacKinnon, P.A. discussed with members of the board the legal standards applicable to the board's decisions and actions with respect to a potential business combination transaction. Based on discussions with certain members of the senior management team of BANKshares and BankFIRST, and representatives of Hovde and Smith MacKinnon, P.A., the BANKshares board of directors concluded that Seacoast was likely the most attractive merger partner and authorized Mr. McGowan and management and Hovde to continue the process of seeking out a proposal for a potential strategic business combination transaction with Seacoast. On November 27, 2013, Mr. Hudson met with Mr. McGowan and discussed the general merits of a potential combination of the two organizations.

In early December 2013, Seacoast asked Guggenheim Securities to assist Seacoast as it considered the merits of a potential transaction with BANKshares. Soon thereafter, the parties executed a non-disclosure agreement and BANKshares provided more detailed information concerning BANKshares to Seacoast and Guggenheim Securities to facilitate a non-binding offer.

On December 30, 2013, Seacoast provided BANKshares a draft letter of intent with respect to a proposed merger transaction. After an evaluation of the proposal by the board of directors of BANKshares and following

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discussions with certain members of the senior management team of BANKshares and BankFIRST, and representatives of Hovde and Smith Mackinnon, P.A., and based on the board's determination that Seacoast's preliminary proposal offered substantial value to BANKshares and its shareholders and was attractive for strategic reasons, the BANKshares board of directors authorized BANKshares to enter into a limited exclusivity agreement with Seacoast. The parties negotiated the preliminary terms for a potential agreement in a non-binding letter of intent during the last half of December and into early January 2014. On January 5, 2014, Seacoast and BANKshares executed a non-binding letter of intent for the acquisition of BANKshares, along with an exclusivity agreement which ended on February 24, 2014.

On January 7, 2014, Mr. Hudson convened a meeting of Seacoast's M&A Committee and representatives of Guggenheim Securities to review a preliminary analysis of BANKshares and the non-binding letter of intent. The committee discussed the impact of the merger based on the limited information provided by BANKshares and preliminary assumptions utilized in the analysis. The Committee agreed with the terms of the non-binding letter of intent and authorized Mr. Hudson to proceed forward with due diligence. On January 15, 2014, Seacoast formally engaged Guggenheim Securities as its financial advisor in connection with the potential BANKshares transaction.

Seacoast began its due diligence review of BANKshares in mid-to late-January 2014. Based on discussions between the parties, BANKshares opened an electronic data room for Seacoast to review its due diligence requests and BANKshares' responses during this period. Seacoast conducted due diligence through in-person meetings with a limited number of BANKshares executives and began its loan portfolio review of BANKshares at the end of January 2014. Upon the conclusion of its preliminary review of BANKshares' loan portfolio, representatives of Seacoast's financial advisor, Guggenheim Securities, communicated to representatives of Hovde Seacoast's continued interest in a strategic business combination and gave additional detail on the terms of Seacoast's proposal.

On February 6, 2014, Seacoast's M&A Committee, with representatives of Guggenheim Securities in attendance, reviewed an initial draft of the merger agreement and also received an update on the due diligence review. Later that day, counsel to Seacoast circulated an initial draft of the merger agreement, based on the terms outlined in the letter of intent, to BANKshares' counsel and financial advisor and the parties discussed the terms of this agreement during this period. On February 11, 2014, Seacoast's Chief Credit Officer presented a comprehensive credit diligence update to the M&A Committee members. The committee also reviewed and discussed concerns related to potential diligence issues and the various potential impacts these concerns could have on the previous pricing assumptions.

Over the course of the following two weeks, Seacoast and its representative continued negotiations with BANKshares and its representatives on the terms of the transaction and worked to reconcile differing views with respect to various aspects of the merger agreement. These issues included the exchange ratio, whether the exchange ratio would be fixed or floating, the respective covenants of the parties pending closing of the transaction, the rights and obligations of the parties in the event the merger agreement is terminated prior to the consummation of the merger and matters relating to a line of business of BANKshares. Seacoast continued to conduct its due diligence in the first several weeks of February. During this period, BANKshares' management also engaged an accounting and consulting firm (Due Diligence Assist Firm) to assist BANKshares' management with an on-site due diligence review of Seacoast's operations, policies and procedures, loan and investment portfolios and other matters.

During the course of discussions regarding the draft merger agreement, representatives of Seacoast and BANKshares also discussed their expectation that each party's directors would enter into customary support agreements agreeing to vote their shares of Seacoast and BANKshares stock, respectively, in favor of the merger agreement and the transactions provided for in the merger agreement, as applicable, along with entering into certain restrictive covenant agreements. Also during this period, BANKshares' and Seacoast's senior management and advisors regularly updated their respective boards of directors on the status of negotiations.

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During the week of February 3, 2014, representatives of BANKshares met with representatives of Seacoast at Seacoast's offices to discuss the transaction and continue their due diligence review of the other party. During these meetings, Seacoast's representatives answered questions from BANKshares' representatives regarding Seacoast's business and certain financial, legal and regulatory matters.

During the following week, the parties continued to negotiate the terms of a transaction. In mid-February, the parties reached an impasse on certain terms of the transaction, including the applicable exchange ratio and whether the exchange ratio should be fixed or floating, and the parties agreed to halt negotiations. On February 20, 2014, Mr. Hudson informed the M&A Committee as to the impasse and the committee reviewed and discussed further the issues that remained between the parties. The exclusivity period for negotiations between the parties expired on February 24, 2014.

The parties resumed discussions of a transaction during the first week of March 2014. Over the next two weeks, Seacoast conducted additional due diligence and the parties further negotiated the principal terms of the transaction.

Representatives of Seacoast and Alston & Bird, LLP, counsel to Seacoast, had multiple telephonic conference calls with representatives of BANKshares and Smith Mackinnon, P.A. to negotiate the terms of the draft merger agreement. On March 24, 2014, the board of directors and management of BANKshares met with its legal and financial advisors to review the revised principal terms of the proposed definitive agreement and agreed to continue proceeding forward with discussions with Seacoast. Over the next several weeks the parties worked to finalize the definitive agreement and the ancillary agreements, complete the disclosure schedules and address the roles for BANKshares management in a potentially combined business. The parties resumed their due diligence processes and had subsequent communications and negotiations relating to the merger agreement, and the ancillary transaction documents.

On April 14, 2014, the board of directors and management of BANKshares met with its legal and financial advisors to review the changes that had been made to the proposed agreements. The Due Diligence Assist Firm presented a report summarizing the findings of its due diligence review of Seacoast. Mr. Hudson and other Seacoast executive officers were then invited to discuss Seacoast's strategic plan, the prospects for the merger with BANKshares and the remaining unresolved issues.

On April 21, 2014, Seacoast's board of directors met in special session to review and consider the merger agreement and the transactions and agreements contemplated by it. Robert Goldstein did not attend, participate or vote at the board meeting because he is a board member of BANKshares and the director representative of CapGen on the Seacoast board. At the meeting, Alston & Bird reviewed for the directors the terms and conditions of the merger agreement, the merger and the various agreements to be signed in connection with the merger agreement, along with the fiduciary duties of the board members, and engaged in discussions with the board members on such matters. As a part of the meeting, a representative of Guggenheim Securities reviewed the principal terms of the proposed transaction and rendered an oral opinion (which was subsequently confirmed in writing) to the Seacoast board of directors to the effect that, as of such date, and based on the matters considered, the procedures followed, the assumptions made and various limitations of and qualifications to the review undertaken, as set forth therein, the exchange ratio was fair from a financial point of view to Seacoast. After additional discussion, the Seacoast board of directors, other than Robert B. Goldstein who was not present, adopted and approved the merger agreement and the transactions and agreements contemplated by it (subject to no material terms or conditions being revised), determined that the merger agreement and the transactions contemplated by it were in the best interests of Seacoast and its shareholders, authorized Seacoast officers to submit approval of the share issuance by Seacoast in the merger to Seacoast shareholders, and recommended that the shareholders of Seacoast approve such share issuance.

On April 22, 2014, BANKshares' board of directors held a meeting to consider, based on presentations from BANKshares' outside legal and financial advisors and discussions with senior management, the status of the proposed transaction with Seacoast. Mr. McGowan further reviewed for the board of directors the background of

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discussions with Seacoast and the progress of negotiations. Representatives of Hovde reviewed the financial aspects of the proposed merger and rendered an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Hovde as set forth in such opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the shareholders of BANKshares. In addition, representatives of Smith Mackinnon, P.A. reviewed with the directors the most recent draft of the proposed merger agreement and related transaction documents as well as the legal standards applicable to the board's decisions and actions with respect to the proposed transaction, as they had previously done. Following further discussion, the board of directors of BANKshares approved the merger agreement, with Robert B. Goldstein abstaining (but noting his support for the merger agreement) because he serves as a director of both BANKshares and Seacoast and he is also a principal of CapGen LLC (which owns 39.2% of the outstanding BANKshares common stock and 16.6% of the outstanding Seacoast common stock).

On April 24, 2014 Seacoast's M&A Committee held a telephonic meeting during which Mr. Hudson and Seacoast's advisors updated the board on the status of the definitive merger agreement and other transaction documents, and confirmed there had been no material changes to the terms and conditions discussed with the full board on April 21, 2014. During the meeting, at the request of the Seacoast M&A committee, a representative of Guggenheim Securities confirmed orally to the committee that Guggenheim Securities was not aware of any intervening events since the rendering of its opinion to the Seacoast Board on April 21, 2014 that would negatively affect its opinion and, as a result, the Seacoast Board could continue to rely upon such opinion.

Later in the day on April 24, 2014, Seacoast and BANKshares executed the merger agreement and the other transaction documents. A press release announcing the transaction was released that afternoon following the close of trading in Seacoast common stock.

BANKshares's Reasons for the Merger and Recommendations of the Board of Directors of BANKshares

After careful consideration, BANKshares's board of directors, at a meeting held on April 22, 2014, determined that the merger agreement is in the best interests of BANKshares and its shareholders. Accordingly, BANKshares's board of directors adopted and approved the merger agreement and the merger and the other transactions contemplated by the merger agreement and recommended that BANKshares' shareholders vote **FOR** the approval of the merger agreement. In reaching its decision to adopt and approve the merger agreement and the merger and the other transactions contemplated by the merger agreement, and to recommend that its shareholders approve the merger agreement, the BANKshares board of directors consulted with BANKshares management, as well as its financial and legal advisors, and considered a number of factors, including the following material factors:

each of BANKshares, Seacoast and the combined company's business, operations, financial condition, asset quality, earnings and prospects. In reviewing these factors, the BANKshares board of directors considered its view that Seacoast's business and operations complement those of BANKshares and that the merger would result in a combined company with diversified revenue sources, a well-balanced loan portfolio and an attractive funding base, as evidenced by a significant portion of core deposit funding;

its understanding of the current and prospective environment in which BANKshares and Seacoast operate, including national and local economic conditions, the interest rate environment, increasing operating costs resulting from regulatory initiatives and compliance mandates, the competitive environment for financial institutions generally, and the likely effect of these factors on BANKshares both with and without the

proposed transaction;

its review and discussions with BANKshares management and the Due Diligence Assist Firm concerning the due diligence investigation of Seacoast;

the complementary nature of the credit cultures of the two companies, which management believes should facilitate integration and implementation of the transaction;

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management's expectation that the combined company will have a strong capital position upon completion of the transaction;

the board's belief that the combined enterprise would benefit from Seacoast's ability to take advantage of economies of scale and grow in the current economic environment, making Seacoast an attractive partner for BANKshares;

its belief that the transaction is likely to provide substantial value to BANKshares's shareholders;

the opinion of Hovde, BANKshares' financial advisor, delivered to BANKshares' board of directors, to the effect that, as of the date of such opinion, and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Hovde as set forth in each such opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of BANKshares stock, as more fully described below in the section entitled "The Merger - Opinion of BANKshares' Financial Advisor";

the financial and other terms of the merger agreement, the expected tax treatment and deal protection provisions, including the ability of BANKshares's board of directors, under certain circumstances, to withdraw or materially adversely modify its recommendation to BANKshares' shareholders, and to terminate the merger agreement in order to enter into a definitive agreement with respect to a superior proposal (subject to payment of a termination fee), each of which it reviewed with its outside financial and legal advisors;

the fact that the merger consideration will consist of shares of Seacoast common stock, which would allow BANKshares shareholders to participate in a significant portion of the future performance of the combined BANKshares and Seacoast business and synergies resulting from the merger, and the value to BANKshares shareholders represented by that consideration;

the greater liquidity in the trading market for Seacoast common stock relative to the market for BANKshares common stock due to the listing of Seacoast's shares on the Nasdaq Stock Market;

the potential risk of diverting management attention and resources from the operation of BANKshares's business and towards the completion of the merger;

the requirement that BANKshares conduct its business in the ordinary course and the other restrictions on the conduct of BANKshares's business prior to the completion of the merger, which may delay or prevent BANKshares from undertaking business opportunities that may arise pending completion of the merger;

the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating Seacoast's business, operations and workforce with those of BANKshares; and

the regulatory and other approvals required in connection with the merger and the expectation that such regulatory approvals will be received in a timely manner and without the imposition of unacceptable conditions.

The foregoing discussion of the factors considered by the BANKshares board of directors is not intended to be exhaustive, but, rather, includes the material factors considered by the BANKshares board of directors. In reaching its decision to adopt and approve the merger agreement and the merger and the other transactions contemplated by the merger agreement, the BANKshares board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The BANKshares board of directors considered all these factors as a whole, including discussions with, and questioning of, BANKshares's management and BANKshares's financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

For the reasons set forth above, the BANKshares board of directors has adopted and approved the merger agreement and the transactions contemplated thereby and recommends that you vote FOR the BANKshares merger proposal and FOR the BANKshares adjournment proposal.

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Each of the directors of BANKshares has entered into a support agreement with Seacoast, pursuant to which they have agreed to vote in favor of the BANKshares merger proposal and the other proposals to be voted on at the BANKshares special meeting. For more information regarding the support agreements, please see the section entitled "Information About the BANKshares Special Meeting – Shares Subject to Support Agreements; Shares Held by Directors and Executive Officers" beginning on page [].

Seacoast's Reasons for the Merger and Recommendations of the Board of Directors of Seacoast

As a part of Seacoast's growth strategy, Seacoast routinely evaluates opportunities to acquire financial institutions. The acquisition of BANKshares is consistent with Seacoast's expansion strategy. Seacoast's board of directors, senior management and certain lenders reviewed the business, financial condition, results of operation and prospects for BANKshares, the market condition of the market area in which BANKshares conducts business, the compatibility of the management and the proposed financial terms of the merger. In addition, management of Seacoast believes that the merger will expand Seacoast's presence in the attractive Central Florida MSA market area, provide opportunities for future growth and provide the potential to realize cost savings. Seacoast's board of directors also considered the financial condition and valuation for both BANKshares and Seacoast as well as the financial and other effects the merger would have on Seacoast's shareholders and stakeholders. The board considered the fact that the acquisition would provide a meaningful extension of Seacoast's existing market footprint, that BANKshares small business and commercial client base is highly complementary to Seacoast's customer base, that cultural similarities supported the probability of an efficient, low risk integration, with minimal customer attritions. In addition, the board of directors also considered the analysis and presentations from its outside financial advisor, Guggenheim Securities, and Guggenheim Securities' fairness opinion relating to the exchange ratio.

While management of Seacoast believes that revenue opportunities will be achieved and costs savings will be obtained following the merger, Seacoast has not quantified the amount of enhancements or projected the areas of operation in which such enhancements will occur.

In view of the variety of factors considered in connection with its evaluation of the merger, the Seacoast board did not find it useful to and did not attempt to quantify, rank or otherwise assign relative weights to factors it considered. Further, individual directors may have given differing weights to different factors. In addition, the Seacoast board did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination. Rather, the board conducted an overall analysis of the factors it considered material, including thorough discussions with, and questioning of, Seacoast's management.

Opinion of BANKshares' Financial Advisor

The fairness opinion of BANKshares' financial advisor, Hovde Group, LLC, is described below. The description contains projections, estimates and other forward-looking statements about the future earnings or other measures of the future performance of BANKshares. The projections were based on numerous variables and assumptions, which are inherently uncertain, including factors related to general economic and competitive conditions. Accordingly, actual results could vary significantly from those set forth in the projections. You should not rely on any of these statements as having been made or adopted by BANKshares or Seacoast. You should review the copy of the fairness opinion, which is attached as Appendix B.

Hovde has acted as BANKshares' financial advisor in connection with the proposed merger. The Company selected Hovde as its financial advisor in connection with the proposed merger, because Hovde is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger and is familiar with BANKshares and its operations. As part of its investment banking business, Hovde is continually engaged in the

valuation of businesses and their securities in connection with, among other things, mergers and acquisitions.

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Hovde reviewed the financial aspects of the proposed merger with BANKshares' board of directors and delivered a written opinion to BANKshares' board of directors that the exchange ratio in connection with the merger was fair to the shareholders of BANKshares from a financial point of view.

The full text of Hovde's written opinion is included in this joint proxy statement/prospectus as Appendix B and is incorporated herein by reference. You are urged to read the opinion in its entirety for a description of the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Hovde. The summary of the opinion of Hovde set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion. Hovde's opinion is directed to BANKshares' board of directors and addresses only the fairness, from a financial point of view, of the exchange ratio in connection with the merger to BANKshares' shareholders. It does not address the underlying business decision to proceed with the merger and does not constitute a recommendation to any of the shareholders as to how such shareholder should vote at the special meeting on the merger agreement or any related matter.

During the course of its engagement, and as a basis for arriving at its opinion, Hovde reviewed and analyzed material bearing upon the financial and operating conditions of BANKshares, Seacoast and material prepared in connection with the merger, including, among other things, the following:

a draft of the merger agreement, as provided to Hovde by BANKshares;

certain unaudited financial statements of BANKshares and Seacoast for the three month period ended March 31, 2014;

certain historical annual reports of BANKshares and Seacoast, including audited financials for the year ending December 31, 2013;

certain historical publicly available business and financial information concerning BANKshares and Seacoast;

certain internal financial statements and other financial and operating data concerning BANKshares and Seacoast, including, without limitation, internal financial analyses and forecasts prepared by management of BANKshares and of Seacoast and held discussions with senior management of BANKshares regarding recent developments and regulatory matters;

financial projections prepared by certain members of senior management of BANKshares and of Seacoast;

the terms of recent merger, acquisition and control investment transactions, to the extent publicly available, involving financial institutions and financial institution holding companies that Hovde considered relevant;

the pro forma impact of the merger on the combined company's earnings per share, consolidated capitalization and financial ratios;

the pro forma ownership of Seacoast's common stock by the holders of the BANKshares stock relative to the pro forma contribution of BANKshares's assets, deposits, equity and earnings to the combined company;

historical market prices and trading volumes of Seacoast's common stock;

the general economic, market and financial conditions; and

certain publicly available financial and stock market data relating to selected public companies that Hovde deemed relevant to its analysis.

Hovde also conducted meetings and had discussions with members of senior management of BANKshares and Seacoast for purposes of reviewing the business, financial condition, results of operations and future prospects of BANKshares and Seacoast, as well as the history and past and current operations of BANKshares

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and Seacoast, BANKshares' and Seacoast's historical financial performance and BANKshares' and Seacoast's outlook and future prospects. Hovde also discussed with management of each of BANKshares and Seacoast, its assessment of the rationale for the merger. Hovde also performed such other analyses and considered such other factors as Hovde deemed appropriate and took into account its experience in other transactions, as well as its knowledge of the banking and financial services industry and its general experience in securities valuations.

In rendering its opinion, Hovde assumed, without independent verification, the accuracy and completeness of the financial and other information and representations contained in the materials provided to it by BANKshares and in the discussions it had with the management of BANKshares. Hovde relied upon the reasonableness and achievability of the financial forecasts and projections (and the assumptions and bases therein) provided to Hovde by BANKshares and assumed that the financial forecasts, including without limitation, the projections regarding under-performing and non-performing assets and net charge-offs were reasonably prepared by BANKshares on a basis reflecting the best currently available information and judgments and estimates by BANKshares, and that such forecasts will be realized in the amounts and at the times contemplated thereby. Hovde did not assume any responsibility to verify such information or assumptions independently.

Hovde is not an expert in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of the allowances for loan losses with respect thereto. Hovde assumed that such allowances for BANKshares and Seacoast are, in the aggregate, adequate to cover such losses, and will be adequate on a pro forma basis for the combined entity. Hovde was not requested to make, and did not conduct, an independent evaluation, physical inspection or appraisal of the assets, properties, facilities or liabilities (contingent or otherwise) of BANKshares or Seacoast, the collateral securing any such assets or liabilities, or the collectability of any such assets, and Hovde was not furnished with any such evaluations or appraisals, nor did Hovde review any loan or credit files of BANKshares or Seacoast.

Hovde assumed that the merger will be consummated substantially in accordance with the terms set forth in the merger agreement, without any waiver of material terms or conditions by BANKshares or any other party to the merger agreement and that the final merger agreement will not differ materially from the draft Hovde reviewed. Hovde assumed that the merger is, and will be, in compliance with all laws and regulations that are applicable to BANKshares and Seacoast. BANKshares has advised Hovde that there are no factors that would impede any necessary regulatory or governmental approval of the merger. Hovde further assumed that, in the course of obtaining the necessary regulatory and government approvals, no restriction will be imposed on BANKshares or on Seacoast that would have a material adverse effect on the contemplated benefits of the merger. Hovde also assumed that no changes in applicable law or regulation will occur that will cause a material adverse change in the prospects or operations of the institutions after the merger.

BANKshares engaged Hovde on November 15, 2013, to provide BANKshares with financial advisory services. Pursuant to the terms of the engagement, Hovde will receive consideration from BANKshares for services provided, including a \$50,000 fee for the delivery of its fairness opinion, which will be credited against the completion fee. At the time the merger is completed, BANKshares will pay Hovde a completion fee, which is estimated to be \$665,000 and which is contingent upon the completion of the merger. Pursuant to the engagement agreement, in addition to its fees and regardless of whether the merger is consummated, BANKshares has agreed to reimburse Hovde for certain reasonable out-of-pocket expenses incurred in performing its services and to indemnify Hovde against certain claims, losses, and expenses arising out of the merger or Hovde's engagement.

In performing its analyses, Hovde made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Hovde, BANKshares and Seacoast. Hovde's opinion was necessarily based on financial, economic, market, and other conditions and circumstances as they existed on, and on the information made available to Hovde as of, the dates used

in its opinion. Hovde has no obligation to update or reaffirm its opinion at any time. Any estimates contained in the analyses performed by Hovde are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally,

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estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities may be sold or the prices at which any securities may trade at any time in the future. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. Hovde's opinion does not address the relative merits of the merger as compared to any other business combination in which BANKshares might engage. In addition, Hovde's fairness opinion was among several factors taken into consideration by BANKshares board of directors in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as solely determinative of the decision of BANKshares board of directors or BANKshares management with respect to the fairness of the exchange ratio, or any consideration to be received, in connection with the merger.

The following is a summary of the material analyses prepared by Hovde and delivered to BANKshares board of directors on April 21, 2014, in connection with the fairness opinion. This summary is not a complete description of the analyses underlying the fairness opinion or the presentation prepared by Hovde, but it summarizes the material analyses performed and presented in connection with such opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Hovde did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. The financial analyses summarized below include the information presented in tabular format. The analyses and the summary of the analyses must be considered as a whole and selecting portions of the analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying the analyses and opinion of Hovde. The tables alone are not a complete description of the financial analyses.

Precedent Transactions Analysis. As part of its analysis, Hovde reviewed publicly available information related to three comparable groups (Group A , Group B , and Group C) of select acquisition transactions of banks. Group A consisted of acquisition transactions of banks headquartered in the state of Florida announced since January 1, 2011, involving banks in which the target had assets between \$200 million and \$1.5 billion and non-performing assets represented less than 5.0% of total assets. Group B consisted of acquisition transactions of banks headquartered in the Southeast Region of the United States announced since January 1, 2012, involving banks in which the target had assets between \$250 million and \$1.0 billion and non-performing assets represented less than 4.0% of total assets. Group C consisted of acquisition transactions of banks in the United States announced since January 1, 2012, involving banks in which the target had assets between \$500 million and \$1.0 billion, a last twelve months return on average assets greater than 0.00%, and non-performing assets represented less than 3.0% of total assets. Information for the target institutions was based on the most recent quarter prior to announcement of the transaction. The resulting three groups consisted of the following:

Group A:**Buyer (State)**

CenterState Banks, Inc. (FL)
Banco de Sabadell, SA

Target (State)

First Southern Bancorp, Inc. (FL)
JGB Bank, National Association (FL)

Stonegate Bank (FL)
CenterState Banks, Inc. (FL)
Ameris Bancorp (GA)
Old Florida Bancshares, Inc. (FL)
IBERIABANK Corporation (LA)
Trustmark Corporation (MS)
1st United Bancorp, Inc. (FL)

Florida Shores Bancorp, Inc. (FL)
Gulfstream Bancshares, Inc. (FL)
Prosperity Banking Company (FL)
New Traditions National Bank (FL)
Florida Gulf Bancorp, Inc. (FL)
Bay Bank & Trust Co. (FL)
Anderen Financial, Inc. (FL)

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Group B:

Buyer (State)

Simmons First National Corporation (AR)
 Banco de Sabadell, SA
 Franklin Financial Network, Inc. (TN)
 Home Bancorp, Ins. (LA)
 NewBridge Bancorp (NC)
 New Century Bancorp, Inc. (NC)
 Cardinal Financial Corporation (VA)
 Stonegate Bank (FL)
 CenterState Banks, Inc. (FL)
 First Federal Bancshares of Arkansas, Inc. (AR)
 BNC Bancorp (NC)
 Southern BancShares (N.C.), Inc. (NC)
 Old Florida Bancshares, Inc. (FL)
 Crescent Financial Bancshares, Inc. (NC)
 WashingtonFirst Bankshares, Inc. (VA)
 First Community Bancshares, Inc. (VA)

Target (State)

Delta Trust & Banking Corporation (AR)
 JGB Bank, National Association (FL)
 MidSouth Bank (TN)
 Britton & Koontz Capital Corporation (MS)
 CapStone Bank (NC)
 Select Bancorp, Inc. (NC)
 United Financial Banking Companies, Inc. (VA)
 Florida Shores Bancorp, Inc. (FL)
 Gulfstream Bancshares, Inc. (FL)
 First National Security Company (AR)
 Randolph Bank & Trust Company (NC)
 Heritage Bancshares, Inc. (NC)
 New Traditions National Bank (FL)
 ECB Bancorp, Inc. (NC)
 Alliance Bankshares Corporation (VA)
 Peoples Bank of Virginia (VA)

Group C:

Buyer (State)

Eastern Bank Corporation (MA)
 First Interstate BancSystem, Inc. (MT)
 TriCo Bancshares (CA)
 IBERIABANK Corporation (LA)
 Old National Bancorp (IN)
 BancorpSouth, Inc. (MS)
 Banco de Sabadell, SA
 Independent Bank Group, Inc. (TX)
 Old National Bancorp (IN)
 Wilshire Bancorp, Inc. (CA)
 First Federal Bancshares of Arkansas, Inc. (AR)
 Peoples Financial Services Corp. (PA)
 F.N.B. Corporation (PA)
 Heartland Financial USA, Inc. (IA)
 CBFH, Inc. (TX)
 First PacTrust Bancorp, Inc. (CA)
 Investors Bancorp, Inc. (MHC) (NJ)
 United Financial Bancorp, Inc. (MA)
 Carlile Bancshares, Inc. (TX)

Centrix Bank & Trust (NH)
 Mountain West Financial Corp. (MT)
 North Valley Bancorp (CA)
 Teche Holding Company (LA)
 United Bancorp, Inc. (MI)
 Ouachita Bancshares Corp. (LA)
 JGB Bank, National Association (FL)
 BOH Holdings, Inc. (TX)
 Tower Financial Corporation (IN)
 Saehan Bancorp (CA)
 First National Security Company (AR)
 Pensco Financial Services Corporation (PA)
 BCSB Bancorp, Inc. (MD)
 Morrill Bancshares, Inc. (KS)
 VB Texas, Inc. (TX)
 Private Bank of California (CA)
 Marathon Banking Corporation (NY)
 New England Bancshares, Inc. (CT)
 Northstar Financial Corporation (TX)

For each precedent transaction, Hovde derived and compared the implied ratio of deal value to certain financial characteristics of the target company from the applicable precedent transaction as follows:

the multiple of the purchase consideration to the acquired company's tangible book value (the Price-to-Tangible Common Book Value Multiple);

the multiple of the purchase consideration to the acquired company's total assets (the Price-to-Assets Multiple);

the multiple of the purchase consideration to the acquired company's last twelve months net income (the Price-to-LTM EPS Multiple); and

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the multiple of the difference between the purchase consideration and the acquired company's tangible book value, as adjusted, to the acquired company's core deposits (the Premium-to-Core Deposits Multiple). The results of the analysis are set forth in the table below. Transaction multiples for the merger were derived from an implied aggregate offer price of \$78.175 million or \$5.49 per share for BANKshares, based on the exchange ratio of 0.4975 and Seacoast's closing stock price of \$11.03 on April 17, 2014.

Implied Value to BANKshares Based On:	Price-to-LTM EPS Multiple	Price-to-Assets Multiple	Price-to-Tang. Common Book Value Multiple	Premium-to-Core Deposits Multiple
Merger Agreement	18.4x ⁽¹⁾	11.9%	146.1%	5.60%
<i>Precedent Transactions Group A:</i>				
Median	13.7x	10.6%	112.3%	2.8%
Average	13.9x	12.1%	117.1%	2.1%
<i>Precedent Transactions Group B:</i>				
Median	15.5x	11.0%	112.8%	0.9%
Average	15.4x	11.0%	115.9%	1.8%
<i>Precedent Transactions Group C:</i>				
Median	17.1x	14.8%	155.0%	7.5%
Average	18.0x	15.0%	163.4%	8.4%

(1) Based on BANKshares' adjusted net income, which is equivalent to the sum of net income and tax-effected core deposit intangible amortization expense.

Using publicly available information, Hovde compared the financial performance of BANKshares with that of the median and average of the precedent transactions from Groups A, B, and C. The performance highlights are based on the year end information of BANKshares as of December 31, 2013.

	Tg. Equity/ Tg. Assets	Core Deposits	LTM ROAA	LTM ROAE	Efficiency Ratio	NPAs/ Assets	LLR/ NPLs
BANKshares	9.23%	89.40%	0.64% ⁽¹⁾	3.29% ⁽¹⁾	71.97%	2.22%	42.13%
<i>Precedent Transactions Group A:</i>							
Median	9.82%	92.22%	0.10%	1.54%	87.28%	3.52%	60.55%
Average	9.95%	90.57%	(0.05%)	1.04%	80.81%	2.76%	67.93%
<i>Precedent Transactions Group B:</i>							
Median	9.92%	87.59%	0.71%	5.40%	82.52%	2.04%	74.95%
Average	9.76%	86.58%	0.53%	4.31%	75.89%	2.00%	131.14%
<i>Precedent Transactions Group C:</i>							
Median	9.42%	86.51%	0.78%	7.42%	69.69%	1.12%	132.28%

Average	9.35%	86.10%	0.76%	7.66%	72.23%	1.43%	166.29%
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(1) Based on BANKshares' adjusted net income, which is equivalent to the sum of net income and tax-effected core deposit intangible amortization expense

No company or transaction used as comparison in the above transaction analyses is identical to BANKshares, and no transaction was consummated on terms identical to the terms of the merger agreement. Accordingly, an analysis of these results is not strictly mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies.

Discounted Cash Flow Analysis. Taking into account various factors including, but not limited to, BANKshares' recent performance, the current banking environment and the local economy in which

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BANKshares operates, Hovde utilized earnings estimates for a forward looking five-year period with the assistance of information and guidance provided by the management of BANKshares; BANKshares management developed the forward-looking projections, which formed the basis of the discounted cash flow analyses.

In order to determine a value for BANKshares on a discounted cash flow basis, Hovde utilized three different methods of discounted cash flow analysis: (1) present value of future free cash flows into perpetuity, (2) present value of future free cash flows based off a price-to-LTM earnings takeout multiple of 17.1x, and (3) present value of future free cash flows based off a price-to-tangible common book value takeout multiple of 1.55x. In order to derive the terminal value in the takeout multiple methods, Hovde multiplied BANKshares' projected 2018 earnings and tangible book value by their respective takeout multiples, as mentioned above. The LTM earnings takeout multiple was derived from the median LTM earnings multiple from Precedent Transactions Group C. The tangible common book value takeout multiple was also derived from the median tangible book value multiple from Precedent Transactions Group C.

These analyses yielded different implied values for BANKshares, which are outlined in the table below:

Implied Value to BANKshares Based On:	Implied Transaction Value (Per Share)	Price-to-LTM Net Income Multiple	Price-to-Assets Multiple	Price-to-Tang. Book Value Multiple	Premium to Core Deposits Multiple
Merger Agreement	\$ 5.49	18.4x ⁽¹⁾	11.9%	146.1%	5.6%
DCF Analysis Terminal Growth Model	\$ 3.28	11.0x ⁽¹⁾	7.1%	87.3%	(1.5%)
DCF Analysis Takeout Price-to-Earnings	\$ 4.26	14.3x ⁽¹⁾	9.2%	113.4%	1.6%
DCF Analysis Takeout Price-to-Tangible Book Value	\$ 4.55	15.3x ⁽¹⁾	9.9%	121.2%	2.6%

⁽¹⁾ Based on BANKshares' adjusted net income, which is equivalent to the sum of net income and tax-effected core deposit intangible amortization expense

Hovde noted that while the discounted cash flow present value analysis is a widely used valuation methodology, it relies on numerous assumptions, including asset and earnings growth rates, terminal values and discount rates. Hovde's analysis does not purport to be indicative of the actual values or expected values of BANKshares' common stock.

Relative Contribution and Performance Analysis. Hovde analyzed the relative contribution of BANKshares and Seacoast with regard to certain assets, liabilities, earnings, capital and other financial information to the pro forma company, which do not reflect purchase (acquisition) accounting adjustments, and compared the results to the implied pro forma ownership of the combined company resulting from the merger based on the exchange ratio. The information utilized in the analysis was based on BANKshares and Seacoast data as of December 31, 2013. The results of the Hovde analysis are set forth in the following table:

Contribution	Seacoast	BANKshares
2013 Net Income	62.2% ⁽¹⁾	37.8% ⁽²⁾
Total Assets	77.6%	22.4%
Gross Loans	78.2%	21.8%

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Net Loans	78.3%	21.7%
Deposits	78.6%	21.4%
Core Deposits ⁽³⁾	79.3%	20.7%
Tangible Common Equity	78.7%	21.3%
Implied Pro Forma Ownership	78.6%	21.4%

Notes:

⁽¹⁾ Excludes recapture of \$45 million valuation allowance on its net deferred tax assets

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- (2) *Based on BANKshares adjusted net income, which is calculated as net income + tax-effected core deposit intangible amortization expense*
- (3) *Core Deposits as defined as total deposits less CDs with a balance of above \$100,000, as well as all brokered deposits*

Other Factors and Analyses. Hovde took into consideration various other factors and analyses, including but not limited to: current market environment; merger and acquisition environment; movements in the common stock valuations of selected publicly-traded banking companies; and movements in the S&P 500 Index.

Material Relationships. Hovde will receive compensation from BANKshares in connection with its services, which may include, without limitation, a fairness opinion fee that is contingent upon the issuance of its opinion letter and a completion fee that is contingent upon the consummation of the merger. Additionally, Hovde, or its affiliates have received compensation in the past, and may receive compensation from Seacoast in the future, in connection with certain other advisory services or engagements, which may include, without limitation, fees for general financial advisory or capital services, or fees which are contingent upon the consummation of corporate transactions. In particular, within the last two years Hovde received compensation for serving as placement agent for Seacoast in a placement of securities, and Hovde has been engaged by Seacoast to provide advisory services in connection with certain matters other than the acquisition of BANKshares in the merger. This engagement is unrelated to BANKshares, the merger and the subject matter of Hovde's fairness opinion letter to BANKshares. In the ordinary course of its business, Hovde and its affiliates and/or employees may trade and/or hold equity of BANKshares and/or Seacoast for their own accounts or for the accounts of customers and, accordingly, they may at any time hold long or short positions in such securities. Hovde does not believe that any such holdings are material in relation to the merger. Further, BANKshares has agreed to indemnify Hovde and its affiliates for certain liabilities that may arise out of Hovde's engagement. Except for the foregoing, during the past two years there have not been, and there are no mutual understandings contemplating in the future, any material relationships between Hovde and BANKshares or Seacoast.

Conclusion. Based upon the foregoing analyses and other investigations and assumptions set forth in its opinion, without giving specific weightings to any one factor or comparison, Hovde determined that the exchange ratio in connection with the merger is fair from a financial point of view to BANKshares' shareholders. **Each shareholder is encouraged to read Hovde's fairness opinion in its entirety. The full text of this fairness opinion is included as Appendix B to this joint proxy statement/prospectus.**

Opinion of Seacoast's Financial Advisor*Overview*

Pursuant to an engagement letter, dated as of January 15, 2014, Seacoast's board of directors retained Guggenheim Securities to act as its financial advisor with respect to Seacoast's possible acquisition of or merger with BANKshares. In selecting Guggenheim Securities as its financial advisor, Seacoast's board of directors considered, among other things, Guggenheim Securities' reputation as an internationally recognized investment banking, financial advisory and securities firm with experience advising companies in, among other industries, the financial services industry. Guggenheim Securities, as part of its investment banking, financial advisory and capital market businesses, is regularly engaged in the valuation and financial assessment of businesses and securities in connection with mergers and acquisitions, recapitalizations, spin-offs/split-offs, restructurings, securities offerings in both the private and public capital markets and valuations for corporate and other purposes.

At the April 21, 2014 meeting of Seacoast's board of directors, Guggenheim Securities delivered its oral opinion, which subsequently was confirmed in writing, to the effect that, as of April 21, 2014 and based on the matters considered, the procedures followed, the assumptions made and various limitations of and qualifications to the review

undertaken, the exchange ratio in the merger was fair, from a financial point of view, to Seacoast.

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The description of Guggenheim Securities' opinion is qualified in its entirety by the full text of the written opinion, which is attached as Appendix C to this joint proxy statement/prospectus and which you should read carefully and in its entirety. Guggenheim Securities' written opinion sets forth the matters considered, the procedures followed, the assumptions made and various limitations of and qualifications to the review undertaken by Guggenheim Securities. Guggenheim Securities' written opinion, which was authorized for issuance by the Fairness Opinion and Valuation Committee of Guggenheim Securities, is necessarily based on economic, capital markets and other conditions, and the information made available to Guggenheim Securities, as of the date of such opinion. Guggenheim Securities has no responsibility for updating or revising its opinion based on facts, circumstances or events occurring after the date of the rendering of the opinion.

In reading the discussion of Guggenheim Securities' opinion set forth below, you should be aware that:

such opinion was provided to Seacoast's board of directors (in its capacity as such) for its information and assistance in connection with its evaluation of the exchange ratio;

such opinion did not constitute a recommendation to Seacoast's board of directors with respect to the merger;

neither such opinion nor any materials provided in connection therewith constituted advice or a recommendation to any holder of Seacoast common stock as to how to vote in connection with the share issuance or otherwise;

such opinion did not address Seacoast's underlying business or financial decision to pursue the merger, the relative merits of the merger as compared to any alternative business or financial strategies that might exist for Seacoast or the effects of any other transaction in which Seacoast might engage;

such opinion addressed only the fairness, from a financial point of view, to Seacoast of the exchange ratio pursuant to the merger agreement;

Guggenheim Securities expressed no view or opinion as to any other term or aspect of the merger agreement or the merger, any term or aspect of any other agreement, transaction document or instrument contemplated by the merger agreement or to be entered into or amended in connection with the merger or the fairness, financial or otherwise, of the merger to the holders of any class of securities, creditors or other constituencies of Seacoast, BANKshares or any other party to the transaction contemplated by the merger agreement; and

Guggenheim Securities expressed no view or opinion as to the fairness, financial or otherwise, of the amount or nature of any compensation payable to or to be received by any of Seacoast's or BANKshares's directors, officers or employees, or any class of such persons, in connection with the merger relative to the exchange ratio or otherwise.

In the course of performing its reviews and analyses for rendering its opinion, Guggenheim Securities:

reviewed a draft of the merger agreement, dated as of April 18, 2014, and certain related transaction documents;

reviewed certain publicly available business and financial information regarding each of Seacoast and BANKshares;

reviewed certain non-public business and financial information regarding BANKshares' s business and prospects, including the budget for 2014, all as prepared and provided to Guggenheim Securities by BANKshares' s senior management;

reviewed certain non-public business and financial information regarding Seacoast' s and BANKshares' s respective businesses and prospects, including certain financial projections for each of Seacoast and BANKshares (which projections are referred to herein as the Management Projections), all as prepared and provided to Guggenheim Securities by Seacoast' s senior management;

reviewed certain estimates of cost savings, restructuring charges, purchase accounting adjustments and other transaction adjustments (which estimates are referred to herein as the transaction adjustments) expected to result from the merger, all as prepared and provided to Guggenheim Securities by Seacoast' s senior management;

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discussed with Seacoast's senior management their strategic and financial rationale for the merger as well as their views of Seacoast's and BANKshares's respective businesses, operations, historical and projected financial results and future prospects;

discussed with BANKshares's senior management their views of BANKshares's business, operations, historical and projected financial results and future prospects;

reviewed the historical prices, trading multiples and trading volume of the common shares of Seacoast;

compared (i) the financial performance of Seacoast and the trading multiples and trading activity of the common shares of Seacoast and (ii) the financial performance of BANKshares with corresponding data for certain companies which Guggenheim Securities deemed relevant in evaluating Seacoast and BANKshares, respectively;

reviewed the valuation and financial metrics of certain mergers and acquisitions which Guggenheim Securities deemed relevant in evaluating the merger;

performed discounted dividend analyses based on the Management Projections and the transaction adjustments furnished to Guggenheim Securities by Seacoast;

reviewed the pro forma financial results, financial condition and capitalization of Seacoast giving effect to the merger; and

conducted such other studies, analyses, inquiries and investigations as Guggenheim Securities deemed appropriate.

With respect to the information used in arriving at its opinion, Guggenheim Securities notes that:

Guggenheim Securities relied upon and assumed the accuracy, completeness and reasonableness of all industry, business, financial, legal, regulatory, tax, accounting, actuarial and other information (including, without limitation, the Management Projections, transaction adjustments, other estimates and other forward-looking information) furnished by or discussed with Seacoast and BANKshares or obtained from reputable public sources, data suppliers and other third parties.

Guggenheim Securities (i) did not assume any responsibility, obligation or liability for the accuracy, completeness, reasonableness, achievability or independent verification of, and Guggenheim Securities did not independently verify, any such information (including, without limitation, the Management Projections, transaction adjustments, other estimates and other forward-looking information), (ii) expressed no view, opinion, representation, guaranty or warranty (in each case, express or implied) regarding the reasonableness

or achievability of the Management Projections, transaction adjustments, other estimates and other forward-looking information or the assumptions upon which they are based and (iii) relied upon the assurances of Seacoast's and BANKshares' senior management (as the case may be) that they were unaware of any facts or circumstances that would make such information (including, without limitation, the Management Projections, transaction adjustments, other estimates and other forward-looking information) incomplete, inaccurate or misleading.

Specifically, with respect to (i) the Management Projections, transaction adjustments, other estimates and other forward-looking information furnished by or discussed with Seacoast, (a) Guggenheim Securities was advised by Seacoast's senior management, and Guggenheim Securities assumed, that the Management Projections, transaction adjustments, other estimates and other forward-looking information utilized in its analyses had been reasonably prepared on bases reflecting the best then-currently available estimates and judgments of Seacoast's senior management as to the expected future performance of Seacoast and BANKshares and the realization of the cost savings reflected in the transaction adjustments and (b) Guggenheim Securities assumed that the Management Projections, transaction adjustments, other estimates and other forward-looking information had been reviewed by Seacoast's Board of Directors with the understanding that such information would be used and relied upon by Guggenheim Securities in connection with rendering its opinion, (ii) the estimates and other forward-looking information furnished by or discussed with BANKshares, Guggenheim Securities

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assumed that such estimates and other forward-looking information utilized in its analyses had been reasonably prepared on bases reflecting the best then-currently available estimates and judgments of BANKshares senior management as to the expected future performance of BANKshares and (iii) any financial projections, other estimates and/or other forward-looking information obtained by Guggenheim Securities from public sources, data suppliers and other third parties, Guggenheim Securities assumed that such information was reasonable and reliable.

Guggenheim Securities also noted certain other considerations with respect to its engagement and its opinion:

Guggenheim Securities did not perform or obtain any independent appraisal or valuation of (i) the assets or liabilities (including any contingent, derivative or off-balance sheet assets and liabilities) of Seacoast or BANKshares, (ii) the collateral securing any such assets or liabilities or (iii) the solvency or fair value of Seacoast or BANKshares, nor was Guggenheim Securities furnished with any such appraisal or valuation.

Guggenheim Securities did not make an independent evaluation of and it rendered no opinion regarding the collectability of any assets or the future performance of any loans of Seacoast or BANKshares.

Guggenheim Securities did not make an independent evaluation of the adequacy of the allowance for loan and lease losses (which are referred to herein as ALLL) for Seacoast or BANKshares, nor did it conduct any review of the credit files of Seacoast or BANKshares. Guggenheim Securities assumed that the respective ALLLs for Seacoast and BANKshares are adequate to cover such future loan and lease losses and will be adequate on a pro forma basis for the combined company resulting from the merger.

Guggenheim Securities assumed that there had been no material change in the assets, liabilities, financial condition, results of operations, business or prospects of either Seacoast or BANKshares since December 31, 2013.

Guggenheim Securities' professionals are not legal, regulatory, tax, consulting, accounting, appraisal or actuarial experts and Guggenheim Securities' opinion should not be construed as constituting advice with respect to such matters; accordingly, Guggenheim Securities relied on the assessments of Seacoast, BANKshares and their respective advisors with respect to such matters.

Guggenheim Securities further assumed that:

In all respects material to its analyses, (i) the final executed form of the merger agreement would not differ from the draft that Guggenheim Securities had earlier been provided, (ii) Seacoast and BANKshares will comply in all material respects with all terms of the merger agreement and (iii) the representations and warranties of Seacoast and BANKshares contained in the merger agreement were true and correct and all conditions to the obligations of each party to the merger agreement to consummate the merger would be satisfied without any waiver thereof;

All governmental, regulatory or other consents and approvals necessary for the consummation of the merger would be obtained without any adverse effect on Seacoast, BANKshares or on the expected benefits of the merger in any way material to Guggenheim Securities' analysis;

The merger will be consummated in a timely manner and in accordance with the terms of the merger agreement, without any limitations, restrictions, conditions, amendments or modifications, regulatory or otherwise that would have an adverse effect on Seacoast or BANKshares or the merger.

Guggenheim Securities expressed no view or opinion as to the price or range of prices at which the shares of common stock or other securities of Seacoast may trade at any time, including, without limitation, subsequent to the announcement or consummation of the merger.

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Summary of Valuation and Financial Analyses

Overview of Valuation and Financial Analyses

This Summary of Valuation and Financial Analyses presents a summary of the principal valuation and financial analyses performed by Guggenheim Securities and presented to Seacoast's board of directors in connection with Guggenheim Securities rendering its opinion. The summary is not a complete description of the valuation and financial analyses underlying the opinion or the presentation made by Guggenheim Securities to Seacoast's board of directors, but summarizes the principal valuation and financial analyses performed and presented in connection with such opinion.

Some of the valuation and financial analyses summarized below include summary data and information presented in tabular format. In order to understand fully such valuation and financial analyses, the summary data and tables must be read together with the full text of the summary. Considering the summary data and tables alone could create a misleading or incomplete view of Guggenheim Securities' valuation and financial analyses.

The preparation of a fairness opinion is a complex process and involves various judgments and determinations as to the most appropriate and relevant valuation and financial analyses and the application of those methods to the particular circumstances involved. A fairness opinion therefore is not readily susceptible to partial analysis or summary description, and taking portions of the valuation and financial analyses set out above, without considering such analysis as a whole, would in the view of Guggenheim Securities create an incomplete and misleading picture of the processes underlying the valuation and financial analyses considered in rendering Guggenheim Securities' opinion.

In arriving at its opinion, Guggenheim Securities:

based its valuation and financial analyses on assumptions that it deemed reasonable, including assumptions concerning general business and economic conditions, capital markets considerations and industry-specific and company-specific factors, all of which are beyond the control of Seacoast, BANKshares and Guggenheim Securities;

did not form a view or opinion as to whether any individual analysis or factor, whether positive or negative, considered in isolation, supported or failed to support its opinion;

considered the results of all of its valuation and financial analyses and did not attribute any particular weight to any one analysis or factor; and

ultimately arrived at its opinion based on the results of all of its valuation and financial analyses assessed as a whole and believes that the totality of the factors considered and the various valuation and financial analyses performed by Guggenheim Securities in connection with its opinion operated collectively to support its determination as to the fairness, from a financial point of view, of the exchange ratio pursuant to the merger.

With respect to the valuation and financial analyses performed by Guggenheim Securities in connection with rendering its opinion:

Such valuation and financial analyses, particularly those based on estimates and projections, are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by these analyses.

None of the selected publicly traded companies used in the peer group financial benchmarking and trading valuation analysis described below is identical or directly comparable to Seacoast or BANKshares, and none of the selected precedent merger and acquisition transactions used in the precedent merger and acquisitions transactions analysis described below is identical or directly comparable to the merger; however, such companies and transactions were selected by Guggenheim Securities, among other reasons, because they represented or involved target companies which may be

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considered broadly similar, for purposes of Guggenheim Securities' valuation analyses, to Seacoast and BANKshares based on Guggenheim Securities' familiarity with the financial services sector in the United States.

In any event, peer group financial benchmarking and trading valuation analysis and precedent merger and acquisition transactions analysis are not mathematical; rather, such analyses involve complex considerations and judgments concerning the differences in business, financial, operating and capital markets-related characteristics and other factors regarding the peer group companies and precedent merger and acquisition transactions to which Seacoast, BANKshares and the merger were compared.

Such valuation and financial analyses do not purport to be appraisals or to reflect the prices at which any securities may trade at the present time or at any time in the future.

Certain Definitions

Throughout this Summary of Valuation and Financial Analyses, the following financial terms are used in connection with Guggenheim Securities' various valuation and financial analyses:

BVPS: means book value per share.

Core pre-provision net income: means net income before provision expense, amortization expense and one-time income or expense.

DDA: means dividend discount analysis.

EPS: means the relevant company's earnings per share.

LTM: means latest twelve months.

NI: means net income.

NPA: means non-performing assets.

TA: means tangible assets.

TBVPS: means tangible book value per share.

TBVPS earnback: means the number of years needed to return to Seacoast's tangible book value prior to closing, using BANKshares's expected stand-alone earnings and transaction adjustments.

TCE: means tangible common equity.

Recap of Merger Valuation

Based on the merger exchange ratio of 0.4975 shares of Seacoast common stock for each share of BANKshares common and preferred stock outstanding and an illustrative stock price for Seacoast of \$11.00 per share (Seacoast's trailing 60-day volume weighted average share price was \$11.04 as of April 17, 2014, and the closing price on April 17, 2014 was \$11.03), Guggenheim Securities reviewed the implied value of the merger consideration to be paid to holders of BANKshares common and preferred stock. The implied value of the merger consideration, or transaction price, to be paid to the holders of BANKshares common and preferred stock was \$5.47 per share of BANKshares common stock and \$77.962 million in the aggregate, implying a multiple of 1.45x to BANKshares TBVPS.

BANKshares Valuation Analyses

Summary of BANKshares Valuation Analyses. In assessing the valuation of BANKshares in connection with rendering its opinion, Guggenheim Securities performed various valuation and financial analyses which are summarized in the table below and described in more detail elsewhere herein, including peer group financial

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benchmarking and trading valuation analysis, precedent merger and acquisition transaction analysis, and discounted dividend analysis.

Summary of BANKshares Valuation Analyses

Transaction Price per Share **\$ 5.47**

Selected Valuation Analyses	Reference Range for Valuation of BANKshares	
	Low	High
Peer Group Trading Analysis:		
Price/TBVPS	\$ 3.76	\$ 4.88
Precedent M&A Transaction Analysis:		
Price/TBVPS	\$ 4.88	\$ 7.14
Price/LTM Core Pre-Provision Net Income with Cost Savings	\$ 4.82	\$ 7.22
Dividend Discount Analyses:		
BANKshares Stand-Alone DDA Valuation	\$ 5.53	\$ 6.43
BANKshares Stand-Alone DDA Valuation with Transaction Adjustments	\$ 6.41	\$ 7.61

Peer Group Financial Benchmarking and Trading Valuation Analysis. Guggenheim Securities reviewed and analyzed trading data associated with a peer group of publicly traded banks that it deemed to be relevant. In doing so, Guggenheim Securities noted that BANKshares is not a publicly traded company. Guggenheim Securities imputed a hypothetical trading valuation for BANKshares based on its review of trading data associated with the referenced peer group.

The following publicly traded banks were used by Guggenheim Securities for purposes of its valuation analysis:

Peer Group Companies

Auburn National Bancorp	Jacksonville Bancorp Inc.
Bank of South Carolina Corp.	New Century Bancorp Inc.
Citizens Holding Co.	Old Point Financial Corp
Colony Bankcorp Inc.	Peoples Bancorp of NC Inc.
Community Bankers Trust Corp.	Peoples Financial Corp
Eastern Virginia Bankshares	Southcoast Financial Corp.
Fauquier Bankshares Inc.	Southern First Bancshares, Inc.
First Bancshares Inc.	Summit Financial Group Inc.
First Capital Bancorp Inc.	United Security Bancshares
First Community Corp.	Valley Financial Corp.
First South Bancorp Inc.	Xenith Bankshares Inc.

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Guggenheim Securities calculated the following mean and median trading multiples for the selected peer group companies based on Wall Street consensus estimates and the most recent publicly available financial filings:

Summary of Peer Group Trading Multiples

	Price to:								TCE/ TA	NPAs /Assets
	Assets (\$ mm)	Market Value (\$ mm)	LTM Core Pre- Provision NI	14 Est. EPS	15 Est. EPS	BVPS	TBVPS	LTM Core Pre- Provision NI/ TCE		
Median	\$780	\$68	8.7x	14.0x	11.6x	1.08x	1.11x	12.6%	8.2%	2.7%
Mean	\$787	\$69	10.5x	16.0x	12.5x	1.09x	1.13x	13.3%	8.4%	2.8%

In performing its peer group trading valuation analysis:

Guggenheim Securities noted the peer group consisted of relatively small banks with limited research coverage and low market capitalizations and trading volumes. Owing to significant variability in earnings, and lack of reliable earnings forecasts for many banks in this peer group making earnings multiples less meaningful, in Guggenheim Securities' judgment the appropriate trading valuation reference range was 1.0x to 1.3x TBVPS.

Guggenheim Securities' analysis of the selected peer group companies resulted in an overall reference range of \$3.76 to \$4.88 per share for purposes of valuing BANKshares' common stock on a stand-alone public-market trading basis as compared to the implied transaction price of \$5.47 per share of BANKshares common stock.

Precedent Merger and Acquisition Transaction Analysis. Guggenheim Securities reviewed and analyzed the valuation and financial metrics of certain relevant precedent merger and acquisition transactions occurring since January 2013 and involving companies in the U.S. financial services sector that Guggenheim Securities deemed relevant for purposes of its valuation analysis and that had a transaction value of between \$50 million to \$125 million. The following precedent merger and acquisition transactions were reviewed and considered by Guggenheim Securities for purposes of its valuation analysis:

Selected Precedent M&A Transactions

Date Announced	Acquiror	Target Company
3/24/14	Simmons First National	Delta Trust
3/17/14	CBFH	MC Bancshares
3/11/14	Chemical Financial	Northwestern Bancorp
2/18/14	CVB Financial	American Security Bank
2/11/14	IBERIABANK	First Private Holdings
2/10/14	First Interstate	Mountain West Financial

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1/23/14	HomeTrust Bancshares	Jefferson Bancshares
12/20/13	Provident Financial	Team Capital Bank
12/4/13	Banco de Sabadell, SA	JGB Bank
11/1/13	NewBridge Bancorp	CapStone Bank
10/21/13	Heritage Oaks	Mission Community
9/12/13	Simmons First National	Metropolitan
9/10/13	Old National	Tower Financial
9/9/13	Cardinal Financial	United Financial
9/5/13	Stonegate	Florida Shores

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Date Announced	Acquiror	Target Company
7/30/13	CenterState Banks	Gulfstream
7/15/13	Wilshire Bancorp	Saehan Bancorp
6/14/13	FNB	BCSB Bancorp
5/13/13	First Merchants	CFS Bancorp
2/19/13	FNB	PVF Capital
2/7/13	Renasant	First M&F
1/29/13	Lakeland Bancorp	Somerset Hills

Guggenheim Securities calculated the following mean and median data for the precedent merger and acquisition transactions:

Summary of Precedent M&A Transactions

	Price/LTM Core Pre-Provision Net Income:							LTM Core Pre-Provision NI/ TCE
	Deal Value (\$ mm)	Price / TBVPS	Standalone	+Cost Savings	Core Deposit Premium	TCE/TA	NPAs/ Assets	
Median	\$65.8	1.50x	22.7x	11.0x	6.7%	9.0%	2.2%	6.3%
Mean	\$78.4	1.50x	30.8x	13.5x	6.1%	9.1%	2.7%	7.1%

In performing its precedent merger and acquisition transactions analysis:

Guggenheim Securities noted that there may be individual company or transaction-related factors that contribute to the foregoing transaction data that are not publicly disclosed and that it is therefore unable to evaluate (e.g., balance sheet marks, earnings growth rate assumptions, potential transaction synergies).

In Guggenheim Securities' judgment, based on its review of data associated with precedent announced transactions which it deemed to be relevant, the appropriate reference range was 1.3x to 1.9x TBVPS or 10.0x to 15.0x LTM core pre-provision net income, including announced cost savings.

Guggenheim Securities' analysis of the selected relevant precedent merger and acquisition transactions resulted in reference ranges of \$4.88 to \$7.14 per share based on TBVPS and \$4.82 to \$7.22 per share based on LTM core pre-provision net income, including announced cost savings, for purposes of valuing BANKshares' common and preferred stock on a change-of-control basis, as compared to the implied transaction price of \$5.47 per share of BANKshares common and preferred stock.

Dividend Discount Analyses. Guggenheim Securities performed a dividend discount analyses of BANKshares based on stand-alone financial projections for BANKshares, and an estimate of its terminal/continuing value at the end of the projection horizon. Guggenheim Securities also performed a dividend discount analyses of BANKshares with the transaction adjustments associated with the merger. In doing so, Guggenheim Securities assumed a 9.5% Tier 1

common equity ratio.

In performing its illustrative dividend discount analyses:

Guggenheim Securities based its dividend discount analyses on five-year stand-alone financial projections for BANKshares and the transaction adjustments, all as prepared and provided by Seacoast's senior management.

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Guggenheim Securities estimated BANKshares' cost of equity to be within a range of 13.0%-15.0% based on, among other factors, (i) Guggenheim Securities' then-current estimate of the prospective US equity risk premium range, (ii) a review of observed and predicted betas for publicly-traded banks with assets of \$25 billion to \$250 billion; (iii) a review of observed and predicted betas for BANKshares' selected peer group companies, which Guggenheim Securities considered to be less meaningful due to more limited market trading activity, (iv) the then-prevailing yield on the 20-year US Treasury bond as a proxy for the risk-free rate, (v) an estimate of the appropriate size/liquidity premium and (vi) Guggenheim Securities' investment banking and capital markets judgment and experience in valuing companies similar to BANKshares.

In calculating BANKshares' terminal/continuing value for purposes of its dividend discount analyses, Guggenheim Securities used a range of terminal net income multiples of 13.0x to 15.0x.

Guggenheim Securities' dividend discount analyses resulted in an overall reference range of (i) \$5.53 to \$6.43 per share for purposes of valuing BANKshares' common and preferred stock on a stand-alone intrinsic-value basis and (ii) \$6.41 to \$7.61 per share for purposes of valuing BANKshares' common and preferred stock on an intrinsic-value basis including the transaction adjustments, as compared to the implied transaction price of \$5.47 per share of BANKshares common and preferred stock.

Seacoast Valuation Analysis

Guggenheim Securities performed a stand-alone dividend discount analyses of Seacoast based on financial projections for Seacoast, and an estimate of its terminal/continuing value at the end of the projection horizon. In performing its illustrative DDAs:

Guggenheim Securities based its dividend discount analyses on five-year financial projections for Seacoast prepared and provided by Seacoast's senior management, including an assumed 9.5% Tier 1 common equity ratio.

Guggenheim Securities estimated Seacoast's cost of equity to be within a range of 12.0-14.0% based on, among other factors, (i) Guggenheim Securities' then-current estimate of the prospective US equity risk premium range, (ii) a review of observed and predicted betas for Seacoast, (iii) a review of observed and predicted betas for publicly-traded banks with assets of \$25 billion to \$250 billion; (iv) a review of observed and predicted betas for Seacoast's selected peer group companies, which Guggenheim Securities considered to be less meaningful due to more limited market trading activity, (v) the then-prevailing yield on the 20-year US Treasury bond as a proxy for the risk-free rate, (vi) an estimate of the appropriate size/liquidity premium and (vii) Guggenheim Securities' investment banking and capital markets judgment and experience in valuing companies similar to Seacoast.

In calculating Seacoast's terminal/continuing value for purposes of its dividend discount analyses, Guggenheim Securities used a range of terminal net income multiples of 13.0x to 15.0x.

Guggenheim Securities' illustrative dividend discount analyses resulted in an overall reference range of \$11.90 to \$13.94 per share for purposes of valuing Seacoast's common stock on a stand-alone intrinsic-value basis, as compared to the illustrative stock price for Seacoast of \$11.00 per share used by Guggenheim Securities to calculate the implied transaction price.

Other Financial Reviews and Analyses

Guggenheim Securities performed various additional financial reviews and analyses as summarized below solely for reference purposes and to provide certain context for the various valuation and financial analyses in connection with its opinion.

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Seacoast Peer Group Trading Valuation Analysis. Guggenheim Securities included in its materials selected trading data associated with a peer group of publicly traded banks that it deemed to be relevant. In Guggenheim Securities judgment, such data was not significant to its analysis.

Seacoast Stock Price Trading History. Guggenheim Securities reviewed Seacoast's stock price trading history over various timeframes:

Guggenheim Securities indicated that since April 15, 2013 through April 17, 2014, Seacoast's common stock generally had traded in a range of approximately \$8.50 to \$12.51 per share.

Seacoast's volume weighted average price is summarized in the following table

Seacoast Volume Weighted Average Price	
Price as of 4/17/2014	\$ 11.03
1 month	11.11
2 months	11.04
6 months	11.33
12 months	11.16
52-week high	12.51
52-week low	8.50

Seacoast EPS and TBVPS Accretion/(Dilution) Analysis. Guggenheim Securities analyzed the pro forma financial impact of the merger on Seacoast's projected EPS and TBVPS based on (i) financial projections for each of Seacoast and BANKshares and the transaction adjustments expected to result from the merger, all as prepared and provided by Seacoast's senior management, (ii) the exchange ratio of 0.4975 shares of Seacoast common stock for each share of BANKshares common and preferred stock and (iii) an illustrative stock price for Seacoast of \$11.00 per share. That analysis yielded the following results:

<i>(\$ in millions, except per share amounts)</i>	
Acquisition Price per Share	\$ 5.47
Total Consideration	77.96
Seacoast Accretion / (Dilution):	
2014 Earnings Per Share	6.5%
2015 Earnings Per Share	13.0
BV Per Share	5.9%
TBV Per Share	(4.9)
TBVPS Earnback	2.75 years

Seacoast Illustrative DDA Accretion/(Dilution) Analysis. Guggenheim Securities analyzed the illustrative pro forma valuation impact of the merger on Seacoast's stand-alone DDA valuation based on (i) the financial projections for each of Seacoast and BANKshares and the transaction adjustments expected to result from the merger, all as prepared and provided by Seacoast's senior management (ii) the merger exchange ratio of 0.4975, (iii) cost of equity assumptions consistent with Seacoast's stand-alone cost of equity reference range of 12.0%-14.0% and (iv) pro forma price to

terminal net income multiples consistent with Seacoast's stand-alone price to terminal net income multiples reference range of 13.0x to 15.0x. Guggenheim Securities' illustrative DDA accretion/(dilution) analyses resulted in an overall estimate of accretion to Seacoast's stand-alone intrinsic value of 2.7%.

Other Considerations

Seacoast did not provide specific instructions to, or place any limitations on, Guggenheim Securities with respect to the procedures to be followed or factors to be considered in performing its valuation and financial

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analyses or providing its opinion. The type and amount of consideration payable in the merger were determined through negotiations between Seacoast and BANKshares and were approved by Seacoast's board of directors. The decision to enter into the merger agreement was solely that of Seacoast's board of directors. Guggenheim Securities' opinion was just one of the many factors taken into consideration by Seacoast's board of directors. Consequently, Guggenheim Securities' valuation and financial analyses should not be viewed as determinative of the decision of Seacoast's board of directors to approve the merger agreement and approve the issuance of the merger consideration in connection with the merger.

Pursuant to the terms of Guggenheim Securities' engagement letter, Seacoast has agreed to pay Guggenheim Securities a transaction fee of \$800,000, of which \$50,000 became payable upon execution of such engagement letter, \$250,000 became payable upon the delivery of Guggenheim Securities' opinion and the balance of which is contingent on successful consummation of the merger. A portion of Guggenheim Securities' compensation was payable upon delivery of its fairness opinion and will be credited against the fee payable upon consummation of the merger. In addition, Seacoast has agreed to reimburse Guggenheim Securities for certain expenses and to indemnify it against certain liabilities arising out of its engagement.

Aside from its current engagement by Seacoast, Guggenheim Securities has not been previously engaged by Seacoast, nor has Guggenheim Securities been previously engaged by BANKshares, to provide investment banking and/or financial advisory services for which Guggenheim Securities received fees. Guggenheim Securities may seek to provide Seacoast and its affiliates with certain investment banking and financial advisory services unrelated to the merger in the future.

Guggenheim Securities and its affiliates engage in a wide range of financial services activities for its and their own accounts and the accounts of its and their customers, including: asset, investment and wealth management; investment banking; corporate finance; mergers and acquisitions; restructuring, merchant banking; fixed income and equity sales, trading and research; derivatives; foreign exchange; and futures. In the ordinary course of these activities, Guggenheim Securities or its affiliates may (i) provide such financial services to Seacoast, BANKshares, other participants in the merger or their respective affiliates, subsidiaries, investment funds and portfolio companies, for which services Guggenheim Securities or its affiliates has received, and may receive, compensation and (ii) directly or indirectly, hold long or short positions, trade and otherwise conduct such activities in or with respect to certain bank debt, debt or equity securities and derivative products of or relating to Seacoast, BANKshares, other participants in the merger or their respective affiliates, subsidiaries, investment funds and portfolio companies. Finally, Guggenheim Securities or its affiliates and its or their directors, officers, employees, consultants and agents may have investments in Seacoast, BANKshares, other participants in the merger or their respective affiliates, subsidiaries, investment funds and portfolio companies.

Consistent with applicable legal and regulatory guidelines, Guggenheim Securities has adopted certain policies and procedures to establish and maintain the independence of its research departments and personnel. As a result, Guggenheim Securities' research analysts may hold views, make statements or investment recommendations and publish research reports with respect to Seacoast, BANKshares, other participants in the merger or their respective affiliates, subsidiaries, investment funds and portfolio companies and the merger that differ from the views of Guggenheim Securities' investment banking personnel.

Material U.S. Federal Income Tax Consequences of the Merger

The following discussion describes the material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of BANKshares stock that exchange their shares of BANKshares common and/or preferred stock for shares of Seacoast common stock in the merger. This discussion is based upon the Code, the regulations

promulgated under the Code, and court and administrative rulings and decisions, all as in effect on the date of this joint proxy statement/prospectus. These laws may change, possibly retroactively, and any change could affect the accuracy of the statements and conclusions set forth in this discussion.

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For purposes of this discussion, a U.S. holder means a beneficial owner of BANKshares common and/or preferred stock that is for U.S. federal income tax purposes (i) an individual citizen or resident of the United States, (ii) a corporation, or entity treated as a corporation, organized in or under the laws of the United States or any state thereof or the District of Columbia, (iii) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes, or (iv) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source.

If a partnership (including for this purpose any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds BANKshares common and/or preferred stock, the tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. Partners in a partnership holding BANKshares common and/or preferred stock should consult their own tax advisors.

This discussion addresses only those BANKshares stockholders that hold their shares of BANKshares common and/or preferred stock as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). Further, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to you in light of your particular circumstances or if you are subject to special treatment under the U.S. federal income tax laws, including if you are:

a financial institution;

a tax-exempt organization;

an S corporation or other pass-through entity (or an investor in an S corporation or other pass-through entity);

an insurance company;

a mutual fund;

a dealer or broker in stocks and securities, commodities or currencies;

a trader in securities that elects the mark-to-market method of accounting;

a holder of BANKshares stock that received such stock through the exercise of an employee stock option, through a tax qualified retirement plan or otherwise as compensation;

a person that is not a U.S. holder (as defined above);

a person that has a functional currency other than the U.S. dollar;

a holder of BANKshares stock that holds such stock as part of a hedge, straddle, constructive sale, conversion or other integrated transaction; or

a U.S. expatriate.

In addition, the discussion does not address any alternative minimum tax or any state, local or foreign tax consequences of the merger, nor does it address any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010. The actual tax consequences of the merger to you may be complex. These consequences will depend on your individual situation. You should consult with your own tax advisor to determine the tax consequences of the merger to you.

Tax Consequences of the Merger Generally. The parties intend for the merger to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code. It is a condition to Seacoast's obligation to complete the merger that Seacoast receive an opinion from Alston & Bird LLP, dated the closing date of the merger, to the effect that the merger will qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code. It is a condition to BANKshares's obligation to complete the merger that

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BANKshares receive an opinion, dated the closing date of the merger, to the effect that the merger will qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code. The opinions of Alston & Bird LLP provided on behalf of Seacoast and the opinion of Hacker, Johnson & Smith, P.A. provided on behalf of BANKshares, will be based on representation letters provided by Seacoast and BANKshares and on customary factual assumptions. Neither of the opinions described above will be binding on the Internal Revenue Service or any court. BANKshares and Seacoast have not sought and will not seek any ruling from the Internal Revenue Service regarding any matters relating to the merger. There can be no assurance that the Internal Revenue Service will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth in this discussion.

Provided the merger qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Code, upon exchanging your BANKshares common and/or preferred stock for Seacoast common stock, you generally will not recognize gain or loss, except with respect to any cash received in lieu of fractional shares of Seacoast common stock, which will be treated as described below.

The aggregate tax basis in the shares of Seacoast common stock that you receive in the merger, including any fractional share interests deemed received and sold for cash as described below, will be the same as your aggregate tax basis in the BANKshares common and/or preferred stock you surrender in exchange for shares of Seacoast common stock (including a fractional share deemed received and sold for cash, as described below). The holding period for the shares of Seacoast common stock that you receive in the merger (including a fractional share deemed received and sold for cash, as described below) will include your holding period for the shares of BANKshares common and/or preferred stock that you surrender in the exchange.

If holders of BANKshares common and/or preferred stock acquired different blocks of BANKshares common and/or preferred stock at different times or at different prices, any gain or loss will be determined separately with respect to each block of BANKshares common and/or preferred stock and such holders' basis and holding period in their shares of Seacoast stock may be determined with reference to each block of BANKshares common and/or preferred stock. Any such holders should consult their tax advisors regarding the manner in which cash and Seacoast common stock received in the merger should be allocated among different blocks of BANKshares common and/or preferred stock and regarding the computation of any gain or loss and identification of the bases or holding periods of the particular shares of Seacoast common stock received in the merger.

Cash Instead of Fractional Shares. If you receive cash instead of a fractional share of Seacoast common stock, you will be treated as having received the fractional share of Seacoast common stock pursuant to the merger and then as having sold that fractional share of Seacoast common stock for cash. As a result, you generally will recognize gain or loss equal to the difference between the amount of cash received and the tax basis allocated to such fractional share of Seacoast common stock. This gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if, as of the effective date of the merger, the holding period for the BANKshares common and/or preferred stock deemed surrendered in exchange for a fractional share of Seacoast common stock is greater than one year. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding. In certain instances you may be subject to information reporting and backup withholding at a rate of 28% on any cash payments you receive. You generally will not be subject to backup withholding, however, if you:

furnish a correct taxpayer identification number, certify that you are not subject to backup withholding on the substitute Form W-9 or successor form included in the letter of transmittal you will receive and

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otherwise comply with all the applicable requirements of the backup withholding rules; or
provide proof that you are otherwise exempt from backup withholding.

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Any amounts withheld under the backup withholding rules are not additional tax and will generally be allowed as a refund or credit against your U.S. federal income tax liability, provided you timely furnish the required information to the Internal Revenue Service.

Exercise of Dissenters' Rights. A U.S. Holder who receives cash pursuant to the exercise of dissenters' rights generally will recognize capital gain or loss measured by the difference between the cash received and its adjusted basis in its shares of BANKshares common and preferred stock.

The preceding discussion is intended only as a summary of material U.S. federal income tax consequences of the merger. It is for general information purposes and is not tax advice. Nor is this summary a complete analysis or discussion of all potential tax effects that may be relevant to you. You are urged to consult your own tax advisor with respect to the tax consequences to you from the merger (or exercise of dissenters' rights), including tax return reporting requirements and the applicability and effect of federal, state, local, and foreign tax laws.

Accounting Treatment

The merger will be accounted for using the acquisition method of accounting with Seacoast treated as the acquiror. Under this method of accounting, BANKshares' assets and liabilities will be recorded by Seacoast at their respective fair values as of the date of completion of the merger. Financial statements of Seacoast issued after the merger will reflect these values and will not be restated retroactively to reflect the historical financial position or results of operations of Seacoast.

Regulatory Approvals

Under federal law, the merger must be approved (unless such requirement for approval has been waived) by the Board of Governors of the Federal Reserve System and the bank merger must be approved by the OCC. In addition, CapGen Capital Group III LP, and its general partner, CapGen Capital Group III LLC, are bank holding companies of Seacoast, and CapGen Capital Group LP and its general partner, CapGen Capital Group LLC, are bank holding companies of BANKshares, and each may require approvals (CapGen Approvals) of the Federal Reserve before we can complete the merger.

Once the Federal Reserve approves the merger (unless such requirement for approval has been waived) and the CapGen approvals have been obtained, the parties must wait for up to 30 days before completing the merger. With the concurrence of the U.S. Department of Justice and permission from the Federal Reserve, however, the merger may be completed on or after the fifteenth (15th) day after approval from the Federal Reserve (unless such requirement for approval has been waived). Similarly, after receipt of approval of the bank merger from the OCC, the parties must wait for up to 30 days before completing the bank merger. If, however, there are no adverse comments from the U.S. Department of Justice and Seacoast receives permission from the OCC to do so, the bank merger may be completed on or after the fifteenth (15th) day after approval from the OCC.

As of the date of this joint proxy statement/prospectus, all of the required regulatory applications have been filed. There is no assurance as to whether all regulatory approvals will be obtained or as to the dates of the approvals. There also can be no assurance that the regulatory approvals received will not contain any condition that would increase any of the minimum regulatory capital requirements of Seacoast following the bank merger or have a material adverse effect. See *The Merger Agreement - Conditions to Completion of the Merger*.

Appraisal Rights for BANKshares Shareholders

Holders of BANKshares common and/or preferred stock as of the record date are entitled to appraisal rights under the FBCA. Pursuant to Section 607.1302 of the FBCA, a BANKshares shareholder who does not wish to accept the consideration to be received pursuant to the terms of the merger agreement may dissent from the

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merger and elect to receive the fair value of his or her shares of BANKshares common and/or preferred stock immediately prior to the date of the special meeting to vote on the proposal to approve the merger agreement, excluding any appreciation or depreciation in anticipation of the merger unless exclusion would be inequitable. Under the terms of the merger agreement, if 5% or more of the outstanding shares of BANKshares stock validly exercise their appraisal rights, then Seacoast will not be obligated to complete the merger.

In order to exercise appraisal rights, a dissenting BANKshares shareholder must strictly comply with the statutory procedures of Sections 607.1301 through 607.1333 of the FBCA, which are summarized below. A copy of the full text of those Sections is included as Appendix D to this joint proxy statement/prospectus. BANKshares shareholders are urged to read Appendix D in its entirety and to consult with their legal advisors. Each BANKshares shareholder who desires to assert his or her appraisal rights is cautioned that failure on his or her part to adhere strictly to the requirements of Florida law in any regard will cause a forfeiture of any appraisal rights.

Procedures for Exercising Dissenters' Rights of Appraisal. The following summary of Florida law is qualified in its entirety by reference to the full text of the applicable provisions of the FBCA, a copy of which is included as Appendix D to this joint proxy statement/prospectus.

A dissenting shareholder who desires to exercise his or her appraisal rights must file with BANKshares, prior to the taking of the vote on the merger agreement, a written notice of intent to demand payment for his or her shares if the merger is effectuated. A vote against the merger agreement will not alone be deemed to be the written notice of intent to demand payment and will not be deemed to satisfy the notice requirements under the FBCA. A dissenting shareholder need not vote against the merger agreement, but cannot vote, or allow any nominee who holds such shares for the dissenting shareholder to vote, any of his or her shares of BANKshares common and/or preferred stock in favor of the merger agreement. A vote in favor of the merger agreement will constitute a waiver of the shareholder's appraisal rights. A shareholder's failure to vote against the merger agreement will not constitute a waiver of such shareholder's dissenters' rights. Such written notification should be delivered either in person or by mail (certified mail, return receipt requested, being the recommended form of transmittal) to:

The BANKshares, Inc.

1031 W. Morse Blvd., Suite 323

Winter Park, Florida 32789

Attn: Thomas P. Abelmann

All such notices must be signed in the same manner as the shares are registered on the books of BANKshares. If a BANKshares shareholder has not provided written notice of intent to demand fair value before the vote on the proposal to approve the merger agreement is taken at the special meeting, then the BANKshares shareholder will be deemed to have waived his or her appraisal rights.

Within 10 days after the completion of the merger, Seacoast must provide to each BANKshares shareholder who filed a notice of intent to demand payment for his or her shares a written appraisal notice and an election form that specifies, among other things:

the date of the completion of the merger;

Seacoast's estimate of the fair value of the shares of BANKshares common and preferred stock;

where to return the completed appraisal election form and the shareholder's stock certificates and the date by which each must be received by Seacoast or its agent, which date with respect to the receipt of the appraisal election form may not be fewer than 40, nor more than 60, days after the date Seacoast sent the appraisal election form to the shareholder (and shall state that the shareholder shall have waived the right to demand appraisal with respect to the shares unless such form is received by Seacoast by such specified date) and which with respect to the return of stock certificates must not be earlier than the date for receiving the appraisal election form;

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that, if requested in writing, Seacoast will provide to the shareholder so requesting, within 10 days after the date set for receipt by Seacoast of the appraisal election form, the number of shareholders who return the forms by such date and the total number of shares owned by them; and

the date by which a notice from the BANKshares shareholder of his or her desire to withdraw his or her appraisal election must be received by Seacoast, which date must be within 20 days after the date set for receipt by Seacoast of the appraisal election form from the BANKshares shareholder.

The form must also contain Seacoast's offer to pay to the BANKshares shareholder the amount that it has estimated as the fair value of the shares of BANKshares common and/or preferred stock, and request certain information from the BANKshares shareholder, including:

the shareholder's name and address;

the number of shares as to which the shareholder is asserting appraisal rights;

that the shareholder did not vote for the merger;

whether the shareholder accepts the offer of Seacoast to pay its estimate of the fair value of the shares of BANKshares common and/or preferred stock to the shareholder; and

if the shareholder does not accept the offer of Seacoast, the shareholder's estimated fair value of the shares of BANKshares common and/or preferred stock and a demand for payment of the shareholder's estimated value plus interest.

A dissenting shareholder must execute and submit the certificate(s) representing his or her shares and the appraisal election form, and in the case of certificated shares deposit the shareholder's certificates, by the specified date. Any dissenting shareholder failing to return a properly completed appraisal election form and his or her stock certificates within the period stated in the form will lose his or her appraisal rights and be bound by the terms of the merger agreement. Upon returning the appraisal election form, a dissenting shareholder will be entitled only to payment pursuant to the procedure set forth in the applicable sections of the FBCA and will not be entitled to vote or to exercise any other rights of a shareholder, unless the dissenting shareholder withdraws his or her demand for appraisal within the time period specified in the appraisal election form.

A dissenting shareholder who has delivered the appraisal election form and his or her BANKshares common and/or preferred stock certificates may decline to exercise appraisal rights and withdraw from the appraisal process by giving written notice to Seacoast within the time period specified in the appraisal election form. Thereafter, a dissenting shareholder may not withdraw from the appraisal process without the written consent of Seacoast. Upon such withdrawal, the right of the dissenting shareholder to be paid the fair value of his or her shares will cease, and he or she will be reinstated as a shareholder and will be entitled to receive the merger consideration.

If the dissenting shareholder accepts the offer of Seacoast in the appraisal election form to pay Seacoast's estimate of the fair value of the shares of BANKshares common and/or preferred stock, payment for the shares of the dissenting

shareholder is to be made within 90 days after the receipt of the appraisal election form by Seacoast or its agent. Upon payment of the agreed value, the dissenting shareholder will cease to have any interest in such shares.

A shareholder must demand appraisal rights with respect to all of the shares registered in his or her name, except that a record shareholder may assert appraisal rights as to fewer than all of the shares registered in the record shareholder's name but which are owned by a beneficial shareholder, if the record shareholder objects with respect to all shares owned by the beneficial shareholder. A record shareholder must notify BANKshares in writing of the name and address of each beneficial shareholder on whose behalf appraisal rights are being asserted. A beneficial shareholder may assert appraisal rights as to any shares held on behalf of the beneficial shareholder only if the beneficial shareholder submits to BANKshares the record shareholder's written consent to

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the assertion of such rights before the date specified in the appraisal election form, and does so with respect to all shares that are beneficially owned by the beneficial shareholder.

A shareholder who is dissatisfied with Seacoast's estimate of the fair value of the shares of Seacoast common stock must notify Seacoast of the shareholder's estimate of the fair value of the shares and demand payment of that estimate plus interest in the appraisal election form within the time period specified in the form. A shareholder who fails to notify Seacoast in writing of the shareholder's demand to be paid its stated estimate of the fair value of the shares plus interest within the required time period waives the right to demand payment and will be entitled only to the payment offered by Seacoast in the appraisal election form.

Section 607.1330 of the FBCA addresses what should occur if a dissenting shareholder fails to accept the offer of Seacoast to pay the value of the shares as estimated by Seacoast, and Seacoast fails to comply with the demand of the dissenting shareholder to pay the value of the shares as estimated by the dissenting shareholder, plus interest.

If a dissenting shareholder refuses to accept the offer of Seacoast to pay the value of the shares as estimated by Seacoast, and Seacoast fails to comply with the demand of the dissenting shareholder to pay the value of the shares as estimated by the dissenting shareholder, plus interest, then within 60 days after receipt of a written demand from any dissenting shareholder, Seacoast shall, or at its election at any time within such period of 60 days may, file an action in any court of competent jurisdiction in the county in Florida where the registered office of Seacoast, maintained pursuant to Florida law, is located requesting that the fair value of such shares be determined by the court.

If Seacoast fails to institute a proceeding within the above-prescribed period, any dissenting shareholder may do so in the name of Seacoast. All dissenting shareholders whose demands remain unsettled shall be made parties to the proceeding as in an action against their shares and a copy of the initial pleading will be served on each dissenting shareholder as provided by law. The shareholders demanding appraisal rights are entitled to the same discovery rights as parties in other civil proceedings. There shall be no right to a jury trial.

Seacoast is required to pay each dissenting shareholder the amount found to be due within 10 days after final determination of the proceedings, which amount may, in the discretion of the court, include a fair rate of interest, which will also be determined by the court. Upon payment of the judgment, the dissenting shareholder ceases to have any interest in such shares.

Section 607.1331 of the FBCA provides that the costs of a court appraisal proceeding, including reasonable compensation for, and expenses of, appraisers appointed by the court, will be determined by the court and assessed against Seacoast, except that the court may assess costs against all or some of the dissenting shareholders, in amounts the court finds equitable, to the extent that the court finds such shareholders acted arbitrarily, vexatiously or not in good faith with respect to their appraisal rights. The court also may assess the fees and expenses of counsel and experts for the respective parties, in amounts the court finds equitable, against: (i) Seacoast and in favor of any or all dissenting shareholders if the court finds Seacoast did not substantially comply with the notification provisions set forth in Sections 607.1320 and 607.1322 of the FBCA; or (ii) either Seacoast or a dissenting shareholder, in favor of any other party, if the court finds that the party against whom the fees and expenses are assessed acted arbitrarily, vexatiously, or not in good faith with respect to the appraisal rights. If the court in an appraisal proceeding finds that the services of counsel for any dissenting shareholder were of substantial benefit to other dissenting shareholders, and that the fees for those services should not be assessed against Seacoast, the court may award to such counsel reasonable fees to be paid out of the amounts awarded the dissenting shareholders who were benefited. To the extent that Seacoast fails to make a required payment when a dissenting shareholder accepts Seacoast's offer to pay the value of the shares as estimated by Seacoast, the dissenting shareholder may sue directly for the amount owed and, to the extent successful, shall be entitled to recover from Seacoast all costs and expenses of the suit, including counsel fees.

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For a discussion of tax consequences with respect to dissenting shares, see [The Merger](#) [Material U.S. Federal Income Tax Consequences of the Merger](#).

BECAUSE OF THE COMPLEXITY OF THE PROVISIONS OF FLORIDA LAW RELATING TO DISSENTERS' APPRAISAL RIGHTS, SHAREHOLDERS WHO ARE CONSIDERING DISSENTING FROM THE MERGER ARE URGED TO CONSULT THEIR OWN LEGAL ADVISORS.

Board of Directors and Management of Seacoast Following the Merger

The officers of Seacoast immediately prior to the effective time of the merger will be the officers of the surviving company and will hold office until their respective successors are duly elected and qualified, or their earlier death, resignation or removal. The Seacoast board of directors will be increased by one, with one individual who is currently a director of BANKshares, to be identified by Seacoast in its sole discretion, and will serve on the board of directors of the surviving company and will serve as the Seacoast board of directors until his successor is duly elected and qualified, or his earlier death, resignation or removal.

Information regarding the executive officers and directors of Seacoast is contained in documents filed by Seacoast with the SEC and incorporated by reference into this joint proxy statement/prospectus, including Seacoast's Annual Report on Form 10-K for the year ended December 31, 2013 and its definitive proxy statement on Schedule 14A for its 2014 annual meeting, filed with the SEC on March 17, 2014 and April 8, 2014, respectively. See [Where You Can Find More Information](#) and [Documents Incorporated by Reference](#).

Interests of BANKshares Directors and Executive Officers in the Merger

In the merger, the directors and executive officers of BANKshares will receive the same merger consideration for their BANKshares shares as the other BANKshares shareholders. In considering the recommendation of the BANKshares board of directors that you vote to approve the merger agreement, you should be aware that some of the executive officers and directors of BANKshares may have interests in the merger and may have arrangements, as described below, that may be considered to be different from, or in addition to, those of BANKshares shareholders generally. The BANKshares board of directors was aware of these interests and considered them, among other matters, in reaching its decision to adopt and approve the merger agreement and to recommend that BANKshares shareholders vote in favor of approving the merger agreement. See [The Merger](#) [Background of the Merger](#) and [The Merger](#) [BANKshares](#)'s Reasons for the Merger and Recommendations of the Board of Directors of BANKshares.

BANKshares's shareholders should take these interests into account in deciding whether to vote **FOR** the proposal to adopt the merger agreement. These interests are described in more detail below, and certain of them are quantified in the narrative below.

Treatment of BANKshares Equity Awards

Stock Units. All outstanding awards, grants, units, or similar rights, or BANKshares Equity Awards, to purchase shares of BANKshares common stock that is outstanding will either (i) vest in accordance with its terms, (ii) be exercised in accordance with its terms, or (iii) terminate. Following the effective time of the merger, no holder of any BANKshares Equity Award will have any right to acquire any capital stock of Seacoast or BANKshares, except with respect to the common stock of BANKshares which such person received or became entitled to receive in accordance with the vesting or exercise of such BANKshares Equity Award prior to the effective time, which will be converted into the right to receive the number of shares of Seacoast common stock equal to the exchange ratio.

All of the outstanding BANKshares equity awards are restricted stock awards that do not require any cash payment by the recipient to BANKshares in order to receive the subject shares. Such awards are subject to certain performance criteria and, normally, to the passage of time. One hundred percent of the unvested restricted stock awards will vest in accordance with the terms of the plan as a result of the change in control resulting from the merger.

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The table which follows reflects securities authorized for issuance under equity compensation plans.

Securities Authorized For Issuance Under Equity Compensation Plans

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity Compensation plans approved by security holders	None	None	None
Equity compensation plans not approved by security holders	128,860	\$-none	368,870
Total	128,860	\$-none	368,870

Refer to the notes to the consolidated audited financial statements for additional information concerning the restricted stock awards.

Separation Agreement, Waiver and Release

Separation Agreement, Waiver and Release with BANKshares and BankFIRST. As a condition to Seacoast's obligation to consummate the merger, BANKshares, BankFIRST and Donald J. McGowan, President and Chief Executive Officer of BANKshares and BankFIRST, have agreed to enter into a Separation Agreement, Waiver and Release, or the Separation Agreement, to be effective following the effective date of the merger. Pursuant to the Separation Agreement, Mr. McGowan will resign from employment with BANKshares and from the boards of directors and/or managers of any BANKshares affiliates, effective immediately after the effective time of the merger. In consideration of Mr. McGowan's continued compliance with certain obligations under his employment agreement with BANKshares and certain other agreements and obligations, as well as Mr. McGowan's release of all claims and covenant not to sue, BANKshares agrees to make certain change in control payments, accrued benefits payments and non-competition payments to Mr. McGowan. Mr. McGowan will be entitled to a change in control payment in the amount of \$920,000. In addition, he will be entitled to his 2014 Executive Incentive Program payment pro-rated to the date of termination, payment for any accrued and unused vacation time, and the payment of COBRA health and dental benefits for 18 months following his termination.

Director Restrictive Covenant Agreement; Claims Letters

Each member of the BANKshares and BankFIRST boards of directors (excluding Mr. McGowan) have entered into a restrictive covenant agreement, covering a two year period commencing with the effective time of the merger, with Seacoast in the form attached as Exhibit D to the merger agreement attached as Appendix A to this document. Mr.

McGowan did not execute a restrictive covenant agreement because he was already bound by an existing agreement. In addition, each of the members of the BANKshares and BankFIRST boards of directors have entered into a claims letter in the form attached as Exhibit C to the merger agreement attached as Appendix A to this document, by which they have agreed to release certain claims against BANKshares, effective as of the effective time of the merger.

Indemnification and Insurance

As described under The Merger Agreement Indemnification and Directors and Officers Insurance, after the effective time of the merger, Seacoast will indemnify and defend the present and former directors, officers and employees of BANKshares and its subsidiaries against claims pertaining to matters occurring at or

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prior to the closing of the merger as permitted by BANKshares' s articles of incorporation, bylaws and any existing indemnification agreement. Seacoast also has agreed, for a period of six years after the effective time of the merger, to provide coverage to present and former directors and officers of BANKshares pursuant to BANKshares' s existing directors' and officers' liability insurance. This insurance policy may be substituted, but must contain at least the same coverage and amounts, and contain terms no less advantageous than the coverage currently provided by BANKshares. In no event shall Seacoast be required to expend for the tail insurance a premium amount in excess of 250% of the annual premiums paid by BANKshares for its directors' and officers' liability insurance in effect as of the date of the merger agreement.

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THE MERGER AGREEMENT

The following is a summary of the material provisions of the merger agreement. This summary is qualified in its entirety by reference to the merger agreement, a copy of which is included as Appendix A to this joint proxy statement/prospectus and is incorporated herein by reference. You should read the merger agreement carefully and in its entirety, as it is the legal document governing the merger.

The Merger

The boards of directors of Seacoast and BANKshares have each approved and adopted the merger agreement, which provides for the merger of BANKshares with and into Seacoast, with Seacoast as the surviving company in the merger. Each share of Seacoast common stock outstanding immediately prior to the effective time of the merger will remain outstanding as one share of Seacoast common stock. Each share of BANKshares common and preferred stock outstanding immediately prior to the effective time of the merger (excluding certain shares held by BANKshares, Seacoast and their wholly-owned subsidiaries and dissenting shares) will be converted into the right to receive 0.4975 shares of Seacoast common stock.

All shares of Seacoast common stock received by BANKshares shareholders in the merger will be freely tradable, except that shares of Seacoast common stock received by persons who become affiliates of Seacoast for purposes of Rule 144 under the Securities Act may be resold by them only in transactions permitted by Rule 144, or as otherwise permitted under the Securities Act.

The merger agreement also provides that immediately after the effective time of the merger, BankFIRST, a Florida state-chartered bank and wholly-owned subsidiary of BANKshares, will merge with and into Seacoast National Bank, or SNB, a national banking association and wholly owned subsidiary of Seacoast, with SNB as the surviving bank of such merger. The terms and conditions of the merger of BankFIRST and SNB will be set forth in a separate merger agreement (referred to as the bank merger agreement), the form of which is attached as an Exhibit A to the merger agreement, included as Appendix A to this joint proxy statement/prospectus. We refer to the merger of BankFIRST and SNB as the bank merger.

Closing and Effective Time of the Merger

Unless both Seacoast and BANKshares otherwise agree, the closing of the merger will take place on the date when the effective time is to occur, which is to occur on a mutually agreeable date after the satisfaction or waiver of all closing conditions. Simultaneously with the closing of the merger, Seacoast will file articles of merger with the Secretary of State of the State of Florida. The merger will become effective at such time as the articles of merger are filed or such other time as may be specified in the articles of merger.

We currently expect that the merger will be completed in the fourth quarter of 2014, subject to the approval of the merger agreement and the issuance of Seacoast common stock in the merger by BANKshares and Seacoast shareholders, respectively, and other conditions. However, completion of the merger could be delayed if there is a delay in satisfying any other conditions to the merger. No assurance is made as to whether, or when, Seacoast and BANKshares will complete the merger. See The Merger Agreement Conditions to Completion of the Merger.

Merger Consideration

Under the terms of the merger agreement, each share of BANKshares common and preferred stock outstanding immediately prior to the effective time of the merger (excluding certain shares held by BANKshares, Seacoast and

their wholly-owned subsidiaries and dissenting shares described below) will be converted into the right to receive 0.4975 shares of Seacoast common stock, or the exchange ratio.

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No fractional shares of Seacoast common stock will be issued in connection with the merger. Instead, Seacoast will make to each BANKshares shareholder who would otherwise receive a fractional share of Seacoast common stock a cash payment (rounded to the nearest whole cent) equal to: (i) the fractional share amount multiplied by (ii) the average closing price per share of Seacoast common stock on the NASDAQ Global Select Market for the five trading day period ending on the trading day preceding the date of the closing of the merger. We refer to the stock consideration and cash in lieu of any fractional shares, collectively, as the merger consideration.

A BANKshares shareholder also has the right to obtain the fair value of his or her shares of BANKshares common and/or preferred stock in lieu of receiving the merger consideration by strictly following the appraisal procedures under the FBCA. Shares of BANKshares common and/or preferred stock outstanding immediately prior to the effective time of the merger and which are held by a shareholder who does not vote to approve the merger agreement and who properly demands the fair value of such shares pursuant to, and who complies with, the appraisal procedures under the FBCA are referred to as dissenting shares. See The Merger Appraisal Rights for BANKshares Shareholders.

If Seacoast or BANKshares change the number of shares of Seacoast common stock or BANKshares common or preferred stock outstanding prior to the effective time of the merger as a result of a reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or similar recapitalization with respect to the Seacoast common stock or BANKshares common or preferred stock and the record date for such corporate action is prior to the effective time of the merger, then the merger consideration shall be appropriately and proportionately adjusted.

Based upon the closing sale price of the Seacoast common stock on the NASDAQ Global Select Market of \$[] on [], 2014, the last practicable trading date prior to the printing of this joint proxy statement/prospectus, each common and preferred share of BANKshares will be entitled to be exchanged for total merger consideration with a value equal to \$[] per share.

The value of the shares of Seacoast common stock to be issued to BANKshares shareholders in the merger will fluctuate between now and the closing date of the merger. We make no assurances as to whether or when the merger will be completed, and you are advised to obtain current sale prices for the Seacoast common stock. See Risk Factors Because the sale price of the Seacoast common stock will fluctuate, you cannot be sure of the value of the merger consideration that you will receive in the merger until the closing.

Exchange of Stock Certificates

Seacoast has appointed as the exchange agent under the merger agreement its transfer agent, Continental Stock Transfer and Trust Company. Promptly (and within five business days) after the effective time of the merger, the exchange agent will mail to each holder of record of BANKshares common and preferred stock a letter of transmittal and instructions for use in exchanging such holder's BANKshares stock certificates for the merger consideration (including cash in lieu of any fractional Seacoast shares) and any dividends or distributions to which such holder is entitled pursuant to the merger agreement. BANKshares shareholders should not send in their stock certificates until they receive the letter of transmittal and instructions.

Upon surrender to the exchange agent of the certificate(s) representing his or her shares of BANKshares common and/or preferred stock, accompanied by a properly completed letter of transmittal, a BANKshares shareholder will be entitled to receive after the effective time of the merger the merger consideration (including any cash in lieu of fractional shares). Until surrendered, each such certificate will represent after the effective time of the merger, for all purposes, only the right to receive, without interest, the merger consideration (including any cash in lieu of fractional shares) and any dividends or distributions to which such holder is entitled pursuant to the merger agreement. Any

holder of book-entry shares will not be required to deliver a certificate or an executed letter of transmittal to receive the merger consideration. Instead, a holder of book-entry shares will

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automatically at the effective time of the merger be entitled to receive the merger consideration, which will be paid as soon as practicable by the exchange agent.

No dividends or other distributions with respect to Seacoast common stock after completion of the merger will be paid to the holder of any unsurrendered BANKshares stock certificates with respect to the shares of Seacoast common stock represented by those certificates until those certificates have been properly surrendered. Subject to applicable abandoned property, escheat or similar laws, following the proper surrender of any such previously unsurrendered BANKshares stock certificate, or payment of the merger consideration in respect of book-entry shares, the holder of the certificate or book-entry shares will be entitled to receive, without interest: (i) the amount of unpaid dividends or other distributions with a record date after the effective time of the merger payable with respect to the whole shares of Seacoast common stock represented by that certificate or book-entry shares; and (ii) at the appropriate payment date, the amount of dividends or other distributions payable with respect to shares of Seacoast common stock represented by that certificate or book-entry shares with a record date after the effective time of the merger (but before the date on which the certificate is surrendered) and with a payment date subsequent to the issuance of the shares of Seacoast common stock issuable in exchange for that certificate or book-entry shares.

Shares of Seacoast common stock and cash in lieu of any fractional shares may be issued or paid in a name other than the name in which the surrendered BANKshares stock certificate is registered if: (i) the certificate surrendered is properly endorsed or otherwise in a proper form for transfer; and (ii) the person requesting the payment or issuance pays any transfer or other similar taxes due or establishes to the satisfaction of Seacoast that such taxes have been paid or are not applicable.

After the effective time of the merger, there will be no transfers on the stock transfer books of BANKshares other than to settle transfers of shares of BANKshares common and/or preferred stock that occurred prior to the effective time. If, after the effective time of the merger, certificates for BANKshares common or preferred stock are presented for transfer to the exchange agent, the certificates will be cancelled and exchanged for the merger consideration (including cash in lieu of any fractional Seacoast shares).

In the event any BANKshares stock certificate is lost, stolen or destroyed, in order to receive the merger consideration (including cash in lieu of any fractional shares), the holder of that certificate must provide an affidavit of that fact and, if reasonably required by Seacoast or the exchange agent, post a bond in such amount as Seacoast determines is reasonably necessary to indemnify it against any claim that may be made against it with respect to that certificate.

Conduct of Business Pending the Merger

Pursuant to the merger agreement, BANKshares and Seacoast have agreed to certain restrictions on their activities until the effective time of the merger. In general, each party has agreed that, except as otherwise permitted by the merger agreement, or as required by applicable law or a governmental entity, or with the prior written consent of the other party, it will:

conduct its business in the ordinary course consistent with past practice;

use reasonable best efforts to maintain and preserve intact its business organization, employees and advantageous business relationships;

maintain its books, accounts and records in the usual manner on a basis consistent with that previously employed; and

take no action that is intended to or would reasonably be expected to adversely affect or materially delay the receipt of regulatory or governmental approvals required for the transactions contemplated by the merger agreement or to perform their covenants and agreements or to consummate the transactions contemplated by the merger agreement.

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BANKshares has also agreed that except as otherwise permitted by the merger agreement, as required by applicable laws or a governmental entity, or with the prior written consent of Seacoast (not to be unreasonably withheld or delayed) it will not, and will not permit any of its subsidiaries, to do any of the following:

amend its organizational documents or any resolution or agreement concerning indemnification of its directors or officers;

adjust, split, combine, subdivide or reclassify any capital stock;

make, declare, set aside or pay any dividend or make any other distribution on, or directly or indirectly redeem, purchase or otherwise acquire, any shares of its capital stock or any securities or obligations convertible into or exchangeable for any shares its capital stock;

grant any securities or obligations convertible into or exercisable for or giving any person any right to subscribe for or acquire, or any options, calls, restricted stock, deferred stock awards, stock units, phantom awards, dividend equivalents, or commitments relating to, or any stock appreciation right or other instrument;

issue, sell, pledge, dispose of, grant, transfer, lease, license, guarantee, encumber or authorize the issuance, sale, pledge, disposition, grant, transfer, lease, license, guarantee or encumbrance, its capital stock;

make any investment in any other person, other than in the ordinary course of business;

charge off or sell any of BANKshares' s portfolio of loans, discounts or financing leases or sell any asset held as OREO or other foreclosed assets for an amount that is more than \$100,000 less than its book value;

terminate or allow, after the use of reasonable best efforts, to be terminated, any of the policies of insurance maintained on BANKshares' s business or property, cancel any material indebtedness owing to it or any claim that BANKshares may possess or waive any right of substantial value or discharge or satisfy any material noncurrent liability;

enter into any new line of business or change its lending, investment, underwriting, risk and asset liability management and other banking and operating policies other than as required by law or any regulatory agreement or order;

lend any money or pledge any of its credit in connection with any aspect of its business (except in the ordinary course of business consistent with past practices);

mortgage or otherwise subject to any lien, encumbrance or other liability any of its assets (except in the ordinary course of business consistent with past practices);

sell, assign or transfer any of its assets in excess of \$50,000 in the aggregate (except in the ordinary course of business consistent with past practices);

incur any material liability, commitment, indebtedness or obligation or cancel, release or assign any indebtedness of any person or any claims against any person (except (i) in the ordinary course of business or (ii) pursuant to contracts in force as of the date of the merger agreement and disclosed therein);

transfer, agree to transfer or grant, or agree to grant a license to, any of BANKshares' s material intellectual property;

incur any indebtedness for borrowed money (other than short-term indebtedness incurred to refinance short term indebtedness) or assume, guarantee, endorse or otherwise become responsible for the obligations of any other person;

restructure or change its investment securities portfolio or its gap position, through purchases, sales or otherwise, or the manner in which the portfolio is classified or reported;

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terminate or waive any material provision of any contract other than normal renewals of contracts without materially adverse changes of terms (and other than in the ordinary course of business);

other than in the ordinary course of business and consistent with past practice or as required by benefit plans and contracts in effect as of the date of the merger agreement, (i) increase in any manner the compensation or fringe benefits of any director, officer or employee, whether under a benefit plan or otherwise, (ii) pay any pension or retirement allowance not required by any existing benefit plan or contract to any director, officer or employee, (iii) become a party to, amend or commit itself to any benefit plan or contract or employment agreement with or for the benefit of any director, officer or employee, (iv) accelerate the vesting of, or the lapsing of restrictions with respect to, rights pursuant to any BANKshares stock plan or (v) make any changes to a benefit plan that are not required by law;

settle any litigation, except in the ordinary course of business;

revalue any of its or its subsidiaries' assets or change any method of accounting or accounting practice used by it or any of its subsidiaries, other than changes required by GAAP or the FDIC or any regulatory authority;

file or amend any tax return except in the ordinary course of business or settle or compromise any tax liability or make, change or revoke any tax election or change any method of tax accounting, except as required by applicable law;

knowingly take, or knowingly omit to take, any action that is reasonably likely to result in any of the conditions to the merger not being satisfied, except as may be required by applicable law;

merge or consolidate BANKshares or any of its subsidiaries with any other person;

acquire assets outside of the ordinary course of business consistent with past practices from any other person with a value or purchase price in excess of \$50,000, other than purchase obligations pursuant to contracts in effect prior to the execution of the merger agreement and set forth in the merger agreement;

enter into any contract that is material and would have been material had it been entered into prior the execution of the merger agreement;

make any changes in the mix, rates, terms or maturities of the BankFIRST's deposits or other liabilities, except in a manner and pursuant to policies consistent with past practice and competitive factors in the market place;

open any new branch or deposit taking facility or close or relocate any existing branch or facility;

make any extension of credit that, when added to other extensions of credit to a borrower and its affiliates, would exceed its applicable regulatory limits or make any loans, or enter into any commitments to make loans, which vary other than in immaterial respects from its written loan policies (subject to certain exceptions and thresholds and provided that BankFIRST may extend or renew credit or loans in the ordinary course of business consistent with past lending practices or in connection with the workout or renegotiation of current loans);

take any action that at the time of taking such action is reasonably likely to prevent, or would materially interfere with, the consummation of the merger;

knowingly take any action that would prevent or impede the merger and the bank merger from qualifying as a reorganization under the Internal Revenue Code; or

agree or commit to take any of the actions set forth above.

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Regulatory Matters

This joint proxy statement/prospectus forms part of a Registration Statement on Form S-4 which Seacoast has filed with the SEC. Seacoast has agreed to use all reasonable efforts to cause the Registration Statement to be declared effective.

Each of Seacoast and BANKshares has agreed to use all reasonable best efforts to obtain all necessary state securities law or blue sky permits and approvals required to carry out the transactions contemplated by the merger agreement, and each of Seacoast and BANKshares has agreed to furnish all information concerning it and the holders of its capital stock as may be reasonably requested in connection with any such action.

Seacoast and BANKshares have agreed to cooperate with each other and use all respective reasonable best efforts to promptly prepare and file all necessary documentation, to effect all applications, notices, petitions and filings, to obtain as promptly as practicable all permits, consents, approvals and authorizations of all third parties and regulatory and governmental entities that are necessary or advisable to consummate the transactions contemplated by the merger agreement (including the merger and the bank merger) and to comply with the terms and conditions of all such permits, consents, approvals and authorizations.

Seacoast and BANKshares will consult with each other with respect to the obtaining of all regulatory consents and other material consents advisable to consummate the transactions contemplated by the merger agreement, and each party will keep the other apprised of the status of material matters relating to the completion of the transactions contemplated by the merger agreement.

Seacoast and BANKshares have agreed to promptly deliver to each other copies of applications filed with all governmental authorities and copies of written communications delivered and received by such party from any governmental authorities with respect to the transactions contemplated by the merger agreement. Additionally, each of Seacoast and BANKshares has agreed to cooperate fully with and furnish information to the other party, and obtain all consents of, and give all notices to and making all filings with, all governmental authorities and other third parties that may be or become necessary for the performance of its obligations under the merger agreement and the consummation of the other transactions contemplated by the merger agreement.

In connection with seeking regulatory approval for the merger, Seacoast is not required to agree to any condition or consequence that would, after the effective time of the merger, have a material adverse effect on Seacoast or any its subsidiaries, including BANKshares.

NASDAQ Listing

Seacoast has agreed to cause the shares of Seacoast common stock to be issued to the holders of BANKshares common and preferred stock in the merger to be authorized for listing on the NASDAQ Global Select Market, subject to official notice of issuance, prior to the effective time of the merger.

Employee Matters

Following the effective time of the merger, Seacoast has agreed to maintain employee benefit plans and compensation opportunities for employees of BANKshares and its subsidiaries on the closing date of the merger (referred to below as covered employees) that provide employee benefits and compensation opportunities which, in the aggregate, are substantially comparable to the employee benefits and compensation opportunities that are available to similarly situated employees of Seacoast or its subsidiaries (provided that in no event are covered employees eligible to

participate in any closed or frozen plan of Seacoast or its subsidiaries). Seacoast will give the covered employees full credit for their prior service with BANKshares and its subsidiaries for purposes of eligibility (including initial participation and eligibility for current benefits) and vesting under any qualified or non-qualified employee benefit plan maintained by Seacoast in which covered employees may be eligible to participate and for all purposes under any welfare benefit plans, vacation plans, and similar arrangements maintained by Seacoast.

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With respect to any Seacoast health, dental, vision or other welfare plan in which any covered employee is eligible to participate following the closing date of the merger, Seacoast or its applicable subsidiary must use its commercially reasonable best efforts to (i) cause any pre-existing condition limitations or eligibility waiting periods under such plan to be waived with respect to the covered employee to the extent the condition was, or would have been, covered under the BANKshares benefit plan in which the covered employee participated immediately prior to the effective time of the merger; and (ii) recognize any health, dental, vision or other welfare expenses incurred by the covered employee in the year that includes the closing date of the merger for purposes of any applicable deductible and annual out-of-pocket expense requirements.

If, within 6 months after the effective time of the merger, any covered employee is terminated by Seacoast or its subsidiaries other than for cause or as a result of unsatisfactory job performance, then Seacoast will pay severance to the covered employee in an amount equal as set forth in the severance policies of Seacoast and its subsidiaries as then in effect. Any severance to which a covered employee may be entitled in connection with a termination occurring more than 6 months after the effective time of the merger will be as set forth in the severance policies of Seacoast and its subsidiaries as then in effect.

Indemnification and Directors and Officers Insurance

From and after the effective time of the merger, Seacoast has agreed to indemnify, defend and hold harmless the present and former directors and officers of BANKshares and its subsidiaries against any liability, judgments, fines and amounts paid in settlement and incurred in connection with any threatened or actual claim, action, suit, proceeding or investigation arising out of or pertaining to the facts that such person is or was a director, officer or employee of BANKshares, or the merger or the transactions contemplated by the merger agreement, to the greatest extent as such persons are indemnified or have the right to advancement of expenses pursuant to the organizational documents of BANKshares or its subsidiaries and indemnification agreements, if any, and the FBCA.

For a period of six years after the effective time of the merger, Seacoast will provide director's and officer's liability insurance that serves to reimburse the present and former officers and directors of BANKshares or its subsidiaries with respect to claims against them arising from facts or events occurring at or before the effective time of the merger (including the transactions contemplated by the merger agreement). The directors' and officers' liability insurance will contain at least the same coverage and amounts, and contain terms and conditions no less advantageous to the indemnified person as the coverage currently provided by BANKshares; provided, however, that Seacoast may substitute policies of at least the same coverage and amounts containing terms and conditions that are not less advantageous than such BANKshares policy. In no event shall Seacoast be required to expend for the tail insurance a premium amount in excess of 250% of the annual premiums paid by BANKshares for its directors' and officers' liability insurance in effect as of the date of the merger agreement.

Third Party Proposals

BANKshares has agreed that, from the date of the merger agreement until the effective time of the merger or, if earlier, the termination of the merger agreement, it will not, and will cause its subsidiaries and their officers, directors, and employees and representatives not to: initiate, solicit, encourage or knowingly facilitate inquiries or proposals with respect to, or engage or participate in any negotiations concerning, or provide to any person any confidential or nonpublic information or data or have or participate in any discussions with any person relating to, any tender or exchange offer, proposal for a merger or consolidation or other business combination involving BANKshares or any of its significant subsidiaries in which any third-party would acquire more than 15% of the voting power of BANKshares or the surviving entity in such merger or business combination, or any proposal to acquire more than 15% of the voting power in, or more than 15% of the fair market value of the business, assets or deposits of,

BANKshares and its significant subsidiaries taken as a whole (referred to as an acquisition proposal).

However, the merger agreement provides that at any time prior to the approval of the merger agreement by the BANKshares shareholders, if BANKshares receives an unsolicited acquisition proposal that does not violate

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the no shop provisions in the merger agreement and BANKshares board of directors concludes in good faith that there is a reasonable likelihood that such proposal constitutes or is reasonably likely to result in a superior proposal (as defined below), then BANKshares may: (i) enter into a confidentiality agreement with the third party making the acquisition proposal with terms and conditions no less favorable to BANKshares than the confidentiality agreement entered into by BANKshares and Seacoast prior to the execution of the merger agreement; (ii) furnish non-public information or data to the third party making the acquisition proposal pursuant to such confidentiality agreement; and (iii) participate in such negotiations or discussions with the third party making the acquisition proposal regarding such proposal, if the BANKshares board of directors determines in good faith (and based upon the written advice of its outside counsel) that failure to take such actions would result in a violation of its fiduciary duties under applicable law. BANKshares must promptly advise Seacoast in writing within 2 business days following receipt of any acquisition proposal and the substance of such proposal and must keep Seacoast apprised of any related developments, discussions and negotiations on a current basis.

A superior proposal means any bona fide, unsolicited, written acquisition proposal for at least a majority of the outstanding shares of BANKshares capital stock on terms that the BANKshares board of directors determines in good faith to be more favorable to the shareholders of that party from a financial point of view than the merger and the other transactions contemplated by the merger agreement (including taking into account any adjustment to the terms, if any, proposed by Seacoast in response to such proposal), (i) after receiving the written advice of its financial advisor, (ii) after taking into account the likelihood of consummation of such transaction on the terms set forth therein and (iii) after taking into account all legal (with the written advice of outside counsel), financial (including the financing terms of any such proposal), regulatory and other aspects of the proposal and any other relevant factors permitted under applicable law.

The merger agreement generally prohibits the BANKshares board of directors from making a change in recommendation (*i.e.*, from withdrawing or modifying in a manner adverse to Seacoast the recommendation of the BANKshares board of directors set forth in this joint proxy statement/prospectus that the BANKshares shareholders vote to approve the merger agreement, or from making or causing to be made any third party or public communication proposing or announcing an intention to withdraw or modify in a manner adverse to Seacoast such recommendation). At any time prior to the approval of the merger agreement by the BANKshares shareholders, however, the BANKshares board of directors may effect a change in recommendation in response to a bona fide written unsolicited acquisition proposal that the BANKshares board of directors concludes in good faith (and based upon the written advice of its outside counsel and after consultation with its financial advisor) constitutes a superior proposal and if the board concludes that the failure to accept such superior proposal would or would be reasonably likely to result in a violation of its fiduciary obligations to shareholders then the board may terminate the merger agreement and enter into a definitive agreement with respect to such superior proposal. The BANKshares board of directors may not make a change in recommendation, or terminate the merger agreement to pursue a superior proposal, unless: (i) BANKshares has not breached any of the provisions of the merger agreement relating to third party acquisition proposals in any respect; (ii) the BANKshares board of directors determines in good faith (after consultation with counsel and its financial advisors) that such superior proposal continues to be a superior proposal (after taking into account all adjustments to the terms of the merger agreement offered by Seacoast); (iii) BANKshares has given Seacoast at least 4 days prior written notice of its intention to take such action and before making such change in recommendation and has contemporaneously provided a copy of the relevant proposed transaction agreements with the person making such superior proposal; and (iv) BANKshares has negotiated in good faith with Seacoast during the notice period (to the extent Seacoast wishes to negotiate) to enable Seacoast to revise the terms of the merger agreement so that such superior proposal no longer constitutes a superior proposal.

If the BANKshares board of directors makes a change in recommendation, or if BANKshares terminates the merger agreement to enter into an agreement with respect to a superior proposal, BANKshares could be required to pay

Seacoast a termination fee of \$4.0 million in cash. See The Merger Agreement Termination, and The Merger Agreement Termination Fee.

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Seacoast is also required to include in this joint proxy statement/prospectus its recommendation that Seacoast shareholders approve the issuance of Seacoast common stock to be issued in the merger.

Representations and Warranties

The merger agreement contains generally customary representations and warranties of Seacoast and BANKshares relating to their respective businesses. The representations and warranties of each of Seacoast and BANKshares have been made solely for the benefit of the other party, and these representations and warranties should not be relied on by any other person. In addition, these representations and warranties:

have been qualified by information set forth in confidential disclosure schedules in connection with signing the merger agreement the information contained in these schedules modifies, qualifies and creates exceptions to the representations and warranties in the merger agreement;

will not survive consummation of the merger;

may be intended not as statements of fact, but rather as a way of allocating the risk to one of the parties to the merger agreement if those statements turn out to be inaccurate;

are in some cases subject to a materiality standard described in the merger agreement which may differ from what may be viewed as material by you; and

were made only as of the date of the merger agreement or such other date as is specified in the merger agreement.

The representations and warranties made by Seacoast and BANKshares to each other primarily relate to:

corporate organization, existence, power and authority;

capitalization;

ownership of subsidiaries;

corporate authorization to enter into the merger agreement and to consummate the merger;

absence of any breach of organizational documents, violation of law or breach of agreements as a result of the merger;

regulatory approvals required in connection with the merger;

reports filed with governmental entities, including, in the case of Seacoast, the SEC;

financial statements;

absence of a material adverse effect on each party since December 31, 2013;

compliance with laws and the absence of regulatory agreements;

absence of material contract defaults;

accuracy of the information supplied by each party for inclusion or incorporation by reference in this joint proxy statement/prospectus;

fees paid to financial advisors;

transactions with affiliates;

litigation;

loan matters;

tax matters; and

Community Reinvestment Act compliance.

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BANKshares has also made representations and warranties to Seacoast with respect to:

the inapplicability to the merger of state takeover laws;

employee benefit plans and labor matters;

environmental matters;

intellectual property;

derivative instruments and transactions;

administration of fiduciary accounts;

maintenance of insurance policies;

ownership and other property rights;

liquidity of investment portfolio;

accuracy of books and records; and

absence of actions or omissions by present or former directors, officers, employees or agents that would give rise to a claim for indemnification.

Certain of the representations and warranties of BANKshares and Seacoast are qualified as to materiality or material adverse effect. For purposes of the merger agreement, the term material adverse effect means, with respect to BANKshares and Seacoast, any change, event, development, violation, inaccuracy or circumstance the effect, individually or in the aggregate, of which is or is reasonably likely to have, a material adverse impact on (i) the condition (financial or otherwise), property, business, assets (tangible or intangible) or results of operations or prospects of such party taken as a whole, or (ii) prevents or materially impairs, or would be reasonably likely to prevent or materially impair, the ability of such party to perform its obligations under the merger agreement or to timely consummate the merger, the bank merger or the other transactions contemplated by the merger agreement. The definition of material adverse effect excludes: (A) changes in GAAP or regulatory accounting requirements for the financial services industry; (B) changes in laws, rules or regulations of general applicability to companies in the industry in which such party and its subsidiaries operate; and (C) changes in general economic or market conditions in the United States generally affecting other companies in the industry in which such party and its subsidiaries operate,

except, with respect to (A) through (C), if the effects of such changes are disproportionately adverse to the business, assets, operations, prospectus, condition (financial or otherwise) or results of operations of such party and its subsidiaries, as compared to other companies in the industry in which such party and its subsidiaries operate; or for purposes of (ii) above, the impact of actions and omissions of a party or any of its subsidiaries taken with the prior informed consent of the other party.

Conditions to Completion of the Merger

Mutual Closing Conditions. The obligations of Seacoast and BANKshares to complete the merger are subject to the satisfaction of the following conditions:

the approval of the merger agreement by BANKshares shareholders and the approval of the Seacoast share issuance by Seacoast shareholders;

all regulatory approvals from the Federal Reserve, the OCC, and any other regulatory approval required to consummate the merger and the bank merger shall have been obtained and remain in full force and effect and all statutory waiting periods shall have expired, and such approvals or consents shall not be subject to any conditions or consequences that would have a material adverse effect on Seacoast or any of its subsidiaries after the effective time of the merger;

the absence of any order, injunction or decree issued by any court or agency of competent jurisdiction or other law preventing or making illegal the consummation of the merger, the bank merger or the other transactions contemplated by the merger agreement;

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the effectiveness of the Registration Statement on Form S-4, of which this joint proxy statement/prospectus is a part, under the Securities Act of 1933, as amended, or the Securities Act, and no order suspending such effectiveness having been issued or threatened;

the authorization for listing on the Nasdaq Global Select Market of the shares of Seacoast common stock to be issued in the merger;

the accuracy of the other party's representations and warranties in the merger agreement on the date of the merger agreement and as of the effective time of the merger (or such other date specified in the merger agreement) other than, in most cases, inaccuracies that would not reasonably be likely to have a material adverse effect on such party;

the performance in all material respects by the other party of its respective obligations under the merger agreement;

the receipt of corporate authorizations and other certificates;

the absence of any event which is expected to have or result in a material adverse effect on the other party;

receipt by each party of an opinion as to the effect that the merger will qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code; and

the maintenance by both parties of certain minimum consolidated tangible shareholders' equity amounts. *Additional Closing Conditions for the Benefit of Seacoast.* In addition to the mutual closing conditions, Seacoast's obligation to complete the merger is subject to the satisfaction or waiver of the following conditions:

the receipt of certified resolutions of BANKshares's board of directors and shareholders authorizing the merger agreement, certain incumbency and other officers' certificates and a certificate of good standing;

the receipt of all consents required as a result of the transactions contemplated by the merger agreement pursuant to BANKshares's material contracts;

BANKshares's consolidated tangible shareholders' equity as of the close of business on the business day prior to the closing of the merger shall be an amount not less than \$54.598 million;

all outstanding BANKshares Equity Awards shall have been vested, exercised or terminated; and

the receipt of a FIRPTA certificate.

Additional Closing Conditions for the Benefit of BANKshares. In addition to the mutual closing conditions, BANKshares' obligation to complete the merger is subject to the requirement that Seacoast's consolidated tangible shareholders' equity as of the close of business on the 5th business day prior to the closing of the merger is an amount not less than \$235.936 million.

Termination

The merger agreement may be terminated at any time prior to the effective time of the merger, whether before or after the approval of the merger agreement by BANKshares shareholders, as follows:

by the mutual consent of the board of directors of BANKshares and the board of directors or executive committee of the board of directors of Seacoast; or

by the board of directors of either party in the event of the breach of any representation, warranty, covenant or agreement by the other party that would prevent any closing condition from being satisfied and such breach cannot be or has not been cured within 30 days of written notice of such breach

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(provided that the right to cure may not extend beyond December 31, 2014, which we refer to as the Outside Date); or

by the board of directors of either party under the following circumstances: (i) if any required regulatory approval has been denied by final, non-appealable action; (ii) in the event that approval by the shareholders of Holding is not obtained at a meeting at which a vote was taken; or (iii) in the event that approval by the shareholders of SBC is not obtained at a meeting at which a vote was taken; or

by the board of directors of either party if the merger is not consummated by the Outside Date; provided, that neither party has the right to terminate the merger agreement if the failure of such party to perform or comply with its obligations under the merger agreement was the cause of the failure of the merger to be consummated by the Outside Date; or

by the board of directors of Seacoast in the event that (i) BANKshares has withdrawn, qualified or modified its recommendation in a manner adverse to Seacoast or has resolved to do so, (ii) BANKshares has failed to substantially comply with the terms of the no-shop covenant or its obligations under the merger agreement by failing to call, give notice of, convene and hold a shareholders meeting, or (iii) the board of directors of BANKshares has recommended, endorsed, accepted or agreed to an acquisition proposal; or

by the board of directors of BANKshares in the event that (i) the board of directors of BANKshares has determined, in accordance with the terms of the merger agreement, that a superior proposal has been made with respect to it and has not been withdrawn and the board of directors of Holding has accepted or agreed to an acquisition proposal, and (ii) neither BANKshares nor any of its representatives has failed to comply in all material respects with the terms of the no-shop covenant; or

by the board of directors of Seacoast if holders of more than 5% in the aggregate of the shares of BANKshares common and/or preferred stock shall have voted its shares against the merger agreement or the merger at any shareholder meeting and have given notice of their intention to exercise their dissenters' right in accordance with Florida law.

Termination Fee

BANKshares will owe Seacoast a \$4 million termination fee if:

Seacoast terminates the merger agreement (i) as a result of a willful breach of a covenant, or agreement by BANKshares; (ii) because BANKshares has withdrawn, qualified or modified its recommendation to shareholders in a manner adverse to Seacoast; or (iii) because BANKshares has failed to substantially comply with the no-shop covenant or its obligations under the merger agreement by failing to hold a special meeting of BANKshares shareholders; and

BANKshares receives or there is a publicly announced third party acquisition proposal that has not been formally withdrawn or abandoned prior to the termination of the merger agreement; and

within 12 months of the termination of the merger agreement, BANKshares either consummates a third party acquisition proposal or enters into a definitive agreement or letter of intent with respect to a third party acquisition proposal; or

Seacoast terminates the merger agreement as a result of the board of directors of BANKshares recommending, endorsing, accepting or agreeing to a third party acquisition proposal; or

BANKshares terminates the merger agreement because a superior proposal has been made and has not been withdrawn and BANKshares has accepted or agreed to an acquisition proposal (and none of BANKshares nor its representatives has failed to comply in all material respects with the terms of merger agreement including third party acquisition proposals).

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Except in the case of a willful breach of the merger agreement, the payment of the termination fee will fully discharge BANKshares from any losses that may be suffered by Seacoast arising out of the termination of the merger agreement.

Waiver; Amendment

The merger agreement may be amended by the parties, by action taken or authorized by their respective boards of directors, at any time before or after approval of the matters presented in connection with the merger by BANKshares and Seacoast, in writing signed on behalf of each of the parties, provided that after any approval of the transactions contemplated by the merger agreement by the BANKshares or Seacoast shareholders, there may not be, without further approval of the BANKshares and Seacoast shareholders, any amendment of the merger agreement that requires further approval under applicable law.

At any time prior to the effective time of the merger, the parties, by action taken or authorized by their respective boards of directors, may, to the extent legally allowed: (i) extend the time for the performance of any of the obligations or other acts of the other party; (ii) waive any inaccuracies in the representations and warranties contained in the merger agreement on the part of the other party; or (iii) waive compliance with any of the agreements or conditions contained in the merger agreement on the part of the other party. Any agreement on the part of a party to any extension or waiver must be in writing signed on behalf of such party. Any such extension or waiver or failure to insist on strict compliance with an obligation, covenant, agreement or condition will not operate as a waiver of any subsequent or other failure.

Expenses

Regardless of whether the merger is completed, all expenses incurred in connection with the merger, the bank merger, the merger agreement and other transactions contemplated thereby will be paid by the party incurring the expenses, except that BANKshares and Seacoast will bear equally the costs and expenses of printing and mailing this joint proxy statement/prospectus and Seacoast has paid the filing fee for the Registration Statement on Form S-4 of which this joint proxy statement/prospectus is a part and will pay any other filings fees with the SEC in connection with the merger.

Table of Contents**COMPARISON OF SHAREHOLDERS RIGHTS**

Seacoast and BANKshares are each incorporated under the laws of the State of Florida and, accordingly, the rights of their shareholders are governed by Florida law and their respective articles of incorporation and bylaws. After the merger, the rights of former shareholders of BANKshares who receive shares of Seacoast common stock in the merger will be determined by reference to Seacoast's articles of incorporation and bylaws and Florida law. Set forth below is a description of the material differences between the rights of BANKshares shareholders and Seacoast shareholders.

	BANKSHARES	SEACOAST
Capital Stock	<p> Holders of BANKshares stock are entitled to all the rights and obligations provided to capital shareholders under the FBCA and BANKshares' articles of incorporation and bylaws.</p>	<p> Holders of Seacoast capital stock are entitled to all the rights and obligations provided to capital shareholders under the FBCA and Seacoast's articles of incorporation and bylaws.</p>
Authorized	<p> BANKshares' authorized capital stock consists of 30,000,000 shares of common stock, par value \$0.01 per share, and 10,000,000 shares of preferred stock, par value \$0.01 per share (1,476,666 of which are designated as Convertible Perpetual Preferred Stock, Series A).</p>	<p> Seacoast's authorized capital stock consists of 60,000,000 shares of common stock, par value \$0.10 per share, and 4,000,000 shares of preferred stock, stated value \$0.10 per share (2,000 of which are designated as Fixed Rate Cumulative Perpetual Preferred Stock, Series A and 50,000 of which are designated as Mandatorily Convertible Noncumulative Nonvoting Preferred Stock, Series B).</p>
Outstanding	<p> As of May 15, 2014, there were 12,766,632 shares of BANKshares common stock outstanding, and 1,476,666 shares of preferred stock outstanding.</p>	<p> As of [] 2014, there were [] shares of Seacoast common stock outstanding and no shares of Seacoast preferred stock outstanding.</p>
Voting Rights	<p> Holders of BANKshares generally are entitled to one vote per share in the election of directors and on all matters submitted to a vote at a meeting of shareholders. Holders of Series A Preferred Stock do not have voting rights, except as provided by law, and except that they are entitled to vote upon certain merger, consolidation or share exchange transactions (in which event they will have one vote for each share of Series A Preferred) and will vote as a separate single class.</p>	<p> Holders of Seacoast common stock generally are entitled to one vote per share in the election of directors and on all matters submitted to a vote at a meeting of shareholders.</p>
Cumulative Voting	<p> No shareholder has the right of cumulative voting in the election of directors.</p>	<p> No shareholder has the right of cumulative voting in the election of directors.</p>

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Stock Transfer

None.

None.

Restrictions

Dividends

Under the FBCA, a corporation may make a distribution, unless after giving effect to the distribution:

Holder of Seacoast common stock are subject to the same provisions of the FBCA.

The corporation would not be able to pay its debts as they come due in the usual course of business; or

The corporation's assets would be less than the sum of its total liabilities plus the amount that would be needed, if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution.

In addition, under Federal Reserve policy adopted in 2009, a bank holding company should consult with the Federal Reserve and eliminate, defer or significantly reduce its dividends if:

its net income available to shareholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends;

its prospective rate of earnings retention is not consistent with its capital needs and overall current and prospective financial condition; or

it will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy ratios.

**Number of
Directors**

BANKshares' bylaws provide that the number of directors serving on the BANKshares board of directors shall be such number as determined from time to time by the board of directors.

Seacoast's bylaws provide that the number of directors serving on the Seacoast board of directors shall be such number as determined from time to time by the board of directors, but in no event shall be fewer than three directors nor greater than fourteen directors.

There are currently eight directors serving on the BANKshares board of directors.

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BANKshares directors are elected annually and each director holds office for the term for which he or she is elected and until his or her successor is elected and qualified, subject to such director's death, resignation or removal.

There are currently fourteen directors serving on the Seacoast board of directors.

The Seacoast board of directors is divided into three classes, with the members of each class of directors serving staggered three-year terms and with approximately one-third of the directors being elected annually. As a result, it would take a dissident shareholder or shareholder group at least two annual meeting of shareholders to replace a majority of the directors of Seacoast. Each director holds office for the term for which he or she is elected and until his or her successor is elected and qualified, subject to such directors' death, resignation or removal.

**Election of
Directors**

Under the FBCA, unless otherwise provided in the articles of incorporation, directors are elected by a plurality of the votes cast by the holders of the shares entitled to vote in an election of directors at a meeting at which a quorum is present. BANKshares' articles of incorporation do not otherwise provide for the vote required to elect directors.

Seacoast directors are similarly elected in accordance with FBCA and its articles of incorporation do not otherwise provide for the vote required to elect directors.

However, notwithstanding the plurality standard, in an uncontested election for directors, Seacoast's Corporate Governance Guidelines provide that if any director nominee receives a greater number of votes withheld from his or her election than votes for such election, then the director will promptly tender his or her resignation to the board of directors following certification of the shareholder vote, with such resignation to be effective upon acceptance by the board of directors. Seacoast's Compensation and Governance Committee would then review and make a recommendation to the board of directors as to whether the board should accept the resignation, and the board of directors would ultimately decide whether to accept the resignation.

**Removal of
Directors**

BANKshares bylaws provide that at any meeting of shareholders called expressly

Seacoast s bylaws provide that directors may be removed only for cause upon the

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for that purpose, directors may be removed, with or without cause.

affirmative vote of (1) 66 2/3% of all shares of common stock entitled to vote and (2) holders of a majority of the outstanding common stock that are not beneficially owned or controlled, directly or indirectly, by any person (i) who is the beneficial owner of 5% or more of the common stock or (ii) who is an affiliate of Seacoast and at any time within the past five years was the beneficial owner of 5% or more the company's then outstanding common stock (Independent Majority of Shareholders).

Vacancies on the Board of Directors

BANKshares' bylaws provide that vacancies in the BANKshares board of directors may be filled by the affirmative vote of the majority of the remaining directors (even if less than a quorum). A director appointed to fill a vacancy shall hold office only until the next election of directors by the shareholders.

Seacoast's bylaws provide that vacancies in the Seacoast's board of directors may be filled by the affirmative vote of (1) 66 2/3% of all directors and (2) majority of the Continuing Directors (defined as a director who either (i) was first elected as a director of Seacoast prior to February 28, 2003 or (ii) was designated as a Continuing Directors by a majority vote of the Continuing Directors), even if less than a quorum exists.

Action by Written Consent

BANKshares' bylaws provide that BANKshares shareholders may act by written consent if the holders of shares having not less than a minimum number of votes with respect to each voting group that would be necessary to take such action at a meeting at which all shares entitled to vote on the action were present and voted.

Seacoast's bylaws do not explicitly provide for shareholders to act by written consent.

Therefore, FCBA provides that shareholders may act by written consent if the holders of shares having not less than a minimum number of votes with respect to each voting group that would be necessary to take such action at a meeting at which all shares entitled to vote on the action were present and voted.

Advance Notice requirements for Shareholder

Neither BANKshares' articles of incorporation nor BANKshares' bylaws provide a means for shareholders to nominate candidates for election as BANKshares directors.

Any Seacoast shareholder entitled to vote generally on the election of directors may recommend a candidate for nomination as a director. A shareholder may recommend a director nominee by submitting the name and qualifications of the candidate the shareholder wishes to recommend to

Nominations and Other Proposals

Seacoast's Compensation and Governance
Committee, c/o Seacoast Banking
Corporation of Florida, 815 Colorado
Avenue, P. O. Box 9012, Stuart, Florida
34995.

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		<p>To be considered, recommendations with respect to an election of directors to be held at an annual meeting must be received not less than 60 days nor more than 90 days prior to the anniversary of Seacoast's last annual meeting of shareholders (or, if the date of the annual meeting is changed by more than 20 days from such anniversary date, within 10 days after the date that Seacoast mails or otherwise gives notice of the date of the annual meeting to shareholders), and recommendations with respect to an election of directors to be held at a special meeting called for that purpose must be received by the 10th day following the date on which notice of the special meeting was first mailed to shareholders.</p>
Notice of Shareholder Meeting	<p>Notice of each shareholder meeting must be given to each shareholder to vote not less than 10, nor more than 60 days before the date of the meeting.</p>	<p>Seacoast's bylaws have similar notice provisions.</p>
Amendments to Charter	<p>BANKshares' articles of incorporation may be amended in accordance with the FBCA. Under the FBCA, amendments to a corporation's articles of incorporation must be approved by a corporation's board of directors and holders of a majority of the outstanding stock of a corporation entitled to vote thereon and, in cases in which class voting is required, by holders of a majority of the outstanding shares of such class. The board of directors must recommend the amendment to the shareholders, unless the board of directors determines that, because of a conflict of interest or other special circumstances, it should make no recommendation and communicates the basis for its determination to the shareholders with the amendment.</p>	<p>Seacoast's articles of incorporation have similar amendment provisions, except that the affirmative vote of (1) 66 2/3% of all of shares outstanding and entitled to vote, voting as classes, if applicable, and (2) Independent Majority of Shareholders will be required to approve any change of Articles VI (Board of Directors), VII (Provisions Relating to Business Combinations), IX (Shareholder Proposals) and X (Amendment of Articles of Incorporation) of the articles of incorporation.</p>
Amendments to Bylaws	<p>BANKshares' bylaws may be amended by the directors. Under the FBCA, BANKshares' shareholders, by majority vote</p>	<p>Seacoast's bylaws may be amended by a vote of (1) 66 2/3% of all directors and (2) majority of the Continuing Directors. In</p>

of all of the shares having voting power,
may amend or repeal by the bylaws even
though they may also be

addition, the shareholders may also amend
the bylaws by the affirmative vote of (1)
66 2/3% of all

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amended or repealed by the BANKshares board of directors. shares of common stock entitled to vote and (2) Independent Majority of Shareholders.

Special Meeting of Shareholders

BANKshares bylaws provide that special meetings of the shareholders may be called by the BANKshares board of directors or by the Chairman or the President of BANKshares or when requested in writing by the holders of at least one-half of all the votes entitled to be cast at such meeting. A meeting requested by shareholders must be called for a date not less than 10 nor more than sixty 60 days after the shareholder request for such meeting. The call for a special meeting of shareholders shall be issued by the Secretary, unless the Chairman, the President, board of directors or the shareholders requesting the calling of the meeting designate another person to do so.

Under the FBCA, Seacoast s shareholders, by majority vote of all of the shares having voting power, may amend or repeal the bylaws even though they may also be amended or repealed by the Seacoast board of directors.

Seacoast s bylaws have similar provisions, except that special meetings may also be called and issued by the chief executive officer.

Quorum

A majority of the shares entitled to vote, represented in person or by proxy, constitutes a quorum at any shareholder meeting.

Seacoast s bylaws have a similar provision.

Proxy

Under the FBCA and BANKshares bylaws, a proxy is valid for 11 months unless a longer period is expressly provided in the appointment form.

Seacoast s bylaws have a similar provision.

Preemptive Rights

Under the FBCA, shareholders do not have preemptive rights unless the corporation s articles of incorporation provide otherwise. BANKshares articles of incorporation do not provide for preemptive rights.

Seacoast s shareholders similarly do not have preemptive rights.

**Shareholder Rights
Plan/Shareholders
Agreement**

BANKshares does not have a rights plan. Neither BANKshares nor BANKshares shareholders are parties to a shareholders agreement with respect to BANKshares' s capital stock.

Seacoast does not have a rights plan. Neither Seacoast nor Seacoast shareholders are parties to a shareholders agreement with respect to Seacoast' s capital stock.

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Indemnification of Directors and Officers	BANKshares' bylaws provide that BANKshares may indemnify its current and former directors, officers, employees and agents in accordance with that provided under the FBCA.	Seacoast's bylaws provide that Seacoast may indemnify its current and former directors, officers, employees and agents in accordance with that provided under the FBCA.
Certain Business Combination Restrictions	BANKshares' articles of incorporation do not contain any provision regarding business combinations between BANKshares and significant shareholders.	Seacoast's articles of incorporation do not contain any provision regarding business combinations between Seacoast and significant shareholders.
Prevention of Greenmail	BANKshares' articles of incorporation do not contain a provision designed to prevent greenmail.	Seacoast's articles of incorporation do not contain a provision designed to prevent greenmail.
Fundamental Business Transactions	BANKshares' articles of incorporation do not contain any provisions regarding shareholder approval of any merger, share exchange or sale, lease, exchange or other transfer of all or substantially all of the corporation's assets.	Seacoast's articles of incorporation provides that Seacoast needs the affirmative vote of 66 2/3% of all shares of common stock entitled to vote for the approval of any merger, share exchange or sale, lease, exchange or other transfer of all or substantially all of the corporation's assets where Seacoast will not be the surviving entity.
Non-Shareholder Constituency Provision	BANKshares' articles of incorporation do not contain a provision that expressly permits the board of directors to consider constituencies other than the shareholders when evaluating certain offers.	Seacoast's articles of incorporation do not contain a provision that expressly permits the board of directors to consider constituencies other than the shareholders when evaluating certain offers.
Dissenters' Rights	Under the FBCA, a shareholder generally has the right to dissent from any merger to which the corporation is a party, from any sale of all assets of the corporation, or from any plan of exchange and to receive fair value for his or her shares. See The Merger Appraisal Rights for BANKshares Shareholders and Appendix D.	Under the FBCA, dissenters' rights are not available to holders of shares of any class or series of shares which is designated as a national market system security or listed on an interdealer quotation system by the National Association of Securities Dealers, Inc. Accordingly, holders of Seacoast common stock are not entitled to exercise dissenters' rights under the FBCA.

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BUSINESS OF BANKSHARES

General

The BANKshares, Inc. (BANKshares) was incorporated under the laws of the State of Florida in 2011, is a registered bank holding company under the BHC Act, and owns substantially all the outstanding shares of its subsidiary, BankFIRST. BANKshares operates as a one-bank holding company and its only business activity is the operations of its subsidiary bank, BankFIRST. BankFIRST is a Florida chartered commercial bank which offers its commercial and retail customers a variety of community banking products and services through its 12 banking offices located in five counties in Florida.

At March 31, 2014, BANKshares had total consolidated assets of \$674.1 million, total consolidated loans of \$371.8 million and total consolidated deposits of \$506.2 million. Total stockholders equity at March 31, 2014 was \$131.1 million.

At March 31, 2014, 60.8% of BANKshares loan portfolio was collateralized by non-farm nonresidential commercial real estate (67.9% of which is owner occupied), 15.1% in Commercial and Industrial (C&I), 9.4% single family residential, 8.4% construction and land, and the remaining in consumer and other. BANKshares deposit mix is 39.0% non-interest bearing demand deposits, 42.5% money market, NOW and regular savings, and 18.5% time deposits.

BANKshares executive offices are located at 1031 West Morse Blvd. Suite 323, Winter Park, Florida 32789. BANKshares telephone number is 407-599-7788 and its website is www.bankfirst.com.

The information on BANKshares website is not part of this joint proxy statement/prospectus, and the reference to BANKshares website address does not constitute incorporation by reference of any information on that website into this joint proxy statement/prospectus.

Additional information about BANKshares is included below, as well as in the section BANKshares Management s Discussion and Analysis of Financial Condition and Results of Operations.

Business

Historically, BANKshares market areas have been served both by large banks headquartered out of state as well as a number of community banks offering a higher level of personal attention, recognition and service. The large banks have generally applied a transactional business approach, based upon volume considerations, to the market while community banks have traditionally offered a more service relationship approach.

BANKshares primary market focus is on small business owners and operators including professional practices (e.g., law firms, medical practices, accountants, engineers and title companies), business owners (e.g., manufacturers, wholesalers and distributors), not for profit organizations (e.g., charitable, religious and social welfare), and individuals associated with these businesses including investors and executives.

BANKshares has actively pursued its targeted markets for deposits, particularly small businesses and professionals. BANKshares endeavors to offer leading edge technology to the marketplace. Such technology includes on line banking including corporate cash management, remote deposit capture, debit cards and voice response account information systems. The goal is to provide a high tech high touch experience.

BANKshares provides a range of consumer and commercial banking services to individuals, businesses and industries. The basic services offered by BANKshares include: demand interest bearing and noninterest bearing accounts, money market deposit accounts, NOW accounts, time deposits, safe deposit services, credit cards, debit cards, direct deposits, notary services, money orders, night depository, travelers checks, cashier s checks, domestic collections, savings bonds, automated teller services, drive-in tellers, banking by mail and the full range

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of consumer loans, both collateralized and uncollateralized. In addition, BANKshares makes secured and unsecured commercial and real estate loans and issues stand-by letters of credit. BANKshares provides debit cards which serve as automated teller machine (ATM) cards and is a member of the NYCE ATM network thereby permitting customers to utilize the convenience of BANKshares ATM network and NYCE member machines nationwide.

The revenues of BANKshares are primarily derived from interest on, and fees received in connection with, real estate and other loans, interest and dividends from investment securities, service charge income generated from demand accounts, gain on the sale of residential loans, ATM fees, and fees generated through other services. The principal sources of funds for BANKshares lending activities are its deposits (both commercial and consumer deposits), loan repayments, and proceeds from amortization and maturities of investment securities. The principal expenses of BANKshares are the interest paid on deposits, and operating and general administrative expenses.

As is the case with banking institutions generally, BANKshares operations are materially and significantly influenced by general economic conditions and by related monetary and fiscal policies of financial institution regulatory agencies, including the Federal Reserve and the FDIC. 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. BANKshares faces strong competition in the attraction of deposits (the primary source of lendable funds) and in the origination of loans. See Competition below.

Banking Services

Commercial Banking. BANKshares focuses its commercial loan originations on small and mid-sized business (generally up to \$25 million in annual sales) and such loans are usually accompanied by significant related deposits. Commercial underwriting is driven by cash flow analysis supported by collateral analysis and review. Commercial loan products include commercial real estate construction and term loans; working capital loans and lines of credit; demand, term and time loans; and equipment, inventory and accounts receivable financing. BANKshares is also a preferred SBA lender and offers several short and long term SBA loan alternatives based upon customer needs. BANKshares offers a range of cash management services and deposit products to commercial customers. On line banking is currently available to commercial customers.

Retail Banking. BANKshares retail banking activities emphasize consumer deposit and checking accounts. An extensive range of these services is offered by BANKshares to meet the varied needs of its customers from young persons to senior citizens. In addition to traditional products and services, BANKshares offers contemporary products and services, such as debit cards with rewards, intelligent deposit ATM's, internet banking, on line account opening and electronic bill payment services. Consumer loan products offered by BANKshares include home mortgages, home equity lines of credit, second mortgages, new and used auto loans, new and used boat loans, and unsecured personal credit lines.

Mortgage Banking. BANKshares mortgage banking business is structured to provide a source of fee income largely from the process of originating products for sale on the secondary market (primarily fixed rate loans), as well as the origination of primarily adjustable rate loans to be held in BANKshares loan portfolio. Mortgage banking capabilities include conventional and nonconforming mortgage underwriting; and construction and permanent financing.

Employees

As of March 31, 2014, BANKshares employed 135 full-time employees and 3 part-time employees. The employees are not represented by a collective bargaining unit. BANKshares considers relations with employees to be good.

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Properties

The main office of BANKshares is located at 1031 West Morse Blvd. Suite 323, Winter Park, Florida 32789. BANKshares also operates branch banking offices in Apopka, Clermont, Eustis, Melbourne, Viera, Ormond Beach, Oviedo, Port Orange, Sanford, Titusville, and Winter Garden, Florida.

Legal Proceedings

BANKshares is periodically a party to or otherwise involved in legal proceedings arising in the normal course of business, such as claims to enforce liens, claims involving the making and servicing of real property loans, and other issues incident to its business. Management does not believe that there is any pending or threatened proceeding against BANKshares which, if determined adversely, would have a material adverse effect on BANKshares' financial position, liquidity, or results of operations.

Competition

BANKshares encounters strong competition both in making loans and in attracting deposits. The continued deregulation of banking industry and the widespread enactment of laws which permit multi-bank holding companies as well as an increasing level of interstate banking continue to create a highly competitive environment for commercial banking. In one or more aspects of its business, BANKshares competes with other commercial banks, credit unions, finance companies, mutual funds, insurance companies, brokerage and investment banking companies, and other financial intermediaries. Most of these competitors, some of which are affiliated with bank holding companies, have substantially greater resources and lending limits, and may offer certain services that BANKshares does not currently provide. In addition, many of BANKshares' non-bank competitors are not subject to the same extensive federal regulations that govern bank holding companies and federally insured banks. Federal and state legislation continues to heighten the competitive environment in which financial institutions must conduct their business, and the potential for competition among financial institutions of all types has increased significantly. There is no assurance that increased competition from other financial institutions will not have an adverse effect on BANKshares' operations.

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BANKSHARES MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

All dollar amounts in this section are in thousands of dollars, except per share data or when specifically identified. The words we, us, our, the Company and similar terms when used in this section refer to The BANKshares Bancorp, Inc., unless the context indicates otherwise.

Introduction

Our discussion and analysis of earnings and related financial data are presented herein to assist investors in understanding the financial condition of BANKshares at March 31, 2014, December 31, 2013 and 2012, and the results of operations for the three month periods ended March 31, 2014 and 2013, and the years ended December 31, 2013 and 2012. This discussion should be read in conjunction with the BANKshares Consolidated Financial Statements and related footnotes, presented with this joint proxy statement/prospectus.

Critical Accounting Policies

Our accounting policies are integral to understanding the results reported. Accounting policies are described in detail in Note 1 of the notes to the Consolidated Financial Statements. The critical accounting policies require management's judgment to ascertain the valuation of assets, liabilities, commitments and contingencies. We have established policies and control procedures that are intended to ensure valuation methods are well controlled and applied consistently from period to period. In addition, the policies and procedures are intended to ensure the process for changing methodologies occurs in an appropriate manner. The following is a brief description of our current accounting policies, involving significant management judgments.

Allowance for Loan Losses

The allowance for loan losses is a valuation allowance for probable incurred credit losses. Loan losses are charged against the allowance when management believes the inability to collect a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Management estimates the allowance balance required using past loan loss experience, the nature and volume of the portfolio, information about specific borrower situations and estimated collateral values, economic conditions, and other factors. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged-off.

The allowance consists of specific and general components. The specific component relates to loans that are individually classified as impaired. The general component covers loans that are not impaired and is based on historical loss experience, adjusted for current factors.

A loan is impaired when full payment under the terms of the loan agreement is not probable or when the terms of a loan are modified as a result of a borrower experiencing financial difficulties. Land and construction, commercial and industrial, and commercial real estate loans are individually evaluated for impairment. If a loan is impaired, a portion of the allowance is allocated so the loan is reported, net, at the present value of estimated future cash flows using the loan's existing rate or at the fair value of collateral, if repayment is expected solely from the collateral.

Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the

circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

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Loans for which the terms have been modified and for which the borrower is experiencing financial difficulties are considered troubled debt restructurings and are classified as impaired. Troubled debt restructurings are measured for impairment based upon the present value of estimated future cash flows using the loan's existing rate at inception or at the fair value of collateral, if repayment is expected solely from the collateral. For troubled debt restructurings that subsequently default, BANKshares determines the amount of reserve in accordance with the accounting policy for the allowance for loan losses.

The general component of the allowance covers nonimpaired loans and is based on historical loss experience, adjusted for current factors. The historical loss experience is determined by portfolio segment and is based on the actual loss history experienced by BANKshares over the most recent eight quarters. This actual loss experience is supplemented with other economic factors based on the risks present for each portfolio segment. These economic factors include consideration of the following: levels of and trends in delinquencies and impaired loans; trends in volume and terms of loans; effects of any changes in risk selection and underwriting standards; other changes in lending policies, procedures, and practices; experience, ability, and depth of lending management and other relevant staff; national and local economic trends and conditions; industry conditions; the quality of the loan review system; regulatory change; and effects of changes in credit concentrations.

Goodwill and Intangible Assets

Goodwill is generally determined as the excess of the fair value of the consideration transferred, plus the fair value of any noncontrolling interests in the acquiree, over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. Goodwill and intangible assets acquired in a purchase business combination and determined to have an indefinite useful life are not amortized, but are tested for impairment at least annually.

Intangible assets with definite useful lives are amortized over their estimated useful lives to their estimated residual values. Goodwill is the only intangible asset with an indefinite life on BANKshares' balance sheet. Other intangible assets consist of core deposit intangible assets arising from the BankFIRST, The BANK Brevard and East Coast Community Bank acquisitions. These core deposit intangibles were initially measured at fair value and are amortized on an accelerated method over their estimated useful lives, which is ten years for BankFIRST and The BANK Brevard, and seven years for East Coast Community Bank.

Income Taxes

BANKshares determines its income tax expense based on management's judgments and estimates regarding permanent differences in the treatment of specific items of income and expense for financial statement and income tax purposes. These permanent differences result in an effective tax rate, which differs from the federal statutory rate. In addition, we recognize deferred tax assets and liabilities, recorded in the consolidated balance sheets, based on management's judgment and estimates regarding timing differences in the recognition of income and expense for financial statement and income tax purposes.

We must also assess the likelihood that any deferred tax assets will be realized through the reduction or refund of taxes in future periods and establish a valuation allowance for those assets for which recovery is not more likely than not. In making this assessment, management must make judgments and estimates regarding the ability to realize the asset through carryback to taxable income in prior years, the future reversal of existing taxable temporary differences, future taxable income, and the possible application of future tax planning strategies. Management believes it is more likely than not that the net deferred tax assets included in the accompanying consolidated balance sheets will be fully realized and accordingly BANKshares has not established a valuation allowance.

Purchased Credit-Impaired Loans

We account for acquisitions under the purchase accounting method. These acquired loans are recorded at the allocated fair value, such that there is no carryover of the seller's allowance for loan losses. Such acquired loans

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are accounted for individually, with the exception of a small number of loans that are aggregated into pools based upon common risk characteristics and accounted for on a pooled basis. BANKshares estimates the amount and timing of expected cash flows for each loan or loan pool, and the expected cash flows in excess of the loan or pool's allocated fair value are recorded as interest income over the remaining life of the loan (accretable yield). The excess of the loan or pool's contractual principal and interest over expected cash flows is not recorded (nonaccretable difference). Over the life of each loan or loan pool, the expected cash flows continue to be estimated. If the present value of expected cash flows is less than the carrying amount, a loss is recorded through a provision for loan losses. If the present value of expected cash flows is greater than the carrying amount, it is recognized as part of future interest income. The only purchased of impaired loans occurred as a result of the January 1, 2012 acquisition of East Coast Community bank, at which time the basis in those loans was recorded at \$4,211. Subsequent payoffs, foreclosures and liquidations have reduced the aggregate carrying value of such loans to \$352 or less than 0.1% of gross loans outstanding at March 31, 2014.

Comparison of Results of Operations for the three month periods ending March 31, 2014 and 2013, and the years ended December 31, 2013 and 2012

Net Income

BANKshares' net income for the three months ended March 31, 2014 and 2013 was \$664 and \$364, respectively. Net income for the year ended December 31, 2013 was \$3,019, compared to \$1,126 for the year ended December 31, 2012. The primary reason for the increase in net income between first quarter periods was improved net interest income, driven by an increase in loan volume, and a lower provision for loan loss expense. The primary reason for the increase in net income between the 2013 and 2012 years was reduced noninterest expenses, driven by the absence of FHLB prepayment penalties in 2013, lower loan and foreclosed real estate related expense, and a lower provision for loan loss expense.

Net Interest Income/Margin

Comparison of net interest income for the three months ended March 31, 2014 and 2013

Net interest income on a tax equivalent basis consists of interest income generated by earning assets, less interest expense. Tax equivalency is a non-GAAP measure and is used in the industry to improve comparability as to the relative value of sources of income which are not taxed versus those that are taxed. Sources of income which are not taxed have been grossed up by the approximately the amount of the tax (35% is used here) that would have been paid had they been taxable to improve that comparability.

Net interest income increased \$439, or 8.6%, to \$5,541 for the quarter ended March 31, 2014, compared to \$5,102 for the same period in 2013. The increase was due to a \$384 increase in interest income and a \$55 decrease in interest expense. The resulting NIM (net interest income divided by earning assets) rose from 3.85% to 4.27%.

Interest-earning assets averaged \$525,688 for the quarter ended March 31, 2014, compared to \$537,299 for the quarter ended March 31, 2013, an \$11,611, or 2.2%, decrease. The yield on average interest-earning assets increased 39 basis points (bps) to 4.58% for the quarter ended March 31, 2014, compared to 4.19% for the quarter ended March 31, 2013. The primary reason for the increase in yield was a shift in asset composition away from lower yielding asset classes such as taxable securities and Federal Funds sold into higher yielding asset classes, nontaxable securities and, in particular, loans. Market rates for loans were generally lower than the portfolio average in both 2012 and 2013, contributing to a decline in overall portfolio yield that continued into the first quarter of 2014, but despite this, they were still well above yields on alternative investments, and by March 31, 2014 terms being offered on new loans were

generally no longer materially below the portfolio average. The shift to nontaxable securities, generally from taxable to nontaxable municipals of comparable duration, reflected managements increased confidence in early 2013 that net operating losses from prior periods could be fully utilized in future periods. The \$11,611 decline in average interest-earning assets was more than

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offset by the 39 basis points increase in yield on average interest-earning assets, resulting in the \$384 increase in interest income between the two quarterly periods.

Average Balances, Interest Income and Expenses, Yields and Rates⁽¹⁾

	Quarter Ended March 31, 2014			Quarter Ended March 31, 2013		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
EARNING ASSETS						
Securities						
Taxable	\$ 125,492	\$ 632	2.04%	\$ 155,484	\$ 497	1.30%
Nontaxable	21,708	222	4.15	6,675	71	4.31
	147,200	854	2.35	162,159	568	1.42
Federal funds sold and other investments	9,995	6	0.24	31,707	16	0.20
Loans, net ⁽²⁾	368,493	5,078	5.59	343,433	4,970	5.87
TOTAL EARNING ASSETS	\$ 525,688	\$ 5,938	4.58%	\$ 537,299	\$ 5,554	4.19%
Allowance for loan losses	(5,981)			(6,080)		
Cash and due from banks	22,296			9,642		
Bank premises and equipment	22,672			23,441		
Other assets	92,968			100,719		
	\$ 657,643			\$ 665,021		
INTEREST BEARING LIABILITIES						
NOW	\$ 63,689	\$ 10	0.06%	\$ 61,817	\$ 10	0.07%
Savings deposits	47,812	23	0.20	46,641	25	0.22
Money market accounts	100,818	50	0.20	107,851	54	0.20
Time deposits	94,530	206	0.88	106,355	244	0.93
Federal funds purchased and other short term borrowings	20,737	10	0.20	18,881	9	0.19
Other borrowings	14,434	98	2.75	14,434	110	3.09
TOTAL INTEREST BEARING LIABILITIES	\$ 342,020	\$ 397	0.47%	355,979	\$ 452	0.51%
Demand deposits	183,674			175,943		
Other liabilities	1,623			4,169		
	527,317			536,091		
Shareholders' equity	130,326			128,930		
	\$ 657,643			\$ 665,021		
Interest expense as % of earning assets			0.31%			0.34%
Net interest income/yield on earning assets		\$ 5,541	4.27%		\$ 5,102	3.85%

- (1) *The tax equivalent adjustment is based on a 35% tax rate.*
- (2) *Nonperforming loans are included in average loan balances. Fees on loans are included in interest on loans.*

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The table below details the components of the changes in net interest income on a tax equivalent basis, comparing the first quarter of 2014 to the same period in 2013. For each major category of interest-earning assets and interest-bearing liabilities, information is provided with respect to changes due to average volume and changes due to rates, with the changes in both volumes and rates allocated to these two categories based on the proportionate absolute changes in each category.

Analysis of Changes in Interest Income and Expense

Rate/Volume Analysis (on a Tax Equivalent Basis)

	March 31, 2014 vs March 31, 2013 Due to Change in:		
	Volume	Rate	Total
	Amount of increase (decrease)		
EARNING ASSETS			
Securities			
Taxable	\$ (501)	\$ 636	\$ 135
Nontaxable	635	(484)	151
	134	152	286
Federal funds sold and other investments	(49)	39	(10)
Loans, net	1,436	(1,328)	108
TOTAL EARNING ASSETS	1,521	(1,137)	384
INTEREST BEARING LIABILITIES			
NOW	\$ 1	\$ (1)	\$
Savings deposits	2	(4)	(2)
Money market accounts	(14)	10	(4)
Time deposits	(107)	69	(38)
	(118)	74	(44)
Federal funds purchased and other short term borrowings	4	(3)	1
Other borrowings		(12)	(12)
TOTAL INTEREST BEARING LIABILITIES	\$ (114)	\$ 59	\$ (55)
NET INTEREST INCOME	\$ 1,635	\$ (1,196)	\$ 439

*Changes attributable to rate/volume are allocated to rate and volume on an equal basis.
Comparison of net interest income for the years ended December 31, 2013 and 2012*

Net interest income on a tax equivalent basis decreased \$780, or 3.5%, to \$21,317 for 2013, compared to \$22,097 for 2012. The decrease was due to a \$2,363 decrease in interest income, partially offset by a \$1,583 decrease in interest expense.

Interest-earning assets averaged \$529,160 for 2013, compared to \$574,846 for 2012, a \$45,686, or 7.9%, decrease. The reduction was a strategy of utilizing excess liquidity which had accumulated up to and including 2012 to pay down, in late 2012, costly FHLB advances and to allow time deposits to run off gradually over 2012, 2013 and continuing into 2014. The yield on average interest-earning assets decreased 7 basis points (bps) to 4.35% for 2013, compared to 4.42% for 2012. The \$45,686 decline in average interest-earning assets, combined with the 7 bps decrease in yield on average interest-earning assets resulted in the \$2,363 decrease in interest income between the two years.

Interest-bearing liabilities averaged \$353,660 for 2013, compared to \$402,272 in average interest-bearing liabilities for 2012, a \$48,612, or 12.1%, decrease. The cost of average interest-bearing liabilities decreased 33 bps to 0.49% for 2013, compared to 0.82% for 2012. The \$48,612 decrease in average interest-bearing liabilities,

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combined with the 33 basis point decrease in the cost of average interest-bearing liabilities led to the \$1,583 decrease in interest expense between the years ended December 31, 2013 and 2012.

Average Balances, Interest Income and Expenses, Yields and Rates⁽¹⁾

	2013			2012		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
EARNING ASSETS						
Securities						
Taxable	\$ 138,152	\$ 1,861	1.35%	\$ 146,481	\$ 2,456	1.68%
Nontaxable	18,063	738	4.09	17,789	845	4.75
	156,215	2,599	1.66	164,270	3,301	2.01
Federal funds sold and other investments	19,747	54	0.27	71,975	188	0.26
Loans, net ⁽²⁾	353,198	20,386	5.77	338,601	21,913	6.47
TOTAL EARNING ASSETS	\$ 529,160	\$ 23,039	4.35%	574,846	\$ 25,402	4.42%
Allowance for loan losses	(6,045)			(7,003)		
Cash and due from banks	22,939			16,494		
Bank premises and equipment	23,126			23,911		
Other assets	99,267			95,792		
	\$ 668,447			\$ 704,040		
INTEREST BEARING LIABILITIES						
NOW	\$ 64,162	\$ 41	0.06%	\$ 60,156	\$ 46	0.08%
Savings deposits	47,641	100	0.21	46,372	115	0.25
Money market accounts	106,630	217	0.20	104,897	268	0.26
Time deposits	100,579					