

NBC CAPITAL CORP
Form S-4/A
June 07, 2006
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As filed with the Securities and Exchange Commission on June 7, 2006

Registration No. 333-134401

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

NBC CAPITAL CORPORATION

(Exact Name of Registrant as Specified in its Charter)

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

301 EAST MAIN STREET

STARKVILLE, MISSISSIPPI 39759

(662) 343-1341

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

Lewis F. Mallory, Jr.

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Chairman of the Board and Chief Executive Officer

301 East Main St.

Starkville, Mississippi 39759

(662) 343-1341

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

Copies to:

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

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

Approximate Date of Commencement of Proposed Sale to the Public:

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

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

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

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

Calculation of Registration Fee

Title of each class of securities to be registered	Proposed maximum aggregate		Amount of registration fee ⁽³⁾
	Amount to be registered ⁽¹⁾	offering price ⁽²⁾	
Common Stock, Par value \$1.00 per share	944,593	\$ 18,514,022	\$ 1,982

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

(2) Pursuant to Rule 457(f) of the Securities Act of 1933, as amended, the registration fee is based on the average of the high and low sales prices of SunCoast Bancorp, Inc. common stock as reported on the OTC Bulletin Board as of June 1, 2006 and the number of SunCoast Bancorp, Inc. common stock to be received by NBC Capital Corporation in the merger, reduced by the cash to be paid to the holders of SunCoast Bancorp, Inc. common stock by NBC Capital Corporation as part of the merger consideration.

(3) A portion of the registration fee equal to \$1,945.05 was paid with the initial filing of this Registration Statement.

This Registration Statement shall hereafter become effective in accordance with the provisions of Section 8(a) of the Securities Act of 1933, as amended.

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The information in this 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 prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state or jurisdiction in which the offer or sale is not permitted.

PRELIMINARY SUBJECT TO COMPLETION, DATED JUNE 7, 2006

SunCoast Bancorp, Inc.

8592 Potter Park Drive, Suite 200

Sarasota, Florida 34238

PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

To SunCoast Shareholders:

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

You will be asked to vote on the merger at a special meeting of shareholders to be held on July 11, 2006 at 10:00 a.m., local time, at The Field Club, 1400 Field Road, Sarasota, Florida 34231. We cannot complete the merger unless the holders of a majority of the shares of SunCoast common stock outstanding on June 9, 2006, the record date for the special meeting, vote in favor of approval and adoption of the merger agreement. A copy of the merger agreement is attached as Appendix A to this proxy statement/prospectus. We urge you to read this proxy statement/prospectus carefully and in its entirety. Your board of directors recommends that you vote FOR the approval and adoption of the merger agreement.

Subject to certain exceptions described in this proxy statement/prospectus, if the merger is completed, then you will receive, for each SunCoast share that you own, either \$20.50 in cash or a to-be-determined number of shares of NBC common stock with a market value, measured as of a 10-day trading period prior to the closing of the merger, equal to \$20.50, subject to certain limitations described in the merger agreement. For purposes of illustration only, if the merger had occurred on June 1, 2006, the exchange ratio for each share of SunCoast common stock would have been 0.9846 shares of NBC common stock, having a value of \$20.82 per share based on the average closing price of NBC common stock over the trading period. We encourage you to obtain current market quotations for NBC common stock, which is traded on the American Stock Exchange under the ticker symbol NBY.

You may elect to receive NBC common stock, cash or a combination of stock and cash for your SunCoast shares, subject to proration, whereby holders of SunCoast common stock shall collectively receive, in the aggregate, merger consideration in the form of 55% common stock of NBC and 45% cash. Because elections are subject to proration, you may receive some stock, rather than cash, even though you make an all-cash

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election, and you may receive some cash, rather than stock, even though you make an all-stock election. The federal income taxes to you will depend upon the value of and form of consideration you receive in exchange for your shares of SunCoast common stock. You will receive a separate mailing that will contain instructions regarding your election.

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

You should read this entire proxy statement/prospectus carefully because it contains important information about the merger. In particular, you should carefully read the information under the section entitled Risk Factors beginning on page 14.

We very much appreciate and look forward to your support.

Sincerely,

H. R. Foxworthy

Chairman of the Board

SunCoast Bancorp, Inc.

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

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

This proxy statement/prospectus is dated June 7, 2006, and it is first being mailed or otherwise delivered to SunCoast shareholders on or about June 12, 2006.

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PLEASE NOTE

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

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

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

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

HOW TO OBTAIN ADDITIONAL INFORMATION

As permitted under the rules of the Securities and Exchange Commission (the SEC), this proxy statement/prospectus incorporates important business and financial information about NBC that is contained in documents filed with the SEC and that is not included in, or delivered with, this proxy statement/prospectus. See the section entitled Incorporation of Certain Documents by Reference at page 94. You may obtain copies of these documents without charge from the website maintained by the SEC at www.sec.gov as well as from other sources. You may also obtain copies of these documents, without charge, by writing or calling:

NBC Capital Corporation

NBC Plaza

P.O. Box 1187

Starkville, Mississippi 39760

(662) 343-1341

Attention: Richard T. Haston

You will not be charged for any of these documents that you request. Shareholders requesting documents should do so by July 3, 2006 in order to receive them before the special meeting.

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

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SunCoast Bancorp, Inc.

8592 Potter Park Drive, Suite 200

Sarasota, Florida 34238

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of SunCoast Bancorp, Inc. will be held at The Field Club, 1400 Field Road, Sarasota, Florida 34231 on July 11, 2006 at 10:00 a.m., local time, for the following purposes:

1. To consider and vote upon a proposal to approve and adopt the agreement and plan of merger between NBC Capital Corporation and SunCoast Bancorp, Inc., dated March 16, 2006, pursuant to which NBC will acquire SunCoast through the merger of SunCoast with and into NBC. A copy of the merger agreement is attached to the accompanying proxy statement/prospectus as Appendix A.
2. To transact such other business as may properly come before the special meeting or any adjournments or postponements of the special meeting, including, without limitation, a motion to adjourn or postpone the special meeting to allow more time for soliciting additional votes to approve and adopt the merger agreement.

Only shareholders of record of SunCoast at the close of business on June 9, 2006 are entitled to notice of, and to vote at, the special meeting or any adjournment or postponement of the special meeting. Approval of the merger agreement requires the affirmative vote of at least a majority of all of the votes entitled to be cast at the special meeting.

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

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

By Order of the Board of Directors,

H.R. Foxworthy, Chairman

June 7, 2006

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QUESTIONS AND ANSWERS

Q: What am I being asked to vote on?

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

Q: Why are SunCoast and NBC proposing to merge?

A: The board of directors of each of NBC and SunCoast believes that a combination of the two companies is in the best interests of its respective company. From SunCoast's perspective, SunCoast's board of directors believes that the merger presents a more favorable opportunity for SunCoast to maximize value for its shareholders than SunCoast continuing to operate on a stand-alone basis. See *The Merger Reasons for the Merger: SunCoast's Reasons for the Merger* beginning on page 55 and *The Merger Reasons for the Merger: NBC's Reasons for the Merger* beginning on page 63.

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

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

Q: What will I receive in the merger?

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

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

A: You will be mailed an election form on which you will indicate the form of merger consideration you wish to receive for your SunCoast common stock. *Please retain this document in connection with making your election to receive cash, NBC common stock, or a combination of cash and NBC common stock for your shares of SunCoast common stock.* Your completed and signed election form must be received no later than 5:00 p.m., Central time, on August 9, 2006 (which we refer to as the election deadline), together with the certificates that represent your shares of SunCoast common stock.

Q: Can I change or revoke my election?

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

Q: Should I send in my stock certificates now?

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

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

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

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

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

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

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

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

A: SunCoast shareholders of record at the close of business on June 9, 2006, the record date for the special meeting, are entitled to receive notice of and to vote on the approval of the merger agreement at the special meeting and any adjournments or postponements of the special meeting. However, a SunCoast shareholder may only vote his or her shares if he or she is either present in person or represented by proxy at the SunCoast special meeting.

Q: How many votes do I have?

A: Each share of common stock that you own as of the record date entitles you to one vote. On June 9, 2006, there were 1,055,576 outstanding shares of SunCoast common stock. As of the record date, SunCoast directors and executive officers and their affiliates beneficially owned approximately 26.7% of the outstanding shares of SunCoast common stock.

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

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

Q: How do I vote?

A:

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

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

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

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

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

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

A: Yes. Under Florida law, SunCoast shareholders have the right to exercise appraisal rights with respect to the merger and receive a payment in cash for the value of their shares of SunCoast common stock, as determined by an appraisal process. This value may be less than the value of the consideration you would receive in the merger if you do not exercise appraisal rights. To perfect your appraisal rights, you must precisely follow the required statutory procedures. See *The Merger-Statutory Provisions for Appraisal Rights of Shareholders* at page 67 and the information attached at Appendix B.

Q: When do you expect to complete the merger?

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

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

A: You should call either of the following:

NBC Capital Corporation

NBC Plaza

P.O. Box 1187

Starkville, Mississippi 39760

(662) 343-1341

Attention: Richard T. Haston

SunCoast Bancorp, Inc.

8592 Potter Park Drive, Suite 200

Sarasota, Florida 34238

(941) 923-0500

Attention: William F. Gnerre

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SUMMARY

*This summary highlights selected information from this proxy statement/prospectus. It does not contain all of the information that may be important to you. We urge you to carefully read this entire proxy statement/prospectus, its appendices and the other documents to which we have referred you for a more complete understanding of the merger. You may obtain the information about NBC that is incorporated by reference in this proxy statement/prospectus without charge by following the instructions in the section entitled **Where You Can Find More Information** on page 94. Each item in this summary includes a page reference directing you to a more complete description of that item. In addition, the merger agreement is attached as Appendix A to this proxy statement/prospectus and is incorporated into this proxy statement/prospectus by reference. Unless the context requires otherwise, the terms **we**, **our**, and **us** refer to NBC and SunCoast together.*

The Parties

Information About NBC (Page 24)

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

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

The principal executive offices of NBC are located at:

NBC Plaza

301 East Main Street

Starkville, Mississippi 39759

(662) 343-1341

Information About SunCoast (Page 26)

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

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

The principal executive offices of SunCoast are located at:

8592 Potter Park Drive, Suite 200

Sarasota, Florida 34238

(941) 923-0500

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SunCoast Special Shareholders Meeting (Page 22)

A special meeting of the shareholders SunCoast will be held on July 11, 2006 at the Field Club, 1400 Field Road, Sarasota, Florida 34231 at 10:00 a.m. local time. At the special meeting, SunCoast shareholders will consider and vote on a proposal to adopt and approve the merger agreement. SunCoast shareholders may also consider such other matters as may properly be brought before the special meeting and may be asked to vote on a proposal to adjourn or postpone the special meeting, which could be used to allow more time for soliciting additional votes to approve and adopt the merger agreement.

SunCoast Record Date and Voting (Page 22)

You are entitled to vote at the special meeting if you were the record owner of shares of SunCoast common stock as of the close of business on June 9, 2006, the record date established for the special meeting. You are entitled to one vote for each share of SunCoast common stock you owned of record on the record date.

On June 9, 2006, approximately 1,055,576 votes were eligible to be cast at the SunCoast special meeting.

Approval of a Majority of Outstanding SunCoast Shares Required to Approve Merger (Page 22)

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

The Merger (Page 54)

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

What You Will Receive in the Merger (Page 64)

Subject to the restrictions described below, you may elect to receive cash, shares of NBC common stock or a combination of both in exchange for each share of SunCoast common stock that you hold. The purchase price per share of SunCoast common stock shall be \$20.50, of which collectively the holders of SunCoast common stock shall receive 45% cash and 55% stock in NBC. Certain proration provisions are triggered in

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the event the aggregate stock elections exceed 55% or cash elections exceed 45%. You will be mailed an election form on which you will indicate the form of merger consideration you wish to receive for your SunCoast common stock. *You should retain this proxy statement/prospectus in connection with making your election to receive cash, NBC common stock or a combination of cash and NBC common stock for your shares of SunCoast common stock.* You will have until 5:00 p.m., Central time, on August 9, 2006, the election deadline specified in the election form, to make your election. *If you do not return a properly completed election form by the election deadline, you will be deemed to have elected to receive NBC common stock for your SunCoast shares.* Complete information on the election procedure can be found in the section entitled *The Merger Election and Exchange Procedures* on page 65.

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

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

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

The aggregate consideration to be paid by NBC for the merger shall be affected by the number of SunCoast shares of common stock outstanding at the time of closing. On the record date, there were 1,055,576 shares of SunCoast common stock outstanding, and 511,384 shares of SunCoast convertible preferred stock outstanding. Each share of preferred stock is automatically convertible into 1.19 shares of SunCoast common stock on the earlier of December 31, 2006 or a change in control of SunCoast, including the merger with NBC. Additionally, SunCoast preferred stock pays dividends in preferred stock and shall continue to do so until the earlier of a change of control of SunCoast or December 31, 2006. Therefore, for example, NBC and SunCoast estimate that if the closing takes place on December 31, 2006, there would be approximately 1,698,396 shares of SunCoast common stock (assuming the maximum increase in the number of shares of common stock of SunCoast due to dividends on the preferred stock) and the aggregate purchase price would be approximately \$34,817,000, plus the amount paid for the stock options. If the closing takes place on August 17, 2006, NBC and SunCoast estimate there would be approximately 1,685,602 shares of SunCoast common stock (assuming the maximum increase in the number of shares of common stock of SunCoast due to dividends on the preferred stock) and the aggregate purchase price would be approximately \$34,555,000, plus the amount paid for the stock options.

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

Election of Cash or Stock Consideration (Page 65)

After the special meeting and no later than 15 business days prior to the anticipated completion of the merger, Computershare Shareholder Services, Inc., the exchange agent, will send each SunCoast shareholder, who is the owner of record of shares of SunCoast common stock three business days prior to the mailing of the election form, an election form that you may use to indicate whether your preference is to receive cash, NBC common stock or a combination of cash and NBC common stock. You will have until August 9, 2006, the election deadline, to return the completed and signed election form, together with the certificates that represent your shares of SunCoast common stock. Should you acquire SunCoast common stock three business days prior to the mailing of the election form and five business days prior to the election deadline, the exchange agent will provide you with a secondary election form.

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

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

Your election may be limited by the elections of other shareholders of SunCoast common stock make so that, in the aggregate, shareholders of SunCoast common stock receive 45% cash and 55% in NBC stock for their shares of SunCoast common stock. For example, if stock elections representing more than 55% of the

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outstanding shares of SunCoast common stock prior to the merger are made, then NBC will prorate the number of shares of its common stock so that no more than 55% of the SunCoast shares are converted into NBC common stock.

No Fractional Shares (Page 79)

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

Federal Income Tax Consequences (Page 76)

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

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

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

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

The Rights of NBC Shareholders and SunCoast Shareholders are Different (Page 81)

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

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Shares of NBC Common Stock Issued in the Merger to be Listed on the American Stock Exchange (Page 71)

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

NBC s Dividend Policy (Page 71)

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

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SunCoast's Board of Directors Unanimously Recommends Approval of the Merger (Page 56)

SunCoast's board of directors believes that the merger transaction with NBC is in the best interests of SunCoast and its shareholders and unanimously recommends that you vote **FOR** the proposal to approve and adopt the merger agreement. See *Reasons for the Merger* SunCoast's *Reasons for the Merger* on page 55.

Opinion of SunCoast's Financial Advisor (Page 57)

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

Management and Operations Following the Merger (Page 75)

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

Conditions to the Merger (Page 71)

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

the approval of the merger by SunCoast shareholders;

the accuracy of the representations and warranties made in the merger agreement;

the performance of obligations by NBC and SunCoast under the merger agreement;

the receipt of required governmental approvals (including from banking and federal and state securities regulators) and the expiration or termination of all applicable statutory waiting periods relating to the merger;

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the absence of any injunction or other order by any court or other governmental entity which would prohibit or prevent the merger;
and

receipt of tax opinions of Adams and Reese LLP and Smith, Gambrell & Russell, LLP, counsel to NBC and SunCoast, respectively, based on facts, assumptions and representations set forth in the opinions, to the effect that the merger transaction constitutes a tax-free reorganization under section 368(a) of the Internal Revenue Code.

The Merger Agreement can be Amended or Terminated (Page 73)

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

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Termination Fee (Page 74)

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

Required Regulatory Approvals (Page 72)

The merger cannot be completed until required approvals are received from banking regulators. The transactions contemplated in the merger agreement will require regulatory approval from the Board of Governors of the Federal Reserve Bank, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Commissioner of the Office of Financial Institutions of the State of Florida, the American Stock Exchange and the SEC. Although we believe that all regulatory approvals will be received in a timely manner, we cannot be certain when or if such approvals will be obtained.

SunCoast's Shareholders have Appraisal Rights (Page 67)

SunCoast shareholders are entitled to assert certain appraisal rights under Florida law. These appraisal rights may give you the opportunity to receive the fair value of your shares of SunCoast common stock in cash instead of having each of your shares converted in the merger into the merger consideration of shares of NBC common stock or \$20.50 in cash. In order to perfect your appraisal rights, you must strictly follow specific procedures under the Florida Business Corporation Act. If you do not follow the procedures set forth in the statutory provisions of the Florida Business Corporation Act, you may lose your appraisal rights with respect to the merger. Please refer to page 67 for more information. You should also read carefully Appendix B to this proxy statement/prospectus, which is a copy of the relevant statutory provisions of Florida law related to appraisal rights.

Accounting Treatment of the Merger by NBC (Page 76)

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

SunCoast's Executive Officers and Board of Directors may have Financial Interests in the Merger that Differ from your Interests (Page 75)

SunCoast's executive officers and directors may have economic interests in the merger that are different from, or in addition to, their interests as SunCoast shareholders. The SunCoast board considered these interests in its decision to approve the merger agreement. For example, some members of the board of directors and some executive officers hold unvested options to acquire shares of SunCoast common stock. Pursuant to the terms of the merger agreement, these officers and board members will be entitled to receive in cash the difference between the exercise price and \$20.50. Additionally, upon completion of the merger, Kerry J. Ward, Senior Vice President of SunCoast Bank, William F. Gnerre,

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Executive Vice President of SunCoast, and John S. Wilks, Senior Vice President and Chief Financial Officer of SunCoast, will have employment agreements with Cadence Bank, a subsidiary of NBC. Also, pursuant to the merger agreement, H. Ronald Foxworthy, the chairman of the board of SunCoast, will be appointed to serve on the board of NBC upon completion of the merger transaction.

Recent Developments

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

Table of Contents**Index to Financial Statements****Selected Consolidated Financial Information of NBC**

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

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

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

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Income before income taxes	4,452	5,272	18,276	16,056	18,017	19,013	17,399
Income taxes	1,202	1,530	4,522	3,757	4,492	4,792	4,261
Net income	\$ 3,250	\$ 3,742	\$ 13,754	\$ 12,299	\$ 13,525	\$ 14,221	\$ 13,138

Per Share Data (1)

Net income basic	\$ 0.40	\$ 0.46	\$ 1.68	\$ 1.51	\$ 1.65	\$ 1.73	\$ 1.54
Net income diluted	0.40	0.46	1.68	1.50	1.65	1.73	1.54
Book Value	14.44	14.00	14.31	14.06	13.58	13.57	12.48
Tangible book value	9.63	9.06	9.46	9.08	13.23	13.22	12.13
Dividends	0.25	0.24	0.98	0.96	0.92	0.87	0.82

Balance Sheet Data

Total assets	\$ 1,474,168	\$ 1,387,015	\$ 1,446,117	\$ 1,439,573	\$ 1,093,223	\$ 1,077,456	\$ 1,050,802
Net loans	852,738	791,944	851,332	817,649	582,933	570,296	607,976
Total deposits	1,144,331	1,066,584	1,121,684	1,116,373	815,839	817,447	810,703
Investment securities	451,488	446,039	442,440	465,770	378,935	393,783	340,726
Total shareholders equity	118,237	114,277	116,984	114,766	111,102	111,107	102,927
Tangible shareholders equity	78,879	74,003	77,330	74,107	108,249	108,254	100,070

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

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

(1) Net interest margin is net interest income divided by average earning assets.

(2) Efficiency ratio is noninterest expense divided by the sum of net interest income and noninterest income (excluding taxes and the provision for loan losses).

(3) Nonperforming loans include loans 90 or more days past due, nonaccrual loans and restructured loans.

(4) Tier 1 leverage ratio is defined as Tier 1 capital (pursuant to risk-based capital guidelines) as a percentage of adjusted average assets.

Table of Contents**Index to Financial Statements****GAAP Reconciliation and Management Explanation of NBC's Non-GAAP Financial Measures**

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

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

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

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

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

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

Table of Contents**Index to Financial Statements****Selected Consolidated Financial Information of SunCoast**

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

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

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

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

Table of Contents**Index to Financial Statements****Selected Consolidated Unaudited Pro Forma Financial Data**

The following table presents selected unaudited pro forma condensed combined financial information for NBC and SunCoast after giving effect to the merger as if the merger had taken place as of the beginning of the earliest period presented, and after giving effect to the pro forma adjustments described in the notes to the unaudited pro forma combined financial statements appearing in this proxy statement/prospectus beginning on page 85. The pro forma data in the tables assume that the merger is accounted for using the purchase method of accounting. See *The Merger Accounting Treatment* on page 76. The information in the following table is based on, and should be read together with, the pro forma information that appears elsewhere in this proxy statement/prospectus and the historical information we have presented in prior filings with the SEC. See *Unaudited Pro Forma Financial Information* on page 85 and *Where You Can Find More Information* on page 94. The unaudited pro forma condensed combined financial information is not necessarily indicative of results that actually would have occurred had the merger been completed on the dates indicated or that may be obtained in the future.

NBC CAPITAL CORPORATION**SELECTED PRO FORMA CONDENSED****CONSOLIDATED FINANCIAL INFORMATION**

	Year	
	Three Months Ended March 31, 2006	Ended December 31, 2005
	(In thousands)	
Selected Balance Sheet Data:		
Total assets	\$ 1,664,851	\$ 1,633,779
Loans	985,502	974,702
Deposits	1,263,014	1,238,519
Total Securities	461,396	452,663
Total Shareholders' Equity	187,533	186,280
Selected Income Statement Data:		
Total interest income	22,763	80,295
Total interest expense	9,821	30,711
Net interest income	12,942	49,584
Provision for loan losses	479	2,458
Total Other Income	4,775	20,042
Total Other Expenses	12,524	47,659
Income before income taxes	4,714	19,509
Income taxes	1,302	4,990
Net income	3,412	14,519

Table of Contents**Index to Financial Statements****Comparative Per Share Data**

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

You should read the information in the following table in conjunction with the historical financial information and related notes contained in the annual, quarterly and other reports that NBC has filed with the SEC. NBC has incorporated its prior filings into this proxy statement/prospectus by reference. For information on how to obtain the reports NBC has filed, please refer to the section entitled "Where You Can Find More Information" on page 94 of this proxy statement/prospectus. You should not rely on the pro forma information as being indicative of the results that NBC will achieve in the merger.

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

	As Of and For the Three Months Ended March 31, 2006	As Of and For the Year Ended December 31, 2005
NBC		
Basic net income per common share:		
Historical	\$ 0.40	\$ 1.68
Pro forma ⁽¹⁾	0.29	1.23
Diluted net income per common share:		
Historical	0.40	1.68
Pro forma ⁽¹⁾	0.29	1.22
Dividends declared on common stock:		
Historical	0.25	0.98
Pro forma ⁽¹⁾	0.25	0.98
Book value per common share:		
Historical	14.44	14.31
Pro forma ⁽¹⁾	15.81	15.72
SunCoast		
Basic net income per common share:		
Historical	\$ 0.10	\$ 0.56
Equivalent pro forma ⁽²⁾	0.29	1.21
Diluted net income per common share:		
Historical	0.10	0.54
Equivalent pro forma ⁽²⁾	0.29	1.21
Dividends declared on common stock:		
Historical		
Equivalent pro forma ⁽²⁾	0.25	0.96
Book value per common share:		
Historical	7.97	7.89

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Equivalent pro forma ⁽²⁾

15.57

15.48

- (1) Assumes 2,760,000 NBC shares issued in the recent offering for \$19.50 and 912,832 NBC shares issued for 55% of the total merger consideration. This is calculated using an estimated 1,685,602 shares of SunCoast stock outstanding at the effective date of the merger and an estimated average market price of NBC stock of \$20.82.
- (2) Assumes a relative value of SunCoast stock to NBC stock of 98.5%. This is calculated using the merger consideration of \$20.50 per share of SunCoast stock and an estimated average market price of NBC stock of \$20.82.

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NBC common stock is traded on the American Stock Exchange under the symbol NBY. There is no established public market for the SunCoast common stock, although the stock is quoted on the OTC Bulletin Board under the symbol SUNB.OB. The following table sets forth, for the indicated periods, the high and low sales prices for NBC common stock as reported by the American Stock Exchange, and the high and low sales prices for SunCoast common stock as reported on the OTC Bulletin Board (as adjusted to reflect a 5% common stock dividend effected on September 30, 2004). The stock prices listed below for SunCoast are quotations, which reflect inter-dealer prices, without retail mark-up, mark-down, or commissions. NBC had a total of 2,469 shareholders of record as of May 31, 2006, while SunCoast had a total of 159 shareholders of record as of that same date. The following table also shows the quarterly cash dividends declared per share of NBC. SunCoast has not declared or paid any cash dividends in the past.

	SunCoast Common Stock		NBC Common Stock		
	Price		Price		Dividend Declared
	High	Low	High	Low	
2006					
First Quarter	\$ 19.70	\$ 15.60	\$ 24.97	\$ 22.89	\$ 0.25
Second Quarter (through May 31, 2006)	20.00	19.30	23.33	20.10	0.25
2005					
First Quarter	\$ 17.75	\$ 14.05	\$ 26.08	\$ 22.82	\$ 0.24
Second Quarter	16.00	14.50	25.05	23.01	0.24
Third Quarter	17.50	15.25	25.42	23.06	0.25
Fourth Quarter	17.00	15.00	25.73	23.01	0.25
2004					
First Quarter	\$ 10.48	\$ 8.52	\$ 27.14	\$ 25.54	\$ 0.24
Second Quarter	14.29	10.00	27.06	23.11	0.24
Third Quarter	12.38	10.81	27.00	23.60	0.24
Fourth Quarter	18.00	11.52	28.60	25.20	0.24

As reported on the American Stock Exchange, the closing price per share of NBC common stock on March 15, 2006 (the last full trading day prior to the date of the merger agreement) was \$23.10. As reported on the OTC Bulletin Board, the closing price per share of SunCoast common stock on March 15, 2006 was \$16.00. On June 6, 2006, the latest practicable date prior to the mailing of this proxy statement/prospectus, the closing price per share of NBC common stock was \$20.40 and the closing price per share of SunCoast common stock was \$19.60.

See *The Merger What You Will Receive* beginning on page 64 for an illustration of how the implied exchange ratio may change in response to fluctuations in the price of NBC common stock.

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

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RISK FACTORS

An investment in NBC common stock in connection with the merger involves certain risks, including, among others, the risks described below and the matters discussed under the section *Cautionary Statement Regarding Forward-Looking Statements* on page 21. In addition to the other information contained or incorporated by reference in this proxy statement/prospectus, we urge you to carefully consider the following risk factors in deciding whether to vote for approval of the merger agreement.

Risks Related to the Merger

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

You will not know the amount of NBC common stock that you will receive in exchange for your shares of SunCoast common stock at the time you make your election. Pursuant to the merger agreement, each share of SunCoast common stock that is to be converted into NBC common stock will be converted by the ratio of \$20.50 divided by the average closing price of NBC common stock for the full ten trading days prior to the close of the merger, subject to certain conditions. We currently expect that the merger will close during the third quarter of 2006. You will be required to make your election to receive cash or shares of NBC common stock by 5:00 p.m., Central time, on August 9, 2006.

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

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

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

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

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of the merger is greater than \$27.22 per share, the consideration received by SunCoast shareholders who receive NBC common stock in exchange for their shares of SunCoast common stock would be greater than \$20.50 per share.

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

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

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

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

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

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

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

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

The businesses of NBC and SunCoast differ in certain respects and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock after the merger may be affected by factors different from those currently affecting the independent results of operations of each of NBC and SunCoast. For a discussion of the businesses of NBC and SunCoast and of certain factors to consider in connection with those businesses, see the sections entitled "Information About NBC" at page 24 and "Information About SunCoast" at page 26 and the documents that NBC has filed with the SEC.

The merger must be approved by multiple governmental agencies.

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

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

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

The merger agreement contains no shop provisions that, subject to certain exceptions, limit SunCoast's ability to discuss, facilitate or commit to competing third-party proposals to acquire all or a significant part of SunCoast or its subsidiary bank. Additionally, if the merger would fail to occur in certain circumstances that relate to a possible combination of SunCoast with another acquiror, SunCoast could be obligated to pay NBC \$1.5 million as a termination fee. See *The Merger Termination Fee* beginning on page 74. These provisions may discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of SunCoast from considering or proposing an acquisition of SunCoast even if it were prepared to pay consideration with a higher per share market price than that proposed in the merger, or might result in a potential competing acquiror proposing to pay a lower per share price to acquire SunCoast than it might otherwise have proposed to pay.

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

Executive officers of SunCoast negotiated the terms of the merger agreement with their counterparts at NBC, and SunCoast's board of directors unanimously approved the merger agreement and recommended that SunCoast shareholders vote to approve the merger agreement. In considering these facts and the other information contained in this proxy statement/prospectus, you should be aware that SunCoast's directors may have financial interests in the merger that are different from, or in addition to, their interests as shareholders. For example, upon completion of the merger, H. Ronald Foxworthy, currently the chairman of the board of SunCoast, will be appointed to fill a vacancy on the board of NBC. Please see *The Merger Interests of Management and Others in the Merger* beginning on page 75 for information about these financial interests.

Risks Related to the NBC's Business

NBC may face risks with respect to future expansion.

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

the time and costs associated with identifying and evaluating potential acquisitions and merger partners;

inaccuracies in the estimates and judgments used to evaluate credit, operations, management and market risks with respect to the target institution;

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

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

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

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

entry into new markets where NBC lacks experience;

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

the risk of loss of key employees and customers.

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

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

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

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

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

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

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

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

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

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

Changes in monetary policy could adversely affect NBC's profitability.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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CAUTIONARY STATEMENT REGARDING

FORWARD-LOOKING STATEMENTS

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

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

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

revenues may be lower than expected;

changes in the interest rate environment may reduce interest margins;

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

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

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

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

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

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

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

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This list is not exhaustive. Forward-looking statements speak only as of the date they are made. Further information on other factors that could affect the financial results of NBC after the merger is included in this proxy statement/prospectus under *Risk Factors* beginning on page 14 and in NBC's SEC filings incorporated by reference in this document. NBC and SunCoast do not undertake to update forward-looking statements to reflect future circumstances or events. If one or more of these risks or uncertainties occurs or if the underlying assumptions prove incorrect, actual results, performance or achievements could differ materially from those expressed in, or implied by, the forward-looking statement.

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SUNCOAST SPECIAL SHAREHOLDERS MEETING

Date, Time and Place

The SunCoast special shareholders meeting will be held at The Field Club, 1400 Field Road, Sarasota, Florida 34231 at 10:00 a.m., local time, on July 11, 2006.

Matters to be Considered at the Meeting

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

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

Record Date, Shares Outstanding; Quorum

Only shareholders of record of SunCoast common stock at the close of business on June 9, 2006 will be entitled to notice of, and to vote at, the special meeting. On June 9, 2006, SunCoast had outstanding 1,055,576 shares of SunCoast common stock. There is no other class of SunCoast common stock outstanding. Each share of SunCoast common stock entitles the holder to one vote. The presence at the SunCoast special meeting, in person or by proxy, of shareholders entitled to cast a majority of all the votes entitled to be cast at the special meeting will constitute a quorum. There must be a quorum present in order for the vote on the merger agreement to occur.

Vote Required

The approval and adoption of the merger agreement will require the affirmative vote of at least a majority of the outstanding shares of SunCoast (*i.e.*, at least 527,781 shares). Approval of the adjournment of the special meeting requires the affirmative vote of a majority of the shares represented at the special meeting, whether or not a quorum is present.

Voting of Proxies

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

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

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

Effect of Abstentions and Broker Non-Votes

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

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

Revocability of Proxies

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

filing with the secretary of SunCoast a duly executed revocation of proxy;

submitting a duly executed proxy bearing a later date; or

appearing at the special meeting and voting in person at the meeting.

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

Solicitation of Proxies

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

You should not send stock certificates with your proxy cards. As described below under the section entitled "The Merger Election and Exchange Procedures" at page 65, you will be sent under separate cover prior to the special meeting materials for exchanging your shares of SunCoast.

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INFORMATION ABOUT NBC

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

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

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

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

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

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

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

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

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Recent Developments

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

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

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

For more information on NBC, see *Where You Can Find More Information* and *Incorporation of Certain Documents by Reference* beginning on page 94.

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INFORMATION ABOUT SUNCOAST

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

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

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

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

Lending Activities

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

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

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

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

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

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

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

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

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

Deposit Activities

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

Investments

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

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

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

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

Correspondent Banking

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

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

Data Processing

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

Effect of Governmental Policies

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

Interest and Usury

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

Supervision and Regulation

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

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SunCoast

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

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

acquire direct or indirect ownership or control of any voting shares of any bank that results in total ownership or control, directly or indirectly, of more than 5% of the voting shares of such bank;

merge or consolidate with another bank holding company; or

acquire substantially all of the assets of any additional banks.

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

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

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

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

allows insurers and other financial services companies to acquire banks;

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

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

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

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

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

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

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

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

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

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

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

SunCoast Bank

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

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

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

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

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

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

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

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

Capital Adequacy

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

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

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

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

Other Laws and Regulations

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

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

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

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

The SOA requires the SEC, based on certain enumerated factors, to regularly and systematically review corporate filings. To deter wrongdoing, it (i) subjects bonuses issued to top executives to disgorgement if a restatement of a company's financial statements was due to corporate misconduct; (ii) prohibits an officer or director from misleading or coercing an auditor; (iii) prohibits insider trades during pension fund blackout periods; (iv) imposes new criminal penalties for fraud and other wrongful acts; and (v) extends the period during which certain securities fraud lawsuits can be brought against a company or its officers.

Privacy. Under the Modernization Act, federal banking regulators adopted rules limiting the ability of banks and other financial institutions to disclose nonpublic information about consumers to nonaffiliated third parties. The rules require disclosure of privacy policies to consumers and, in some circumstances, allow consumers to prevent disclosure of certain personal information to nonaffiliated third parties. The privacy provisions of the Modernization Act affect how consumer information is transmitted through diversified financial services companies and conveyed to outside vendors.

Future Legislation. Changes to federal and state laws and regulations can affect the operating environment of bank holding companies and their subsidiaries in substantial and unpredictable ways. From time to time, various legislative and regulatory proposals are introduced. These proposals, if codified, may change banking statutes and regulations and SunCoast's operating environment in substantial and unpredictable ways. If codified, these proposals could increase or decrease the cost of doing business, limit or expand permissible activities or affect the competitive balance among banks, savings associations, credit unions and other financial institutions. SunCoast cannot accurately predict whether those changes in laws and regulations will occur, and, if those changes occur, the ultimate effect they would have upon SunCoast's financial condition or results of operation.

Competition

SunCoast Bank encounters strong competition both in making loans and in attracting deposits. The deregulation of the banking industry and the widespread enactment of state laws which permit multi-bank holding companies as well as an increasing level of interstate banking have created a highly competitive environment for commercial banking. In one or more aspects of its business, SunCoast Bank competes with other commercial banks, savings and loan associations, 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 SunCoast Bank does not currently provide. In addition, many of SunCoast Bank's non-bank competitors are not subject to the same extensive federal regulations that govern bank holding companies and federally insured banks. Recent federal and state legislation has heightened 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.

To compete, SunCoast Bank relies upon specialized services, responsive handling of customer needs, and personal contacts by its officers, directors and staff. Large multi-branch banking competitors tend to compete primarily by rate and the number and location of branches while smaller, independent financial institutions tend to compete primarily by rate and personal service.

Employees

As of December 31, 2005, SunCoast and SunCoast Bank collectively had 26 full-time employees (including executive officers) and four part-time employees. The employees are not represented by a collective bargaining unit. SunCoast and SunCoast Bank consider relations with its employees to be good.

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Description of Property

The main office of SunCoast and SunCoast Bank is located at 8592 Potter Park Drive, Suite 200, Sarasota, Florida 34238, in a one-story building of approximately 4,000 square feet, which is leased by SunCoast Bank for a term which, with renewal options, expires in 2014.

The Bank has a branch office located at 5292 17th Street, Sarasota, Florida 34235 in a one-story building of approximately 1,992 square feet, which is leased by SunCoast Bank for a term which, with renewal options, expires in 2016.

On November 23, 2005, SunCoast Bank opened a new branch office located at 5115 State Road 64 East, Bradenton, Florida 34208 in a modular building owned by SunCoast Bank. The permanent building of approximately 8,000 square feet was completed and opened in March 2006.

Legal Proceedings

SunCoast and SunCoast Bank are periodically parties 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 their respective businesses. Management does not believe that there is any pending or threatened proceeding against SunCoast or SunCoast Bank which, if determined adversely, would have a material adverse effect on SunCoast's consolidated financial position.

Market for Common Equity and Related SunCoast Shareholder Matters

There is not an actively traded public market for SunCoast's common stock, but the shares are quoted on the OTC Bulletin Board under the trading symbol SUNB.OB. The following sets forth the high and low sales prices (bid prices are not generally available) of SunCoast common stock on the OTC Bulletin Board, as adjusted to reflect the 5% common stock dividend effected on September 30, 2004:

	2006		
	High	Low	Shares
1st Quarter	\$ 19.70	\$ 15.60	127,600
2nd Quarter (through May 31, 2006)	20.00	19.30	78,280
	2005		
	High	Low	Shares

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1st Quarter	\$ 17.75	\$ 14.05	20,800
2nd Quarter	16.00	14.50	12,600
3rd Quarter	17.50	15.25	15,500
4th Quarter	17.00	15.00	10,700

2004

	<u>High</u>	<u>Low</u>	<u>Shares</u>
1st Quarter	\$ 10.48	\$ 8.52	35,344
2nd Quarter	14.29	10.00	30,298
3rd Quarter	12.38	10.81	17,918
4th Quarter	18.00	11.52	11,194

SunCoast had approximately 159 shareholders of record as of June 9, 2006.

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Dividends

SunCoast has not paid any cash dividends in the past. SunCoast intends that, for the foreseeable future, it will retain earnings to finance continued growth rather than pay cash dividends on SunCoast's common stock. If at any time SunCoast's Board determines to pay dividends on its common stock, the timing and the extent to which cash dividends are paid by SunCoast will be determined by such Board in light of then-existing circumstances, including SunCoast's rate of growth, profitability, financial condition, existing and anticipated capital requirements, the amount of funds legally available for the payment of cash dividends, regulatory constraints and such other factors as the Board determines relevant. The source of funds for payment of dividends by SunCoast will be dividends received from SunCoast Bank. Payments by SunCoast Bank to SunCoast are limited by law and regulations of the bank regulatory authorities. There are various statutory and contractual limitations on the ability of SunCoast Bank to pay dividends to SunCoast. The FDIC and the Florida Office of Financial Regulation also have the general authority to limit the dividends paid by banks if such payment may be deemed to constitute an unsafe and unsound practice. Under Florida law, after making provisions for reasonably anticipated future losses on loans and other assets, the board of directors of a bank may declare a dividend of so much of the bank's aggregate net profits for the current year combined with its retained earnings (if any) for the preceding two years as the board deems appropriate and, with the approval of the Florida Office of Financial Regulation, may declare a dividend from retained earnings for prior years. No dividends may be paid at a time when a bank's net earnings from the preceding two years is a loss or which would cause the capital accounts of the bank to fall below the minimum amount required by law, regulation, order or any written agreement with the Florida Office of Financial Regulation or a federal regulatory agency. Additionally, certain provisions of the merger agreement restrict the ability of SunCoast to pay any dividends on its common stock.

Florida law applicable to companies (including SunCoast) provides that dividends may be declared and paid only if, after giving it effect, (i) the company is able to pay its debts as they become due in the usual course of business, and (ii) the company's total assets would be greater than the sum of its total liabilities plus the amount that would be needed if the company were to be dissolved at the time of the dividend to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the dividend.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is SunCoast's discussion and analysis of certain significant factors that have affected its financial position and operating results, and those of its subsidiary, during the periods included in the accompanying financial statements. This commentary should be read in conjunction with the consolidated financial statements of SunCoast and the related notes and the other statistical information about SunCoast appearing elsewhere in this proxy statement/prospectus. All per share amounts reflect the 5% common stock dividend paid on September 30, 2004.

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(dollars in thousands except per share data)

	At or For the Years Ended	
	December 31,	
	2005	2004
Interest income	\$ 7,036	\$ 4,658
Interest expense	2,741	1,651
Net interest income before provision for loan losses	4,295	3,007
Provision for loan losses	330	210
Net interest income after provision for loan losses	3,965	2,797
Noninterest income	107	108
Noninterest expenses	2,595	2,192
Earnings before income taxes	1,477	713
Income taxes	561	271
Net earnings	916	442
Preferred stock dividends	(461)	(175)
Net earnings applicable to common shareholders	\$ 455	\$ 267
Per share data:		
Earnings per share:		
Basic	\$ 0.56	\$ 0.36
Diluted	\$ 0.54	\$ 0.27
Cash dividends declared		
Book value at end of period	\$ 7.89	\$ 7.32
Common shares outstanding at end of period	1,053,476	734,981
Weighted average common shares outstanding during period	817,296	734,981
Diluted weighted average common shares outstanding during period	844,304	1,617,007
Total assets at end of period	\$ 131,924	\$ 100,893
Cash and cash equivalents	4,623	6,878
Securities available for sale	9,603	9,446
Loans, net	112,977	81,442

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Deposits	116,835	84,836
Other borrowings		1,987
Stockholders' equity	14,701	13,793
	<u> </u>	<u> </u>
Total loans before allowance for loan losses	\$ 114,171	\$ 82,306
Allowance for loan losses	1,194	864
Nonperforming loans		302
Allowance for loan losses as a percentage of period-end total loans	1.05%	1.05%
	<u> </u>	<u> </u>
Allowance for loan losses as a percentage of nonperforming loans		286.09%
		<u> </u>
Total nonperforming loans as a percentage of total loans		0.37%
		<u> </u>
Total nonperforming loans as a percentage of total assets		0.30%
		<u> </u>
Total nonperforming loans and real estate owned as a percentage of total assets		0.30%
		<u> </u>

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General

SunCoast's principal asset is its ownership of SunCoast Bank. Accordingly, SunCoast's results of operations are primarily dependent upon the results of operations of SunCoast Bank. SunCoast conducts commercial banking business consisting of attracting both retail and business deposits and applying those funds to the origination of commercial, consumer and real estate loans (including commercial loans collateralized by real estate). SunCoast's profitability depends primarily on net interest income, which is the difference between interest income generated from interest-earning assets (i.e., loans and investments) less the interest expense incurred on interest-bearing liabilities (i.e., customer deposits and borrowed funds). Net interest income is affected by the relative amounts of interest-earning assets and interest-bearing liabilities, and the interest rate earned and paid on these balances. Net interest income is dependent upon SunCoast's interest-rate spread, which is the difference between the average yield earned on its interest-earning assets and the average rate paid on its interest-bearing liabilities. When interest-earning assets approximate or exceed interest-bearing liabilities, any positive interest rate spread will generate net interest income. The interest rate spread is impacted by interest rates, deposit flows, and loan demand. Additionally, and to a lesser extent, SunCoast's profitability is affected by such factors as the level of noninterest income and expenses, the provision for loan losses, and its effective tax rate. Noninterest income consists primarily of service charges and fees. Noninterest expense consists of salaries and employee benefits, occupancy expenses, professional fees, and other operating expenses.

Critical Accounting Policies

SunCoast's financial condition and results of operations are sensitive to accounting measurements and estimates of matters that are inherently uncertain. When applying accounting policies in areas that are subjective in nature, SunCoast must use its best judgment to arrive at the carrying value of certain assets. The most critical accounting policy applied is related to the valuation of the loan portfolio.

SunCoast Bank has structured a methodology for monitoring and analyzing the adequacy of its allowance for loan losses. The analysis methodology is predicated on guidelines contained in the Comptroller's Manual section *Allowance for Loan and Lease Losses*.

SunCoast Bank's management realizes that the recognition of problem loans in a timely fashion is very important to the valuation of the loan portfolio. As such, SunCoast Bank maintains a loan review process, along with continuous monitoring of past due loans, changes in economic conditions and other events that may negatively impact a borrower or the borrowing base collectively.

SunCoast Bank's risk rating system includes the risk rating of all new or renewed commercial loans, or commercial mortgages where the customer's aggregate exposure is \$25,000 or more. It also requires a risk rating on all residential mortgages of \$150,000 or more. There are also homogenous categories such as consumer, home equity lines and residential real estate loans below \$150,000. These homogenous categories are monitored solely on the basis of performance.

All loans with specific risk ratings are monitored for performance and the ratings are subject to change based on: 1) the deterioration of performance regarding timely payments, and 2) changes in the financial condition of the borrowers as reflected in such documents as financial statements, tax returns and credit bureau reports.

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Pass credits by definition present no inherent loss. But, even in banks with loan review systems that generally provide timely problem loan identification, a lack of information or misjudgment will sometimes result in a failure to recognize adverse developments affecting a pass credit. Banks must provide for these probable but unidentified losses by providing an allowance portion for pass loans.

Because the calculation of the allowance for loan losses relies on estimates and judgments relating to inherently uncertain events, results may differ from SunCoast's estimates.

Table of Contents**Index to Financial Statements****Liquidity and Capital Resources**

SunCoast Bank is required to maintain a liquidity reserve of at least 3% of its net transaction deposit accounts under \$45.4 million. Where net transaction deposit accounts exceed \$45.4 million, the reserve requirements are \$1,164,000 plus 10% of the amount over \$45.4 million. The liquidity reserve may consist of cash on hand, cash on demand deposit with other correspondent banks, and other investments and short-term marketable securities as determined by the rules of the bank regulatory agencies, such as federal funds sold and United States securities or securities guaranteed by the United States. As of December 31, 2005 and 2004, SunCoast Bank had liquidity ratios of 12% and 19%, respectively.

In 2005, SunCoast's principal sources of funds were from funds generated by SunCoast Bank, including net increases in deposits, principal and interest payments on loans, and proceeds from repayment and sales of investment securities.

SunCoast uses its capital resources principally to fund existing and continuing loan commitments, to purchase investment securities, and to purchase land for future banking offices. At December 31, 2005 and 2004, SunCoast had commitments to originate loans totaling \$2,435,400 and \$930,000, respectively, and unused lines of credit totaling \$31.7 million and \$19.5 million, respectively. In addition, scheduled maturities of certificates of deposit during the 12 months following December 31, 2005 and 2004 totaled \$34.0 million and \$15.6 million, respectively. Management believes that SunCoast has adequate resources to fund all its commitments, that substantially all of its existing commitments will be funded within 12 months and, if so desired, that SunCoast can adjust the rates and terms on certificates of deposit and other deposit accounts to retain deposits in a changing interest rate environment.

In accordance with risk capital guidelines issued by the FDIC and Federal Reserve, SunCoast Bank is required to maintain a minimum standard of total capital to risk-weighted assets of 8.0%. Additionally, regulatory agencies require banks to maintain a minimum leverage-capital ratio of Tier 1 capital (as defined) to average assets. The leverage-capital ratio has remained above 5.0% based on SunCoast Bank's rating under the regulatory rating system (well-capitalized).

The following table summarizes the regulatory capital levels and ratios for SunCoast Bank:

	SunCoast Bank		Regulatory
	December 31, 2005	December 31, 2004	Requirement
<i>At December 31, 2005</i>			
Total capital to risk-weighted assets	11.74%	15.28%	8.00%
Tier I capital to risk-weighted assets	10.84%	14.35%	4.00%
Tier I capital to average assets leverage assets	11.10%	13.32%	4.00%

Results of Operations

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Net interest income before provision for loan losses, which constitutes the principal source of income for SunCoast, represents the difference between interest income on interest-earning assets and interest expense on interest-bearing liabilities. The principal interest-earning assets are investment securities and loans made to businesses and individuals. Interest-bearing liabilities primarily consist of time deposits, interest-bearing checking accounts (NOW accounts), retail savings deposits and money market accounts. Funds attracted by these interest-bearing liabilities are invested in interest-earning assets. Accordingly, net interest income depends upon the volume of average interest-earning assets and average interest-bearing liabilities and the interest rates earned or paid on them.

Net interest income before provision for loan losses was approximately \$4,295,000 for the year ended December 31, 2005, compared to \$3,007,000 for 2004.

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Net interest income before provision for loan losses was approximately \$1,181,000 for the three months ended March 31, 2006, compared to \$967,000 for 2005.

The following table shows selected ratios for the periods ended or at the dates indicated:

	For the Years ended	
	December 31,	
	2005	2004
Average equity as a percentage of average assets	11.87%	8.70%
Equity to total assets at end of period	11.14%	13.67%
Return on average assets	0.77%	0.48%
Return on average equity	6.53%	5.56%
Noninterest expense to average assets	2.20%	2.40%

The following rates are presented for the dates and periods indicated:

	Three Months	Three Months
	Ended	Ended
	March 31,	March 31,
	2006	2005
Average equity as a percentage of average assets	11.05%	13.29%
Equity to total assets at end of period	10.96%	12.51%
Return on average assets (1)	.60%	0.64%
Return on average equity (1)	5.41%	4.80%
Noninterest expenses to average assets (1)	2.42%	2.32%
Nonperforming loans and foreclosed real estate as a percentage of total assets at end of period	%	%

(1) Annualized for the three month periods.

The rates and yields at the dates indicated were as follows:

For the Years ended

December 31,

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	<u>2005</u>	<u>2004</u>
Loans	6.63%	5.99%
Investment securities	3.99%	3.74%
Other interest-earning assets	3.48%	1.61%
All interest-earning assets	6.22%	5.38%
Money market deposits	2.25%	1.67%
Savings and NOW accounts	1.04%	1.03%
Time deposits	3.64%	2.96%
All interest-bearing liabilities	2.93%	2.19%
Interest-rate spread	3.29%	3.19%

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The following table sets forth, for the periods indicated, information regarding (i) the total dollar amount of interest and dividend income of SunCoast from interest-earning assets and the resultant average yield; (ii) the total dollar amount of interest expense on interest-bearing liabilities and the resultant average cost; (iii) net interest/dividend income; (iv) interest-rate spread; and (v) net interest margin. Average balances were based on average daily balances.

	Year Ended December 31, 2005			Year Ended December 31, 2004		
	Interest and Dividend		Average Yield/Rate	Interest and Dividend		Average Yield/Rate
Average Balance	Income/ Expense	Average Balance		Average Balance	Income/ Expense	
	(dollars in thousands)			(dollars in thousands)		
Interest-earning assets:						
Loans	\$ 96,673	\$ 6,414	6.63%	\$ 69,710	\$ 4,172	5.99%
Securities	9,424	376	3.99%	10,125	379	3.74%
Other interest-earning assets (1)	7,064	246	3.48%	6,655	107	1.61%
Total interest-earning assets	113,161	7,036	6.22%	86,490	4,658	5.38%
Noninterest-earning assets	5,051			4,981		
Total assets	\$ 118,212			\$ 91,471		
Interest-bearing liabilities:						
Money market deposits	30,772	693	2.25%	34,730	581	1.67%
Savings and NOW deposits	8,922	93	1.04%	6,805	70	1.03%
Time deposits	53,626	1,950	3.64%	33,769	998	2.96%
Total interest bearing deposits	93,320	2,736	2.93%	75,304	1,649	2.19%
Other	159	5	3.14%	336	2	0.6%
Total interest-bearing liabilities	\$ 93,479	\$ 2,741	2.93%	\$ 75,640	\$ 1,651	2.19%
Noninterest-bearing liabilities	10,696			7,877		
Stockholders equity	14,037			7,954		
Total liabilities and stockholders equity	\$ 118,212			\$ 91,471		
Net interest income before provisions for loan losses		\$ 4,295			\$ 3,007	
Interest-rate spread (2)			3.29%			3.19%
Net interest margin (3)			3.80%			3.48%
Ratio of average interest-earning assets to average interest-bearing liabilities	1.21			1.14		

-
- (1) Includes interest-bearing deposits due from other banks, Federal Home Loan Bank stock, Federal Reserve Bank stock and federal funds sold.
 - (2) Interest-rate spread represents the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.
 - (3) Net interest margin is net interest income divided by average interest-earning assets.

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The following table sets forth, for the periods indicated, information regarding (i) the total dollar amount of interest and dividend income of SunCoast from interest-earning assets and the resultant average yields; (ii) the total dollar amount of interest expense on interest-bearing liabilities and the resultant average cost; (iii) net interest income; (iv) interest-rate spread; and (v) net interest margin.

	Three Months Ended March 31,					
	2006			2005		
	Interest			Interest		
	Average	and	Average	Average	and	Average
	Balance	Dividends	Yield/Rate	Balance	Dividends	Yield/Rate
	(Dollars in thousands)					
Interest-earning assets:						
Loans	\$ 114,926	1,995	6.94%	\$ 86,753	1,352	6.23%
Securities	9,489	108	4.55	9,229	90	3.90
Other interest-earning assets (1)	3,290	30	3.65	3,150	21	2.67
Total interest-earning assets	127,705	2,133	6.68	99,132	1,463	5.90
Noninterest-earning assets	6,020			5,006		
Total assets	\$ 133,725			\$ 104,138		
Interest-bearing liabilities:						
Savings, NOW, money-market deposit accounts	36,237	230	2.54	40,405	177	1.75
Time deposits	71,491	715	4.00	39,812	317	3.18
Total interest-bearing deposits	107,728	945	3.51	80,217	494	2.46
Federal funds purchased	558	7	5.02	350	2	2.29
Total interest-bearing liabilities	108,286	952	3.52	80,567	496	2.46
Noninterest-bearing liabilities	10,665			9,730		
Stockholders' equity	14,774			13,841		
Total liabilities and stockholders' equity	\$ 133,725			\$ 104,138		
Net interest income		\$ 1,181		\$ 967		
Interest-rate spread (2)			3.16%			3.44%
Net interest margin (3)			3.70%			3.90%
Ratio of average interest-earning assets to average interest-bearing liabilities	1.18			1.23		

-
- (1) Includes Federal Home Loan Bank stock, Federal Reserve Bank stock, federal funds sold and interest-bearing deposits.
 - (2) Interest-rate spread represents the difference between the average yield on interest-earning assets and the average rate of interest-bearing liabilities.
 - (3) Net interest margin is net interest income divided by average interest-earning assets.

Table of Contents**Index to Financial Statements****Rate/Volume Analysis**

The following table sets forth certain information regarding changes in interest income and interest expense for the periods indicated. For each category of interest-earning assets and interest-bearing liabilities, information is provided on changes attributable to (1) changes in rate (change in rate multiplied by prior volume); (2) changes in volume (change in volume multiplied by prior rate) and (3) changes in rate-volume (change in rate multiplied by change in volume).

	Year Ended December 31, 2005 vs. 2004			
	Increase (Decrease) Due to			
	Rate/			Total
	Rate	Volume	Volume	
(dollars in thousands)				
Interest-earning assets:				
Loans	\$ 446	\$ 1,615	\$ 181	\$ 2,242
Investment securities	25	(26)	(2)	(3)
Other interest-earning assets	124	7	8	139
Total	\$ 595	\$ 1,596	\$ 187	\$ 2,378
Interest-bearing liabilities:				
Deposits:				
Money market deposits	201	(66)	(23)	112
Savings and NOW deposits	1	22		23
Time deposits	229	588	135	952
Other	9	(1)	(5)	3
Total	\$ 440	\$ 543	\$ 107	\$ 1,090
Net change in net interest income	\$ 155	\$ 1,053	\$ 80	\$ 1,288

Comparison of Years Ended December 31, 2005 and 2004*General*

Net earnings applicable to stockholders for the year ended December 31, 2005 were \$455,000, or \$0.56 basic earnings per share and \$0.54 diluted earnings per share, compared to net earnings of \$267,000, or \$0.36 basic earnings per share and \$0.27 diluted earnings per share, for the comparable period in 2004. The increase in SunCoast's net earnings was primarily due to an increase in net interest income, partially offset by an increase in noninterest expenses and an increase in preferred stock dividends.

Interest Income and Expense

Interest income increased to \$7.0 million for the year ended December 31, 2005, as compared to \$4.7 million for the year ended December 31, 2004. Interest income on loans increased to \$6.4 million in 2005 from \$4.2 million in 2004, primarily due to an increase in the average loan portfolio balance from \$69.7 million for 2004 to \$96.7 million for 2005 and also due to an increase in the average yield from 5.99% to 6.63%. Interest income on securities decreased to \$376,000 in 2005 from \$379,000 in 2004 primarily due to a decrease in the average balance for interest earning securities from \$10.1 million in 2004 to \$9.4 million in 2005, which was partially offset by an increase in the average yield from 3.74% to 3.99%. Interest income on other interest-earning assets increased to \$246,000 in 2005 from \$107,000 in 2004 primarily due to an increase in the average yield to 3.48% in 2005 from 1.61% in 2004.

Interest expense on deposits was \$2.7 million for the year ended December 31, 2005 compared to \$1.6 million for 2004. Interest expense on deposits increased due to an increase in average interest bearing deposits from \$75.3 million in 2004 to \$93.3 million in 2005, and also due to an increase in the average rate paid from 2.19% in 2004 to 2.93% in 2005.

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Provision for Loan Losses

The provision for loan losses is charged to operations to increase the total allowance to a level deemed appropriate by management and is based upon the volume and type of lending conducted by SunCoast, industry standards, the amount of nonperforming loans and general economic conditions, particularly as they relate to SunCoast's market areas, and other factors related to the collectibility of SunCoast's loan portfolio. SunCoast recorded a provision for loan losses for the year ended December 31, 2005 of \$330,000 compared to \$210,000 in 2004. The allowance for loan losses was \$1,194,000 at December 31, 2005. Management believes the allowance was adequate at December 31, 2005.

Noninterest Income

Noninterest income decreased to \$107,000 for the year ended December 31, 2005 compared to \$108,000 for the year ended December 31, 2004.

Noninterest Expense

Noninterest expense was \$2.6 million for the year ended December 31, 2005 compared to \$2.2 million for the year ended December 31, 2004. The increase was primarily due to an increase in salaries and employee benefits and occupancy expense due to the growth of SunCoast.

Income Taxes

The income tax expense for the year ended December 31, 2005 was approximately \$561,000 (an effective rate of 38.0%) compared to an income tax expense of approximately \$271,000 (an effective rate of 38.1%) for the 2004 period.

Comparison of the Three-Month Periods Ended March 31, 2006 and 2005

General

Net earnings available to common stockholders for the three months ended March 31, 2006 were \$110,000 or \$.10 basic and diluted earnings per share, compared to \$43,000 or \$.06 basic and diluted earnings per share for the three months ended March 31, 2005. The increase in SunCoast's net earnings applicable to common stockholders was primarily due to an increase in net interest income and a decrease in preferred stock dividends, partially offset by an increase in noninterest expenses.

Interest Income and Expenses

Interest income increased to \$2,133,000 for the three months ended March 31, 2006 from \$1,463,000 for the three months ended March 31, 2005. Interest income on loans increased to \$1,995,000 compared to \$1,352,000 for the three months ended March 31, 2005, primarily due to an increase in the average loan portfolio balance for the three months ended March 31, 2006 and an increase in the weighted-average yield on loans. Interest on securities increased by \$18,000 in 2006 primarily due to an increase in both the average securities balance and the weighted-average yield in 2006.

Interest expense on interest-bearing deposits increased to \$945,000 for the three months ended March 31, 2006 as compared to \$494,000 for the three months ended March 31, 2005. Interest expense on interest-bearing deposits increased due to an increase in the average balance in 2005 and due to an increase in the weighted interest rate paid on deposits.

Provision for Loan Losses

The provision for loan losses is charged to earnings to bring the total allowance to a level deemed appropriate by management and is based upon historical experience, the volume and type of lending conducted

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by SunCoast, industry standards, the amount of nonperforming loans, general economic conditions, particularly as they relate to SunCoast's market areas, and other factors related to the collectibility of SunCoast's loan portfolio. The provision for loan losses was \$78,000 for the three months ended March 31, 2006 compared to \$120,000 for the comparable period in 2005. Management believes the balance in the allowance for loan losses of \$1,272,000 at March 31, 2006 is adequate.

Noninterest Income

Noninterest income increased to \$30,000 during the three month period ended March 31, 2006 compared to \$25,000 for the same period in 2005.

Noninterest Expenses

Noninterest expenses increased to \$810,000 during the three month period ended March 31, 2006 compared to \$604,000 for the same period in 2005. Noninterest expense increased primarily due to the growth of SunCoast, the opening of a new banking office and legal fees of \$41,000 associated with the pending acquisition.

Income Taxes

Income taxes for the three months ended March 31, 2006 were \$123,000 (an effective rate of 38%) compared to income taxes of \$102,000 (an effective rate of 38%) for the comparable 2005 period.

Asset/Liability Management

A principal objective of SunCoast's asset/liability management strategy is to minimize its exposure to changes in interest rates by matching the maturity and repricing horizons of interest-earning assets and interest-bearing liabilities. This strategy is overseen in part through the direction of an Asset and Liability Committee (the ALCO Committee) which establishes policies and monitors results to control interest rate sensitivity.

Management evaluates interest rate risk and then formulates guidelines regarding asset generation and repricing, funding sources and pricing, and off-balance sheet commitments in order to maintain interest rate risk within target levels for the appropriate level of risk which are determined by the ALCO Committee. The ALCO Committee uses internally generated reports to measure SunCoast Bank's interest rate sensitivity. From these reports, the ALCO Committee can estimate the net earnings effect of various interest rate scenarios.

As a part of SunCoast's interest rate risk management policy, the ALCO Committee examines the extent to which its assets and liabilities are interest rate sensitive and monitors SunCoast Bank's interest rate sensitivity gap. An asset or liability is considered to be interest rate sensitive if

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it will reprice or mature within the time period analyzed, usually one year or less. The interest rate sensitivity gap is the difference between interest-earning assets and interest-bearing liabilities scheduled to mature or reprice within such time period. A gap is considered positive when the amount of interest rate sensitive assets exceeds the amount of interest rate sensitive liabilities. A gap is considered negative when the amount of interest rate sensitive liabilities exceeds interest rate sensitive assets. During a period of rising interest rates, a negative gap would tend to adversely affect net interest income, while a positive gap would tend to result in an increase in net interest income. During a period of falling interest rates, a negative gap would tend to result in an increase in net interest income, while a positive gap would tend to adversely affect net interest income. If the repricing of each bank's assets and liabilities were equally flexible and moved concurrently, the impact of any increase or decrease in interest rates on net interest income would be minimal.

A simple interest rate gap analysis by itself may not be an accurate indicator of how net interest income will be affected by changes in interest rates. Accordingly, the ALCO Committee also evaluates how the repayment of particular assets and liabilities is impacted by changes in interest rates. Income associated with

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interest-earning assets and costs associated with interest-bearing liabilities may not be affected uniformly by changes in interest rates. In addition, the magnitude and duration of changes in interest rates may have a significant impact on net interest income. For example, although certain assets and liabilities may have similar maturities or period of repricing, they may react in different degrees to changes in market interest rates. Interest rates on certain types of assets and liabilities fluctuate in advance of changes in general market interest rates, while interest rates on other types may lag behind changes in general market rates. In addition, certain assets, such as adjustable rate mortgage loans, have features (generally referred to as interest rate caps) which limit changes in interest rates on a short-term basis and over the life of the asset. In the event of a change in interest rates, prepayment (on loans) and early withdrawal (of deposit accounts) levels also could deviate significantly from those assumed in calculating the interest rate gap. The ability of many borrowers to service their debts also may decrease in the event of an interest rate increase.

Management's strategy is to maintain a balanced interest rate risk position to protect its net interest margin from market fluctuations. To this end, the ALCO Committee reviews, on a monthly basis, the maturity and repricing of assets and liabilities. SunCoast's cumulative one-year gap at December 31, 2005 was a negative (21.7)% of total assets.

Principal among SunCoast's asset/liability management strategies has been the emphasis on managing its interest rate sensitive liabilities in a manner designed to attempt to reduce SunCoast's exposure during periods of fluctuating interest rates. Management believes that the type and amount of SunCoast's interest rate sensitive liabilities may reduce the potential impact that a rise in interest rates might have on SunCoast's net interest income. SunCoast seeks to maintain a core deposit base by providing quality services to its customers without significantly increasing its cost of funds or operating expenses. SunCoast's demand, money market, savings and NOW deposit accounts approximated 43.4% and 58.3% of total deposits at December 31, 2005 and 2004, respectively. These accounts bore a weighted average cost of deposits of 1.58% and 1.33% during the years ended December 31, 2005 and 2004, respectively. Management anticipates that these accounts will continue to comprise a significant portion of SunCoast's total deposit base. SunCoast also maintains a portfolio of liquid assets in order to reduce its overall exposure to changes in market interest rates. At December 31, 2005 and 2004, approximately 3.5% and 6.8%, respectively, of SunCoast's total assets consisted of cash and cash equivalents. In addition, at December 31, 2005 and 2004, SunCoast's liquidity ratio was approximately 12% and 19%, respectively. SunCoast also maintains a floor, or minimum rate, on certain of its floating or prime based loans. These floors allow SunCoast to continue to earn a higher rate when the floating rate falls below the established floor rate.

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The following table sets forth certain information relating to SunCoast's interest-earning assets and interest-bearing liabilities at December 31, 2005 that are estimated to mature or are scheduled to reprice within the period shown:

	<u>Under</u> <u>3 Months</u>	<u>3 to 12</u> <u>Months</u>	<u>1-5 Years</u>	<u>Over 5 Years</u>	<u>Totals</u>
	(dollars in thousands)				
Interest bearing deposits with banks	\$ 30	\$	\$	\$	\$ 30
Federal funds sold	2,215				2,215
Loans (1)	37,633	4,203	68,597	3,732	114,165
Securities (2)	103	7	2,466	7,647	10,223
Total rate-sensitive assets (earning assets)	\$ 39,981	\$ 4,210	\$ 71,063	\$ 11,379	\$ 126,633
Money market (3)	29,708				29,708
Savings and NOW deposits (3)	9,109				9,109
Certificates of deposit (3)	10,766	23,240	32,132		66,138
Other borrowings					
Total rate-sensitive liabilities	\$ 49,583	\$ 23,240	\$ 32,132		\$ 104,955
Gap (repricing differences)	(9,602)	(19,030)	38,931	11,379	21,678
Cumulative gap	(9,602)	(28,632)	10,299	21,678	
Cumulative gap/total assets	(7.3)%	(21.7)%	7.8%	16.4%	
Cumulative gap/total earning assets	(7.6)%	(22.6)%	8.1%	17.1%	
Total assets				\$ 131,924	
Total earning assets				\$ 126,633	

- (1) In preparing the table above, adjustable-rate loans were included in the period in which the interest rates are next scheduled to adjust rather than in the period in which the loans mature. Fixed-rate loans were scheduled according to their contractual maturities.
- (2) Securities were scheduled based on their remaining maturity or repricing frequency. Securities include Federal Home Loan Bank and Federal Reserve Bank stock.
- (3) Excludes noninterest-bearing deposit accounts. Money market, NOW, and savings deposits were regarded as maturing immediately. All other time deposits were scheduled through the maturity dates.

Financial Condition*Lending Activities*

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A significant source of income for SunCoast is the interest earned on loans. At December 31, 2005, SunCoast's total assets were \$131.9 million and its net loans were \$113.0 million, or 85.6% of total assets. At December 31, 2004, SunCoast's total assets were \$100.9 million and its net loans were \$81.4 million, or 80.7% of total assets.

SunCoast Bank's primary market area consists of Sarasota County, Florida. Sarasota County is located on the Southwest coast of Florida. Sarasota County offers recreational facilities, cultural events, resorts, commercial office parks, residential developments, major transportation routes, shopping centers, and entertainment areas. Access to the area is by Interstate 75 and U.S. 41. Air service is through the Sarasota/Bradenton International Airport and the Tampa International Airport, both less than an hour's drive from the area. Business and entertainment service industries, retail trade, government, construction, real estate, finance/insurance, health care and transportation/communication/utility form the basis for the area's business economy. Although not important as it once was, agriculture remains a part of the area's industry, with citrus crops, nurseries and vegetables making up the bulk of the agricultural business.

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There is no assurance that SunCoast Bank's market area will continue to experience economic growth. Adverse conditions in any one or more of the industries operating in such markets or slow-down in general economic conditions could have an adverse effect on SunCoast.

Lending activities are conducted pursuant to a written policy that has been adopted by SunCoast. Each loan officer has defined lending authority beyond which loans, depending upon their type and size, must be reviewed and approved by a loan committee comprised of certain directors of SunCoast Bank.

The following table sets forth information concerning SunCoast's loan portfolio by type of loan at the dates indicated:

	At December 31,			
	2005		2004	
	Amount	% of Total	Amount	% of Total
	(dollars in thousands)			
Commercial	\$ 7,357	6.5%	\$ 4,425	5.4%
Commercial real estate	84,754	74.2%	57,436	69.8%
Residential real estate	19,746	17.3%	18,050	21.9%
Consumer	2,308	2.0%	2,356	2.9%
Total loans	\$ 114,165	100.0%	\$ 82,267	100.0%
Plus: Net deferred costs	6		39	
Less: Allowance for loan losses	1,194		864	
Loans, net	\$ 112,977		\$ 81,442	

The following table reflects the contractual principal repayments by period of SunCoast's loan portfolio at December 31, 2005:

	1 Year	1 Through	After	Total
	or Less	5 Years	5 Years	
	(in thousands)			
Commercial	\$ 1,966	\$ 3,937	\$ 1,454	\$ 7,357
Commercial real estate	13,474	9,576	61,704	84,754
Residential real estate	353	493	18,900	19,746
Consumer	741	1,434	133	2,308
Total loans	\$ 16,534	\$ 15,440	\$ 82,191	\$ 114,165

Loans with maturities over one year:	
Fixed rate	10,325
Variable rate	87,306
Total maturities greater than one year	\$ 97,631

Asset Quality

SunCoast management seeks to maintain a high quality of assets through conservative underwriting and sound lending practices. The majority of the loans in SunCoast's loan portfolio are collateralized by real estate mortgages. As of December 31, 2005 and 2004, approximately 91.5% and 91.7%, respectively, of the total loan portfolio was collateralized by real estate of which 74.2% and 69.8% of the total loan portfolio was secured by commercial real estate as of December 31, 2005 and 2004, respectively. The level of delinquent loans and real estate owned also is relevant to the credit quality of a loan portfolio. As of December 31, 2005, SunCoast Bank had no non-performing loans. At December 31, 2004, SunCoast Bank had one non-performing loan of approximately \$302,000.

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In an effort to maintain the quality of the loan portfolio, SunCoast management seeks to minimize higher risk types of lending. In view of the relative significance of real estate related loans, a downturn in the value of the real estate could have an adverse impact on SunCoast's profitability. However, as part of its loan portfolio management strategy, SunCoast generally limits its loans to a maximum of 80% of the value of the underlying real estate as determined by appraisal. In addition, knowledgeable members of management make physical inspections of properties being considered for mortgage loans.

Commercial loans also entail risks since repayment is usually dependent upon the successful operation of the commercial enterprise. They also are subject to adverse conditions in the economy. Commercial loans are generally riskier than mortgage loans because they are typically underwritten on the basis of the ability to repay from the cash flow of a business rather than on the ability of the borrower or guarantor to repay. Further, the collateral underlying a commercial loan may depreciate over time, cannot be appraised with as much precision as real estate, and may fluctuate in value based on the success of the business.

The repayment of consumer installment loans and other loans to individuals is closely linked to the economic conditions of the communities in which SunCoast operates (see *Management's Discussion and Analysis of Financial Condition and Results of Operation - Lending Activities*). For the most part, these local economies enjoy diverse labor forces. The majority of these consumer installment loans are secured by collateral which limits, to a degree, any loss SunCoast would suffer upon default.

Loan concentrations are defined as amounts loaned to a number of borrowers engaged in similar activities which would cause them to be similarly impacted by economic or other conditions. SunCoast, on a routine basis, monitors these concentrations in order to consider adjustments in its lending practices to reflect economic conditions, loan to deposit ratios, and industry trends. Concentrations of loans in the following categories constituted the total loan portfolio as of December 31, 2005:

Commercial	6.5%
Commercial real estate	74.2%
Residential real estate	17.3%
Consumer	2.0%
	<hr/>
	100.0%
	<hr/>

The Loan Committee of the Board of Directors of SunCoast Bank concentrates its efforts and resources, and that of its senior management and lending officers, on loan review and underwriting procedures. Internal controls include ongoing reviews of loans made to monitor documentation and the existence and valuations of collateral. In addition, management of SunCoast has established a loan review process with the objective of identifying, evaluating, and initiating necessary corrective action for marginal loans. The goal of the loan review process is to address classified and nonperforming loans as early as possible.

Classification of Assets

Generally, interest on loans accrues and is credited to income based upon the principal balance outstanding. It is management's policy to discontinue the accrual of interest income and classify a loan as nonaccrual when principal or interest is past due 90 days or more and the loan is

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not adequately collateralized, or when in the opinion of management, principal or interest is not likely to be paid in accordance with the terms of the obligation. Consumer installment loans are generally charged-off after 90 days of delinquency unless adequately collateralized and in the process of collection. Loans are not returned to accrual status until principal and interest payments are brought current and future payments appear reasonably certain. Interest accrued and unpaid at the time a loan is placed on nonaccrual status is charged against interest income. Subsequent payments received are applied to the outstanding principal balance.

Real estate acquired by SunCoast as a result of foreclosure or by deed in lieu of foreclosure is classified as foreclosed real estate. Foreclosed real estate is recorded at the lower of cost or fair value less estimated selling

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costs, and the estimated loss, if any, is charged to the allowance for loan losses at the time it is transferred to foreclosed real estate. Further allowances for losses in foreclosed real estate are recorded at the time management believes additional deterioration in value has occurred.

Management has adopted SFAS No. 114, which considers a loan to be impaired if it is probable that SunCoast will be unable to collect all amounts due under the contractual terms of the loan agreement. If a loan is considered impaired, its value generally should be measured based on the present value of expected cash flows discounted at the loan's effective interest rate. As a practical expedient, however, the loan's value may be based on:

the loan's market price; or

the fair value of the loan's collateral, less discounted estimated costs to sell, if the collateral is expected to be the sole source of repayment.

If the value of the loan is less than the recorded investment in the loan, a loss is recognized by recording a valuation allowance and a corresponding increase to the provision for loan losses charged to operating expenses.

Situations may occur where:

SunCoast receives physical possession of a debtor's assets regardless of whether formal foreclosure proceedings have been initiated or completed; or

the debtor has effectively surrendered control of the underlying collateral in contemplation of foreclosure.

These situations are referred to as in-substance foreclosures. SFAS No. 114 recognizes the practical problems of accounting for the operation of an asset the creditor does not possess, and states that a loan for which foreclosure is probable should continue to be accounted for as a loan.

At December 31, 2005 and 2004, there were no loans considered by management to be impaired.

There were no nonaccrual loans at December 31, 2005. There was one nonaccrual loan of approximately \$302,000 at December 31, 2004.

There were no loans over 90 days delinquent and still accruing at December 31, 2005 or 2004. There was no foreclosed real estate owned at December 31, 2005 or 2004.

Allowance for Credit Losses

In originating loans, SunCoast recognizes that credit losses will be experienced and that the risk of loss will vary with, among other things, the type of loan being made, the creditworthiness of the borrower over the term of the loan and, in the case of a collateralized loan, the quality of the collateral for the loan as well as general economic conditions. It is management's policy to attempt to maintain an adequate allowance for loan losses based on, among other things, SunCoast's historical loan loss experience, evaluation of economic conditions and regular reviews of any delinquencies and loan portfolio quality. Specific allowances are provided for individual loans when ultimate collection is considered questionable by management after reviewing the current status of loans which are contractually past due and considering the net realizable value of the collateral for the loan. SunCoast management recognizes the greater inherent risks in connection with commercial and consumer lending. Additional information regarding SunCoast's process for determining its allowance for loan losses is set forth under *Management's Discussion and Analysis of Financial Condition and Results of Operation - Critical Accounting Policies*.

SunCoast management continues to actively monitor SunCoast's asset quality and to charge-off loans against the allowance for loan losses when appropriate or to provide specific loss allowances when necessary.

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Although management believes it uses the best information available to make determinations with respect to the allowance for loan losses, future adjustments may be necessary if economic conditions differ from the economic conditions in the assumptions used in making the initial determinations. SunCoast's allowance for loan losses at December 31, 2005 and 2004 was approximately \$1,194,000 and \$864,000, respectively. Management believes that the allowance for loan losses was adequate at December 31, 2005.

The following table sets forth information with respect to activity in SunCoast's allowance for loan losses during the periods indicated:

	For the Year Ended December 31,	
	(dollars in thousands)	
	2005	2004
Allowance at beginning of period	\$ 864	\$ 654
Charge-offs		
Recoveries		
Provision for loan losses charged to operations	330	210
Allowance at end of period	<u>\$ 1,194</u>	<u>\$ 864</u>
Ratio of net charges-offs during the period to average loans outstanding during the period		
Allowance for loan losses as a percentage of nonperforming loans		286.09%

The allowance for loan losses represented 1.05% of the total loans outstanding as of December 31, 2005, compared with 1.05% of the total loans outstanding as of December 31, 2004.

Investment Securities

SunCoast's investment securities portfolio at December 31, 2005 and 2004 consisted of United States Government agency obligations and mortgage-backed securities. The following table sets forth the current value of SunCoast's investment portfolio at the dates indicated:

	At December 31,	
	(in thousands)	
	2005	2004
Investment securities:		
Available for sale:		
U.S. Government agency obligations	\$ 1,962	\$ 2,006
Mortgage-backed securities	7,634	7,434
Equity securities	7	6

Total	<u>\$ 9,603</u>	<u>\$ 9,446</u>
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The following table sets forth, by maturity distribution, certain information pertaining to the investment securities portfolio as follows:

	One Year or Less		After One Year to Five Year		After Five Years to Ten Years		After Ten Years		Total	
	Carrying Value	Average Yield	Carrying Value	Average Yield	Carrying Value	Average Yield	Carrying Value	Average Yield	Carrying Value	Average Yield
(dollars in thousands)										
<i>December 31, 2005:</i>										
U.S. Government agency securities	%	\$ 976	3.60%	\$ 986	5.03%			%	\$ 1,962	4.32%
Mortgage-backed securities	%	512	3.58%	2,396	3.42%	\$ 4,726	4.38%		7,634	4.02%
Equity securities	%					7	1.51%		7	1.51%
Total	%	\$ 1,488	3.59%	\$ 3,382	3.89%	\$ 4,733	4.38%		\$ 9,603	1.08%
<i>December 31, 2004:</i>										
U.S. Government agency securities	\$	%	\$ 1,001	3.60%	\$ 1,005	5.03%	\$	%	\$ 2,006	4.32%
Mortgage-backed securities			844	3.41%	3,107	3.51%	3,483	4.13%	7,434	3.80%
Equity securities		%					6	1.34%	6	1.34%
Total	\$	%	\$ 1,845	3.51%	\$ 4,112	3.86%	\$ 3,489	4.13%	\$ 9,446	3.89%

Deposit Activities

Deposits are the major source of SunCoast's funds for lending and other investment purposes. Deposits are attracted principally from within SunCoast's primary market area through the offering of a broad variety of deposit instruments including checking accounts, money market accounts, regular savings accounts, term certificate accounts (including jumbo certificates in denominations of \$100,000 or more) and retirement savings plans.

Maturity terms, service fees and withdrawal penalties are established by SunCoast on a periodic basis. The determination of rates and terms is predicated on funds acquisition and liquidity requirements, rates paid by competitors, growth goals and federal regulations.

FDIC regulations limit the ability of certain insured depository institutions to accept, renew, or rollover deposits by offering rates of interest which are significantly higher than the prevailing rates of interest on deposits offered by other insured depository institutions having the same type of charter in such depository institutions' normal market area. Under these regulations, well capitalized depository institutions may accept, renew, or rollover deposits at such rates without restriction, adequately capitalized depository institutions may accept, renew or rollover deposits at such rates with a waiver from the FDIC (subject to certain restrictions on payments of rates), and undercapitalized depository institutions may not accept, renew or rollover deposits at such rates. The regulations contemplate that the definitions of well capitalized, adequately capitalized and undercapitalized will be the same as the definitions adopted by the agencies to implement the prompt corrective action provisions of

applicable law. As of December 31, 2005, SunCoast Bank met the definition of a well capitalized depository institution.

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The following tables show the average amount outstanding and the average rate paid on each of the following deposit account categories during the periods indicated:

	Years ended December 31,			
	2005		2004	
	Average Balance	Average Rate	Average Balance	Average Rate
	(dollars in thousands)			
Money market deposits	\$ 30,772	2.25%	\$ 34,730	1.67%
Savings and NOW deposits	8,922	1.04%	6,805	1.03%
Time deposits	53,626	3.64%	33,769	2.96%
Total interest-bearing deposits	\$ 93,320	2.93%	\$ 75,304	2.19%

SunCoast does not have a concentration of deposits from any one source, the loss of which would have a material adverse effect on SunCoast. A significant amount of SunCoast's certificates of deposit will mature during the year ending December 31, 2006. The high volume of maturities during this period is primarily due to customer demand for certificates of deposit having original maturities of 12 months or less. Based upon current and anticipated levels of interest rates and past practice, SunCoast management anticipates that substantially all of SunCoast's certificates of deposit maturing during this time period will be renewed or replaced by certificates of deposit issued to other customers at competitive market rates, which may be higher or lower than the rates currently being paid. Consequently, SunCoast management does not believe that the maturity of SunCoast's certificates of deposit during the year ending December 31, 2006 will have a material adverse effect on SunCoast's liquidity. However, if SunCoast is required to pay substantially higher rates to obtain the renewal of these or other certificates of deposit or alternative sources of funds, the higher net interest expense could have a material adverse effect on SunCoast's net earnings.

Jumbo certificates (\$100,000 and over) mature as follows:

	At December 31,	
	2005	2004
	(in thousands)	
Due in three months or less	\$ 7,948	\$ 2,375
Due from three months to one year	12,417	6,294
Due from twelve months to five years	24,264	11,396
	\$ 44,629	\$ 20,065

Off-Balance Sheet Obligations

SunCoast Bank is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments are unused lines of credit, commitments to extend credit and standby letters of credit and may involve, to varying degrees, elements of credit and interest-rate risk in excess of the amount recognized in the consolidated balance sheet. The contract amounts of these instruments reflect the extent of involvement SunCoast Bank has in these financial instruments.

SunCoast Bank's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit is represented by the contractual amount of those instruments. The Bank uses the same credit policies in making commitments as it does for on-balance-sheet instruments.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since some of the commitments are expected to expire without being

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drawn upon, the total commitment amounts do not necessarily represent future cash requirements. SunCoast Bank evaluates each customer's credit worthiness on a case-by-case basis. The amount of collateral obtained if deemed necessary by SunCoast Bank upon extension of credit is based on management's credit evaluation of the counterparty.

Standby letters of credit are conditional lending commitments issued by SunCoast Bank to guarantee the performance of a customer to a third party, and to support public and private borrowing arrangements. Essentially all letters of credit issued have expiration dates within one year. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. SunCoast Bank generally holds collateral supporting those commitments.

Commitments to extend credit typically result in loans with a market interest rate when funded. A summary of the amounts of the Company's financial instruments with off-balance-sheet risk at March 31, 2006 follows (in thousands):

	Contract Amount	Carrying Amount	Estimated Fair Value
	<u> </u>	<u> </u>	<u> </u>
Unused lines of credit	\$ 31,328		
Commitments to extend credit	\$ 3,888		
Standby letters of credit	\$ 702		

Impact of Inflation and Changing Prices

The financial statements and related financial data concerning SunCoast presented in this discussion have been prepared in accordance with accounting principles generally accepted in the United States of America, which require the measurement of financial position and operating results in terms of historical dollars without considering changes in the relative purchasing power of money over time due to inflation. The primary impact of inflation on the operations of SunCoast is reflected in increased operating costs. Unlike most industrial companies, virtually all of the assets and liabilities of a financial institution are monetary in nature. As a result, changes in interest rates have a more significant impact on the performance of a financial institution than do the effects of changes in the general rate of inflation and changes in prices. Interest rates do not necessarily move in the same direction or in the same magnitude as the prices of goods and services.

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THE MERGER

The following information summarizes information pertaining to the merger. This description, however, is not a complete statement of all provisions of the merger agreement and any related documents in this proxy statement/prospectus. A copy of the merger agreement, including its exhibits, is attached to this document as Appendix A to provide information regarding the terms of the proposed merger. We qualify this discussion in its entirety by reference to the merger agreement, which we incorporate by reference in this proxy statement/prospectus. Except for the merger agreement's status as the contractual document between the parties with respect to the transaction described in it, it is not intended to provide factual information about the parties. The representation and warranties contained in the merger agreement were made only for purposes of such agreement and as of specific dates, were solely for the benefit of the parties to that agreement, and may be subject to limitations agreed to by the contracting parties, including being qualified by disclosure schedules exchanged by SunCoast and NBC. Accordingly, they should not be relied on by investors as statements of factual information. We urge you to read the full text of the merger agreement carefully.

General

The merger agreement provides for the acquisition of SunCoast by NBC through the merger of SunCoast with and into NBC, with NBC continuing as the surviving entity. In addition, SunCoast Bank, the wholly-owned subsidiary of SunCoast, will be merged with and into Cadence Bank, N.A., a wholly-owned subsidiary of NBC, with Cadence continuing as the surviving entity. When the merger is completed, H. Ronald Foxworthy, the current chairman of the board of SunCoast, will be appointed to fill a vacancy on the board of directors of NBC.

In the merger, each share of SunCoast common stock will be converted into the right to receive \$20.50 per share or a number of shares of NBC common stock determined by dividing \$20.50 by the average closing market price of NBC common stock for the full ten trading days before the closing of the merger, subject to certain limitations in the merger agreement.

We expect the merger to be consummated during the third quarter of 2006.

Background of the Merger

During the past several years, SunCoast's management and board of directors have from time to time considered a number of strategic options in evaluating ways to maximize the value of SunCoast's common stock, to provide liquidity for shareholders, and to diversify SunCoast's exposure to a limited market.

On December 19, 2005, NBC's Chairman and Chief Executive Officer, Lewis F. Mallory, Jr., visited with SunCoast's Chairman, H.R. Foxworthy, and President and Chief Executive Officer, John T. Stafford, to discuss the possibility of pursuing a business combination transaction.

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On January 17, 2006, Messrs. Foxworthy and Stafford met with Mr. Mallory and James C. Galloway, Jr., a Director of NBC, in Starkville, Mississippi, to conduct an on-site tour of NBC and Cadence and to meet with other members of NBC's management. Messrs. Foxworthy and Stafford had become familiar with NBC through their acquaintance with Mr. Galloway with whom they served for several years on the board of directors of an insurance company. During this visit, the parties discussed, among other things, the similar operating philosophies of NBC and SunCoast and the potential benefits and synergies which may result from a business combination between NBC and SunCoast. After the conclusion of the visit, Mr. Mallory and Messrs. Foxworthy and Stafford agreed on a proposed merger consideration for a merger of the two companies, subject to an on-site due diligence investigation of SunCoast.

On January 23, 2006, SunCoast's board of directors met to discuss and consider NBC's proposal. After considering NBC's proposal, SunCoast's board of directors agreed to permit NBC to begin a preliminary due diligence review of SunCoast and its business upon the execution of a confidentiality agreement with NBC.

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During the period of February 11, 2006 through February 12, 2006, NBC conducted its on-site due diligence of SunCoast. At a meeting of SunCoast's board of directors on February 14, 2006, Mr. Stafford updated the board on NBC's due diligence review and advised the board that the next step was to negotiate a definitive merger agreement with NBC. After considering the presentation of Mr. Stafford, SunCoast's board of directors voted unanimously to authorize the negotiations with NBC.

Between February 15, 2006 through March 14, 2006, Messrs. Mallory and Stafford, along with Richard T. Haston, Executive Vice President and Chief Financial Officer of NBC, negotiated the terms of a definitive merger agreement. Legal counsel for NBC and SunCoast also participated in these negotiations.

On March 14, 2006, the board of directors of SunCoast met to consider the proposed merger with NBC. At the beginning of this meeting, Mr. Stafford presented a letter dated March 8, 2006, addressed to the board, containing an unsolicited offer to acquire SunCoast from a Columbus, Ohio investment company. The managing member of this company had requested that this letter be read initially in the presence of SunCoast's outside directors. The board of directors discussed in detail the financial terms of this unsolicited offer, which included a price of \$39.0 million in cash to SunCoast's shareholders, as well as discussing the numerous conditions attached to this offer, including the need for due diligence and the necessary regulatory approvals for a venture of this nature. After significant discussion and deliberation among the members of the board of directors and legal counsel, including a review of the financial terms of both offers and consideration of the speculative nature of the unsolicited offer, versus the fully negotiated merger agreement with NBC, the board voted to reject the unsolicited offer. At that time, a representative of Smith, Gambrell & Russell, LLP reviewed with SunCoast's board of directors the terms of the merger agreement with NBC and discussed the negotiation process. After a general discussion period, SunCoast's board of directors voted unanimously to approve the merger agreement and the transactions contemplated thereby.

Reasons for the Merger

SunCoast's Reasons for the Merger

SunCoast's board of directors has unanimously approved the merger agreement and believes that the proposed merger is in the best interests of SunCoast. Accordingly, the SunCoast board of directors unanimously recommends the SunCoast shareholders vote **FOR** the approval and adoption of the merger agreement.

SunCoast's board of directors has determined that the merger is fair to, and in the best interests of, SunCoast and SunCoast's shareholders. In recommending that shareholders of SunCoast approve the merger, SunCoast's board of directors, with the assistance of its outside financial and legal advisors, evaluated the financial, legal and market considerations bearing on the decision to recommend the merger. The terms of the merger, including the aggregate merger consideration to be received for the shares of SunCoast common stock, resulted from arm's-length negotiations between representatives of SunCoast and NBC. In approving the merger agreement, SunCoast's board of directors consulted with SunCoast's special legal counsel, Smith Gambrell & Russell, LLP, as to its legal duties and the terms of the merger agreement and ancillary documents. In arriving at its determination that the merger agreement is in the best interest of SunCoast and its shareholders, SunCoast's board of directors also considered the following material factors:

The board of directors' familiarity with and review of information concerning SunCoast's business, results of operations, financial condition, competitive position and future prospects.

The current and prospective environment in which SunCoast operates, including national, regional and local economic conditions, the competitive environment for banks and other financial institutions generally, the increased regulatory burdens on financial institutions and public companies generally and the trend toward consolidation in the banking industry and in the financial services industry.

The opinion rendered by the Carson Medlin Company (CMC) to SunCoast 's board of directors that, as of May 12, 2006, the merger consideration was fair, from a financial point of view, to SunCoast 's shareholders.

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The historical market price of SunCoast's common stock and the fact that the exchange ratio represented a 22% premium over the per share closing price of SunCoast's common stock immediately prior to the merger announcement.

Results that might be obtained by SunCoast if it continued to operate independently and the likely benefits to SunCoast's shareholders of such a course, compared with the value of the merger consideration offered by NBC.

The financial attributes of SunCoast's and NBC's common stock, dividend yield, liquidity, and corporate fundamentals.

The financial terms of the proposed merger. SunCoast shareholders would receive a number of shares of NBC common stock based on the average closing market price of NBC common stock the full ten trading days prior to the closing of the merger or \$20.50 cash for each share of SunCoast common stock held or a combination of NBC common stock and cash, subject to adjustment for the allocation provisions contained in the merger agreement. SunCoast's board of directors found the proposed consideration attractive because it was favorable relative to the premiums paid in other recent bank mergers. Also, SunCoast's board found the premium offered by NBC to be substantial, given SunCoast's future financial prospects, and the other indications of interest received during the process.

The expected qualification of the merger as a tax-free reorganization under Section 368 of the Internal Revenue Code.

SunCoast's confidence in the experience and expertise of the NBC management team.

SunCoast's board of directors, and SunCoast's management performed a review of NBC. As a part of this process, SunCoast reviewed NBC's business, operations, financial conditions, earnings and prospects. These factors were found to be favorable. SunCoast's board of directors emphasized NBC's most recent operating history, performance, and dividend pay-out ratio and amounts.

SunCoast's current condition and historical operating results and the effects of a merger with NBC, including the increased earnings potential.

The effects of the merger on SunCoast's depositors and customers and the communities served by SunCoast, which was deemed to be favorable given that they would be served by a geographically diversified organization with greater resources than SunCoast has.

The ability of employees to affiliate with a company with geographic presence.

The future business prospects of NBC.

The increased access to capital that would allow the resulting company to grow its assets and market share, and the resulting company's ability to pursue larger customer relationships as a result of the larger capital base resulting from the merger.

The discussion and factors considered by SunCoast's board of directors listed above were not exhaustive, but includes all material factors considered. SunCoast's board of directors did not assign any specific or relative weights to any of the foregoing factors. Rather, SunCoast's board of directors based its recommendation on the totality of the information presented to it. In addition, individual members of the board may have given differing weight or priority to different factors.

Recommendation of SunCoast's Board of Directors

SunCoast's board of directors believes that the terms of the merger are in the best interest of SunCoast and its shareholders and has approved the merger agreement. SunCoast's board of directors unanimously recommends that the shareholders of SunCoast approve the merger agreement.

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Opinion of the Carson Medlin Company

SunCoast has retained The Carson Medlin Company (CMC) to act as its financial advisor in connection with the merger and to undertake to render an opinion with respect to the fairness, from a financial point of view, to the holders of SunCoast common stock, of the consideration as set forth in the agreement. CMC is an investment banking firm that provides specialized corporate finance services to community financial institutions. CMC is regularly engaged in evaluations of similar businesses and in advising institutions with regard to mergers and acquisitions, as well as raising debt and equity capital for such institutions. SunCoast selected CMC as its financial advisor based upon CMC 's qualifications, expertise and reputation in such capacity. Neither CMC nor any of its affiliates has a material relationship with SunCoast or NBC or any material financial interest in SunCoast or NBC.

CMC delivered its written opinion as of May 12, 2006, that the consideration provided for in the merger agreement is fair, from a financial point of view, to the shareholders of SunCoast. No limitations were imposed by SunCoast 's board of directors or its management upon CMC with respect to the investigations made or the procedures followed by CMC in rendering its opinion.

You should consider the following when reading the discussion of CMC 's opinion in this proxy statement/prospectus:

The summary of the opinion of CMC set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion that is attached as Appendix C. You should read the opinion in its entirety for a full discussion to the procedures followed, assumptions made, matters considered and qualification and limitation on the review undertaken by CMC in connection with its opinion.

CMC 's opinion does not address the merits of the merger relative to other business strategies, whether or not considered by SunCoast 's board, nor does it address the decision by SunCoast 's board to proceed with the merger.

CMC 's opinion to SunCoast 's board of directors rendered in connection with the merger does not constitute a recommendation to any SunCoast shareholder as to how he or she should vote at the special meeting.

The preparation of a financial fairness opinion involves various determinations as to the most appropriate methods of financial analysis and the application of those methods to the particular circumstances. It is therefore not readily susceptible to partial analysis or summary description. In connection with rendering its opinion, CMC performed a variety of financial analyses. CMC believes that its analyses must be considered together as a whole and that selecting portions of its analyses and the facts considered in its analyses, without considering all other factors and analyses, could create an incomplete or inaccurate view of the analyses and the process underlying the rendering of CMC 's opinion.

In performing its analyses, CMC made numerous assumptions with respect to industry performance, business and economic conditions, and other matters, many of which are beyond the control of SunCoast and may not be realized. Any estimates contained in CMC 's analyses are not necessarily predictive of future results or values, which may be significantly more or less favorable than the estimates. Estimates of values of companies do not purport to be appraisals or necessarily reflect the prices at which the companies or their securities may actually be sold. Except as described below, none of the analyses performed by CMC was assigned a greater significance by CMC than any other. The relative importance or weight given to these analyses by CMC is not necessarily reflected by the order of presentation of the analyses herein (and the corresponding results). The summaries of financial analyses include information presented in tabular format. The tables should be read together with the text of those summaries.

CMC has relied, without independent verification, upon the accuracy and completeness of the information it reviewed for the purpose of rendering its opinion. CMC did not undertake any independent evaluation or appraisal of the assets and liabilities of SunCoast or NBC nor was it furnished with any appraisals.

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CMC is not an expert in the evaluation of loan portfolios, including under-performing or non-performing assets, charge-offs or the allowance for loan losses; it has not reviewed any individual credit files of SunCoast or NBC; and it has assumed that the allowances of SunCoast and NBC are in the aggregate adequate to cover potential losses. CMC's opinion is necessarily based on economic, market and other conditions existing on the date of its opinion and on information as of various earlier dates made available to it which is not necessarily indicative of current market conditions.

In rendering its opinion, CMC made the following assumptions:

that the merger will be accounted for as a purchase in accordance with generally accepted accounting principles;

that all material governmental, regulatory and other consents and approvals necessary for the consummation of the merger would be obtained without any adverse effect on SunCoast, NBC or on the anticipated benefits of the merger;

that SunCoast had provided it with all of the information prepared by SunCoast or its other representatives that might be material to CMC in its review; and

that the financial projections it reviewed were reasonably prepared on a basis reflecting the best currently available estimates and judgement of the management of SunCoast as to the future operating and financial performance of SunCoast.

In connection with its opinion dated May 12, 2006, CMC reviewed:

the merger agreement;

the audited financial statements of NBC for the five years ended December 31, 2005;

the audited financial statements of SunCoast for the five years ended December 31, 2005;

the unaudited financial statements of NBC for the three months ended March 31, 2006;

the unaudited financial statements of SunCoast for the three months ended March 31, 2006; and

financial and operating information with respect to the business, operations and prospects of SunCoast and NBC.

In addition, CMC:

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held discussions with members of management of SunCoast and NBC regarding the historical and current business operations, financial condition and future prospects of their respective companies;

reviewed the historical market prices and trading activity for the common stock of SunCoast and NBC;

compared the results of operations of SunCoast and NBC with those of certain financial institutions which it deemed to be relevant;

compared the financial terms of the merger with the financial terms, to the extent publicly available, of certain other recent business combinations of financial institutions; and

conducted such other studies, analyses, inquiries and examinations as CMC deemed appropriate.

VALUATION METHODOLOGIES

The following is a summary of all material analyses performed by CMC in connection with its written opinion provided to the SunCoast board of directors dated May 12, 2006. The summary does not purport to be a complete description of the analyses performed by CMC.

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Summary of Merger and Analysis

CMC reviewed the terms of the merger, including the form of consideration, the indicated exchange ratio, the price per share of NBC's common stock and the resulting price paid to SunCoast's shareholders pursuant to the merger agreement. Under the terms of the merger agreement, NBC will pay \$20.50 per share for each share of SunCoast (including mandatorily convertible preferred stock) in the form of cash, NBC common stock or a combination of both. As of March 16, 2006, based on the execution date average NBC market price of \$23.67, the total consideration paid to SunCoast common shareholders (including mandatorily convertible preferred stock) was approximately \$34.466 million which is to be comprised of 45% cash and 55% NBC common stock. As of May 12, 2006, the date of the fairness opinion, the trading price of NBC common stock was \$20.80 with a 10 day market average of \$20.77, resulting in an exchange ratio of 0.98700. Under the terms of the merger agreement, the indicated exchange ratio for NBC common stock shall not be more than 1.01889 or less than 0.75312.

CMC calculated that the indicated consideration paid to SunCoast represented:

a 24% to 28% premium on SunCoast's stock price for the three months, one month and one week preceding the merger announcement;

2.33x SunCoast's stated and tangible book value of \$14.806 million at March 31, 2006;

2.71x SunCoast's adjusted book value of \$11.479 million at March 31, 2006;

36.3x SunCoast's trailing twelve months earnings of \$0.950 million at March 31, 2006;

25.5% of SunCoast's total assets of \$135.050 million at March 31, 2006;

29.0% of SunCoast's total deposits of \$118.683 million at March 31, 2006; and

a 29.2% premium on SunCoast's core deposits of \$67.380 million at March 31, 2006 (representing the premium paid over tangible equity divided by total deposits excluding CD's greater than \$100,000).

Comparable Transaction Analysis

CMC reviewed certain information related to the following selected merger transactions involving commercial banks in Florida (the Florida transactions) announced since January 1, 2005:

COMPARABLE TRANSACTIONS

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<u>Seller Name</u>	<u>City</u>	<u>Buyer Name</u>
1 Marine Bancorp, Inc.	Marathon	Home Bancshares, Inc.
2 First Alachua Banking Corp	Alachua	Capital City Bank Group, Inc.
3 Tarpon Coast Bancorp, Inc.	Port Charlotte	First Busey Corporation
4 Palm Beach County Bank	West Palm Beach	Commerce Bancorp, Inc.
5 First National Bancshares, Inc.	Bradenton	Whitney Holding Corp.
6 Centerstate Bank Mid Florida	Leesburg	Centerstate Banks of Florida, Inc.
7 Florida Choice Bankshares	Mount Dora	Alabama National BanCorporation
8 Banking Corporation of Florida	Naples	Synovus Financial Corp.
9 Pelican Financial	Naples	Stark Bank Group, LTD
10 Big Lake Financial Corporation	Okeechobee	Seacoast Banking Corporation
11 Kensington Bankshares, Inc.	Tampa	Banc Corporation
12 Bristol Bank	Coral Gables	Bancshares of Florida, Inc.

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CMC also reviewed certain information related to the following selected merger transactions involving commercial banks in the southeastern United States (the Southeast transactions) announced since January 1, 2005 with assets ranging from \$100 million to \$200 million:

COMPARABLE TRANSACTIONS

	<u>Seller Name</u>	<u>City</u>	<u>State</u>	<u>Buyer Name</u>	<u>State</u>
1	SouthBank	Woodstock	GA	Security Bank Corporation	GA
2	Tarpon Coast Bancorp, Inc.	Port Charlotte	FL	First Busey Corporation	IL
3	Heritage Community Bank	Danville	KY	Community Trust Bancorp, Inc.	KY
4	West Metro Financial Services	Dallas	GA	First Horizon National Corp	TN
5	United Financial, Inc.	Graham	NC	FNB Corp.	NC
6	Jackson Bank & Trust	Gainesboro	TN	First Security Group, Inc.	TN
7	Trinity Bank	Monroe	NC	Citizens South Banking Corporation	NC
8	Community National Bancorp.	Ashburn	GA	South Georgia Bank Holding Co.	GA
9	Citizens Bancorp, Inc.	Newport	KY	Farmers Capital Bank Corporation	KY
10	First United Bank	Farmerville	LA	CTB Financial Corporation	LA
11	Peoples Banking Corporation	Blackshear	GA	Liberty Shares, Incorporated	GA
12	Columbiana Bancshares Inc.	Columbiana	AL	First M & F Corporation	MS
13	Community First Financial Corp.	Lynchburg	VA	American National Bankshares Inc.	VA
14	Buford Banking Group, Inc.	Buford	GA	Gwinnett Commercial Group, LLC	GA
15	Prosperity Bank & Trust Co.	Springfield	VA	Union Bankshares Corporation	VA
16	Neighbors Bancshares, Inc.	Alpharetta	GA	Security Bank Corporation	GA
17	Mountain Bancshares Inc.	Dawsonville	GA	GB&T Bancshares, Inc.	GA
18	Albemarle First Bank	Charlottesville	VA	Premier Community Bankshares Inc.	VA
19	Murray Banc Holding Co.	Murray	KY	BancKentucky, Inc.	KY
20	SterlingSouth Bank & Trust Co.	Greensboro	NC	BNC Bancorp	NC

In evaluating these transactions, CMC considered, among other factors, capital level, asset size and quality of assets of the acquired financial institutions. CMC compared the transaction prices at the time of announcement to the book value, adjusted book value assuming 8.5% normalized equity to assets, trailing twelve months earnings, total assets, total deposits and core deposit premiums of the acquired institutions.

COMPARABLE TRANSACTION ANALYSIS

	<i>Value Indicated by Median Valuations in Comparable Transactions</i>						<i>Range of Value</i>		
	<u>Book Value</u>	<u>Adjusted Book Value (1)</u>	<u>TTM EPS</u>	<u>Total Assets</u>	<u>Total Deposits</u>	<u>Core Deposit Premium (2)</u>	<u>High</u>	<u>Low</u>	<u>Avg Values</u>
Florida Transactions Median Indicated Value Per Share	2.44 \$ 21.47	2.64 \$ 20.00	22.0 \$ 12.40	24.3% \$ 19.53	28.5% \$ 20.15	22.9% \$ 17.98	\$ 12.40	\$ 21.47	\$ 18.59
Southeast Transactions Median Indicated Value Per Share	2.29 \$ 20.16	2.40 \$ 18.38	19.2 \$ 10.85	22.4% \$ 17.97	25.7% \$ 18.12	19.8% \$ 16.74	\$ 10.85	\$ 20.16	\$ 17.04

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Implied Pricing Multiple	2.33	2.71	34.7	25.5%	29.0%	29.2%
Merger Consideration	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50
(1) Adjusted at 8.5% of assets; Indicated Value=Peer Group Indicator * Adjusted Book Value + Excess Capital over 8.5% of assets						
(2) Core Deposits = Total Deposits - CDs>\$100,000, Indicated Value=Peer Group Indicator * Core Deposits + Tangible Book Value						

CMC calculated an average value for SunCoast's common stock based on these factors. This analysis indicated that the average value based on the Florida transactions was \$18.59 per share and was \$17.04 per share based on the Southeast transactions. Under the terms of merger, SunCoast shareholders will receive \$20.50 per share which exceeds the average values indicated by these transactions.

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Under the terms of the merger agreement, SunCoast shareholders will receive \$20.50 per share, or 2.33 times its March 31, 2006 stated and tangible book value, which is slightly below the median for the Florida transactions but above the median for the Southeast transactions. Based on an adjusted book value, assuming 8.5% equity to assets, the indicated price to adjusted book value was 2.71 times, which is above both the Florida and the Southeast transactions medians. The price to trailing twelve months earnings multiple implied by the merger consideration is 34.7, which is well above both the Florida and the Southeast transactions medians. The purchase price as a percentage of total assets implied by the merger consideration is 25.5% and the price as a percentage of total deposits implied by the merger consideration is 29.0%. Both of these multiples are above both the Florida and Southeast transactions medians. The premium to core deposits implied by the merger consideration is 29.2%, which is well above both the Florida and Southeast transactions medians.

No company or transaction used in CMC's analyses is identical to SunCoast, NBC or the proposed merger. Accordingly, the results of these analyses necessarily involves complex considerations and judgments concerning differences in financial and operating characteristics of SunCoast, NBC and other factors that could affect the value of the companies to which they have been compared.

Present Value Analysis

CMC calculated the present value of SunCoast assuming SunCoast remained an independent bank for at least five years. For purposes of this analysis, CMC utilized certain projections of SunCoast's future growth of assets, earnings and dividends. CMC assumed a terminal price to earnings value multiple from 18.0 to 22.0 times and a price to book multiple from 2.00 to 3.00, representing the long term average for sale of control multiples. These values were then discounted to present value utilizing discount rates ranging from 13% to 15%. These rates were selected because, in CMC's experience, they represent the rates that investors in securities such as SunCoast's common stock would demand in light of the potential appreciation and risks.

PRESENT VALUE ANALYSIS

(per share)

	Price to Earnings Multiples				
	18.0	19.0	20.0	21.0	22.0
13.0%	\$ 15.11	\$ 15.95	\$ 16.79	\$ 17.63	\$ 18.47
14.0%	\$ 14.46	\$ 15.26	\$ 16.07	\$ 16.87	\$ 17.67
15.0%	\$ 13.84	\$ 14.61	\$ 15.38	\$ 16.15	\$ 16.92

	Price to Book Value Multiples				
	2.00	2.25	2.50	2.75	3.00
13.0%	\$ 16.17	\$ 18.20	\$ 20.22	\$ 22.24	\$ 24.26
14.0%	\$ 15.48	\$ 17.41	\$ 19.35	\$ 21.28	\$ 23.22
15.0%	\$ 14.82	\$ 16.67	\$ 18.52	\$ 20.37	\$ 22.22

On the basis of these assumptions, CMC calculated that the present value of SunCoast as an independent bank ranged from \$13.84 per share to \$18.47 per share on a price to earnings basis and \$14.82 per share to \$24.26 per share on a price to book value basis. The merger consideration to be paid to SunCoast shareholders of \$20.50 per share is well above the indicated range on a price to earnings basis and in the average indicated range on a price to book value basis as indicated under the present value analysis.

CMC noted that it included present value analysis because it is a widely used valuation methodology, but also noted that the results of this methodology are highly dependent upon the numerous assumptions that must be made, including assets and earnings growth rates, dividend payout rates, terminal values and discount rates.

Industry Comparative Analysis

In rendering its opinion, CMC compared selected operating results of NBC to those of 32 traded community commercial banks in Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee,

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Virginia and West Virginia that had assets ranging from \$1 billion to \$2 billion. CMC considers this peer group of financial institutions to be reasonably similar in scope of operations for purposes of its analysis. CMC compared, among other factors, profitability, capitalization, asset quality and operating efficiency of NBC to these financial institutions. CMC noted the following performance based on results at or for the three months ended March 31, 2006 (most recent available) and May 12, 2006 pricing data:

NBY Peer Group: Southeast Public Banks between \$1B & \$2B

	Market Ratios				Balance Sheet Highlights				Performance Ratios						
	(5/12/06)				(\$millions (3/31/06))				For the Three Months Ended 3/31/05						
	# of Banks	Price to Earnings X	Price to Book X	Price to Assets %	Dividend Yield %	Assets \$	Loans \$	Deposits \$	Equity \$	ROA %	ROE %	Net Interest Margin %	Equity / Assets %	NPA Ratio %	Efficiency Ratio %
Peer Group Average	32	16.5	1.67	15.6	2.0	1,348	984	1,067	130	0.99	10.7	4.16	9.6	0.66	63.0
Peer Group Median	32	15.4	1.67	15.4	1.8	1,298	930	982	128	0.95	11.2	4.21	9.4	0.56	62.1
NBC Capital Corporation		12.9	1.45	11.6	4.8	1,474	853	1,144	118	0.93	11.3	3.78	8.0	0.66	64.8

CMC noted that NBC's financial performance was slightly below the peer group for profitability including asset returns and net interest margins. NBC's equity to assets ratio of 8% was below the peer group average and median of 9.6% and 9.4%, respectively. NBC's operating efficiency is slightly above the peer group level. NBC's common stock traded at a discount to the peer group average on a trailing 12 months earnings, book value and total assets basis. NBC had a higher dividend yield than the peer group.

In rendering its opinion, CMC also compared selected operating results of SunCoast to those of 67 traded community commercial banks in Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and West Virginia, which are listed in the *Southeastern Independent Bank Review*TM, a proprietary research publication prepared by CMC quarterly since 1991. CMC considers this group of financial institutions more comparable to SunCoast than larger, more widely traded regional financial institutions and similar in scope of operations for purposes of this analysis. CMC compared, among other factors, profitability, capitalization, asset quality and operating efficiency of SunCoast to these financial institutions. CMC noted the following performance based on results at or for the twelve months ended December 31, 2005 (most recent available) and May 12, 2006 pricing data:

Southeastern Independent Bank Review

	Market Ratios				Balance Sheet Highlights				Performance Ratios						
	(5/12/06)				(\$millions (12/31/05))				For the Twelve Months Ended 12/31/05						
	# of Banks	Price to Earnings X	Price to Book X	Price to Assets %	Dividend Yield %	Assets \$	Loans \$	Deposits \$	Equity \$	ROA %	ROE %	Net Interest Margin %	Equity / Assets %	NPA Ratio %	Efficiency Ratio %

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Southeastern Average	67	17.4	1.94	17.2	2.1	741	549	589	71	1.06	11.7	4.25	9.3	0.61	60.7
Southeastern Median	67	16.0	1.86	17.0	2.3	595	414	464	48	1.06	11.9	4.17	9.3	0.41	61.4
SunCoast Bancorp, Inc*		29.6	2.03	12.8	0.0	132	113	117	15	0.77	6.5	3.80	11.1	0.00	59.0

* Market Data uses pre-merger stock price of \$16.00 per share

CMC noted that SunCoast's financial performance was below the peer group for profitability but above the peer group for capitalization, asset quality and operating efficiency. SunCoast's common stock traded at a premium to peer group average on a trailing 12 months earnings and book value basis but as a discount to the peer group based on total assets.

Historical Stock Performance Analysis

CMC reviewed and analyzed the historical trading prices and volumes of SunCoast and NBC common stock over recent periods. NBC's stock trades on the American Stock Exchange under the symbol "NBY" and was

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trading at \$20.80 per share as of May 12, 2006 and \$23.27 immediately prior to the merger announcement on March 16, 2006. CMC noted that NBC's stock had declined 10.6% over this period and its peer group (as defined above) declined 1.3% over the same period. The NASDAQ Bank Index increased 5.7% over the same period. NBC has traded in a range from \$19.85 per share to \$25.81 per share in the 52 weeks preceding May 12, 2006. NBC's stock trading volume has been modest over the period analyzed averaging 9,283 shares per day. NBC paid an annualized dividend of \$0.99 per share in the first quarter of 2006.

SunCoast's stock trades on the Over the Counter Bulletin Board under the symbol SUNB.OB and was trading at \$16.00 per share immediately prior to the merger announcement on March 16, 2006. SunCoast traded in a range from \$14.06 per share to \$17.50 per share in the 52 weeks preceding March 16, 2006. SunCoast's stock trading volume has been very modest over the period analyzed averaging 637 shares per day. SunCoast had a total return of 9% for the year preceding the March 16, 2006 merger announcement.

Based on the results of the various analyses described above, CMC concluded that the consideration to be received by SunCoast's shareholders under the merger agreement is fair, from a financial point of view, to the shareholders of SunCoast.

The opinion expressed by CMC was based upon market, economic and other relevant considerations as they existed and could be evaluated as of the date of the opinion. Events occurring after the date of issuance of the opinion, including but not limited to, changes affecting the securities markets, the results of operations or material changes in the assets or liabilities of SunCoast Bancorp Inc. or NBC Capital Corporation, could materially affect the assumptions used in preparing the opinion.

CMC will receive a fee of \$22,500 for all services performed in connection with the sale of SunCoast and the rendering of the fairness opinion. In addition, SunCoast has agreed to indemnify CMC and its directors, officers and employees, from liability in connection with the transaction, and to hold CMC harmless from any losses, actions, claims, damages, expenses or liabilities related to any of CMC's acts or decisions made in good faith and in the best interest of SunCoast.

NBC's Reasons For The Merger

NBC's acquisition strategy consists of identifying financial institutions with business philosophies similar to those of NBC that operate in markets that are geographically compatible with NBC's operations and which can be acquired at an acceptable cost.

In connection with its approval of the merger with SunCoast, NBC's board of directors reviewed the terms of the merger agreement and its potential impact on NBC. In reaching its decision to approve the merger agreement, NBC's board of directors, with the assistance of management and NBC's advisors, considered the following factors:

The merger with SunCoast represents an attractive opportunity for NBC to expand the geographic market area currently served by Cadence Bank into the State of Florida.

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SunCoast's focus on customer service with local decision-making ability and a clear focus on the community are consistent with NBC's business approach.

Its understanding of the business, operations, financial condition, earnings and prospects of NBC and SunCoast.

Its understanding of the historical and current pro forma financial performance and condition, business operations, capital levels and asset quality of SunCoast.

A comparison of similar transactions, including a comparison of the price paid to the prices paid in comparable financial institution mergers, expressed, among other things, as multiples of book value.

Its perceived opportunities to increase the combined company's commercial lending and reduce operating expenses.

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The structure of the merger consideration and the financial and other terms of the merger, including the exchange ratio and the cash consideration component.

Its understanding of the likelihood that the regulatory approvals needed to complete the merger would be obtained.

Its review of the terms of the merger agreement with NBC's legal advisors.

This discussion of factors considered by NBC's board of directors does not purport to be complete, and is qualified in its entirety by reference to the merger agreement. In approving the merger agreement and related transactions, NBC's board did not identify any factor or group of factors as more significant than any other in the decision making process. NBC's board of directors based its decision on the totality of information.

NBC's board of directors also considered potential risks associated with the merger, including (1) the challenges of integrating SunCoast's businesses, operations and workforce with those of NBC, (2) the conversion of SunCoast's systems into NBC's systems, (3) the need to obtain SunCoast shareholder approval and regulatory approval in order to complete the merger, (4) the risks associated with achieving anticipated cost savings, potential revenue enhancements and other potential financial benefits as well as with maintaining reorganization, integration and restructuring expenses at anticipated levels, and (5) the risk that the final purchase price allocation based on the fair value of acquired assets at acquisition date and related adjustments to yield and/or amortization schedules of acquired assets and liabilities may be materially different than those assumed.

What You Will Receive

If the merger is completed, each share of SunCoast common stock that you hold at the time of the merger will automatically be converted into the right to receive cash or shares of NBC common stock. In addition, each share of SunCoast preferred stock outstanding immediately prior to the merger will be automatically converted into 1.19 shares of SunCoast common stock and, upon such conversion, will be automatically converted into the right to receive cash or shares of NBC common stock. You will be mailed a form of election no later than 15 days before the completion of the merger in order to make your election. Subject to the restrictions described below, you may elect to receive, in exchange for each of your shares of SunCoast common stock, either:

\$20.50 in cash; or

NBC common stock equal to the number of SunCoast shares you hold multiplied by the ratio of \$20.50 divided by the average closing market price of NBC common stock for the full ten trading days preceding the closing of the merger, subject to certain restrictions.

You may choose to exchange all of your shares for cash, all of your shares for NBC common stock, or some of your shares for cash and the rest of your shares for NBC common stock.

Under the terms of the merger agreement, the aggregate consideration to be paid by NBC to SunCoast shareholders will be in 55% stock and 45% in cash. In the event that the holders of the outstanding shares of SunCoast common stock elect to receive cash or stock that would exceed

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these limitations, the number of shares that you elected to exchange for cash or stock, as appropriate, will be adjusted ratably.

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

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share, the consideration received by SunCoast shareholders who receive NBC common stock in exchange for their shares of SunCoast common stock would be greater than \$20.50 per share.

If you make no election, you will be deemed to have elected stock consideration.

You may receive significantly more or less cash or more or fewer shares of NBC common stock than you elect. For more information about the allocation rules and the potential effects of the allocation procedures described above, see the sections entitled *The Merger Election and Exchange Procedures* and *The Merger Allocation of NBC Common Stock and Cash*, on pages 65 and 66, respectively.

Election and Exchange Procedures

Subject to the allocation process described in the next section, each SunCoast shareholder may elect to receive with respect to his or her shares of SunCoast common stock, all NBC common stock, all cash or a combination thereof.

Stock Election Shares. SunCoast shareholders who elect to receive NBC common stock for some or all of their shares will receive the per share stock consideration for that portion of the shareholder's shares of SunCoast common stock equal to the shareholder's stock election, subject to the allocation process described below. In our discussion below, we refer to shares held by shareholders who have made stock elections as stock election shares.

Cash Election Shares. SunCoast shareholders who elect to receive cash for some or all of their shares will receive \$20.50 in cash per share for that portion of the shareholder's shares of SunCoast common stock equal to the shareholder's cash election, subject to the allocation process described below. In our discussion below, we refer to shares held by SunCoast shareholders who have made cash elections as cash election shares.

No-Election Shares. Shares held by SunCoast shareholders (i) who indicate that they have no preference as to whether they receive NBC common stock or cash, (ii) who do not make a valid election, or (iii) who fail to properly perfect appraisal rights will be deemed to be no election shares. See *Allocation of NBC Common Stock and Cash* below.

A fixed proportion of NBC common stock and cash will be collectively paid to SunCoast shareholders, as described above. Accordingly, there is no assurance that a SunCoast shareholder will receive the form of consideration that the shareholder elects with respect to any or all of his or her shares of SunCoast common stock. If the elections of SunCoast shareholders would exceed the specified limits, then the procedures for allocating NBC common stock and cash to be received by SunCoast shareholders will be followed by NBC's exchange agent. See *Allocation of NBC Common Stock and Cash* below.

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Election Form. Each record holder of shares of SunCoast common stock shall submit an election form specifying the number of shares of SunCoast common stock that such record holder desires to be stock election shares and the number of shares of SunCoast common stock that such record holder desires to be cash election shares. Any such record holder who fails properly to submit an election form on or before the election deadline, which is 5:00 p.m., Central time, on August 9, 2006, in accordance with the procedures set forth below, or who has acquired shares of SunCoast common stock after the close of business on the fifth day prior to the election deadline, shall be deemed to have made an election for stock election shares. Any appraisal shares shall be deemed to be cash election shares, and, with respect to such shares, the holders thereof shall not receive consideration comprised of NBC common stock. Any election to receive NBC common stock or cash shall have been properly made only if the exchange agent shall have actually received a properly completed election form by the election deadline.

After the special meeting and no later than 15 business days prior to the anticipated completion of the merger, NBC's exchange agent shall mail the election form to each holder of record of SunCoast common stock as of three

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days prior to the mailing of the election form providing for such holders to make the cash election and/or the stock election. Any election other than a deemed stock election shall be validly made only if the exchange agent shall have received by the election deadline, an election form properly completed and executed (with the signature or signatures thereon guaranteed to the extent required by the election form) by such holder accompanied by such holder's SunCoast stock certificates, or by an appropriate guarantee of delivery of such certificates from a member of any registered national securities exchange or of the National Association of Securities Dealers, Inc., or by a commercial bank or trust company in the United States as set forth in such election form. Any holder of SunCoast common stock who has made an election by submitting an election form to the exchange agent may at any time prior to the election deadline change such holder's election by submitting a revised election form, properly completed and signed, that is received by the exchange agent prior to the election deadline. Any holder of SunCoast common stock may at any time prior to the election deadline revoke such holder's election and withdraw such holder's SunCoast certificates deposited with the exchange agent by written notice to the exchange agent received by the close of business on the day prior to the election deadline.

If you became a holder of SunCoast common stock between the date that is three days prior to the mailing of the election form and the close of business on the fifth business day prior to the election deadline, the exchange agent shall mail to each such record holder of SunCoast common stock another election form. If you become a holder of record of SunCoast common stock after the close of business on the fifth business day prior to the closing of the merger, you will be deemed to have elected to receive stock election shares.

Certificates representing shares of NBC common stock will be dated the effective date of the merger and will entitle the holders to dividends, distributions and all other rights and privileges of a NBC shareholder from the effective date. Until the certificates representing SunCoast common stock are surrendered for exchange after completion of the merger, holders of such certificates will not receive the cash or stock consideration or dividends or distributions on the NBC common stock into which such shares have been converted. When the certificates are surrendered to NBC's exchange agent, any unpaid dividends or other distributions will be paid without interest. NBC has the right to withhold dividends or any other distributions on its shares until the SunCoast stock certificates are surrendered for exchange.

Following the effective date of the merger, each SunCoast stock certificate is evidence solely of the right to receive the merger consideration. In no event will either NBC or SunCoast be liable to any former SunCoast shareholder for any amount paid in good faith to a public official or agency pursuant to any applicable abandoned property, escheat or similar law.

NBC will not issue any fractions of a share of common stock. Rather, NBC will pay cash for any fractional share interest that any SunCoast shareholder would otherwise be entitled to receive in the merger. For each fractional share that would otherwise be issued, NBC will pay by check an amount equal to the fractional share interest to which the holder would otherwise be entitled multiplied by the average closing market price for NBC common stock for the ten full trading days prior to the closing. Shares of SunCoast common stock issued and held by SunCoast as treasury shares as of the effective date of the merger, if any, will be canceled.

Any options to purchase SunCoast common stock, vested or unvested, will be paid the difference between \$20.50 and the exercise price. For purposes of determining the aggregate merger consideration paid to shareholders of SunCoast common stock, any cash paid to holders of options to acquire SunCoast common stock will be disregarded.

Allocation of NBC Common Stock and Cash

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Notwithstanding the election of SunCoast shareholders to receive cash, NBC common stock or a combination of stock and cash in the merger, the purchase price per share of SunCoast common stock will be \$20.50, of which collectively the holders of SunCoast common stock shall receive 45% cash and 55% NBC common stock.

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Over-election of the Stock Consideration. If the aggregate number of shares of NBC common stock to be issued in exchange for shares of SunCoast common stock pursuant to the election of SunCoast shareholders would exceed 55% of the merger consideration to be paid to SunCoast shareholders, then:

All cash election shares shall be converted into the right to receive \$20.50;

All stock election shares shall be converted into the right to receive cash and NBC common stock in the ratio determined by dividing the (a) the difference in the total number of shares of SunCoast common stock outstanding immediately prior to the closing and the cash election shares by (b) the aggregate number of stock election shares.

The number of stock election shares that shall be converted into NBC common stock shall be determined by multiplying the stock election shares by the above ratio.

All SunCoast stock election shares that are not converted into NBC common stock shall be converted into cash election shares.

Over-election of the Cash Consideration. If the aggregate number of cash election shares would exceed 45% of the aggregate merger consideration to be paid to SunCoast shareholders, then:

All stock election shares shall be converted into the right to receive NBC common stock equal to the number of stock election shares multiplied by the ratio of \$20.50 divided by the average closing market price of NBC common stock for the full ten trading days preceding the closing of the merger, subject to certain restrictions.

All cash election shares shall be converted into the right to receive cash and NBC common stock in the ratio determined by dividing (a) the product of the number of shares of SunCoast common stock outstanding immediately prior to the closing multiplied by 0.45 by (b) the cash election shares.

The number of cash election shares held by each holder of SunCoast common stock that will be converted into cash shall be determined by multiplying the above ratio by the number of cash election shares.

All cash election shares that are not converted to cash, shall be converted into stock election shares.

No Election Shares. Shares held by SunCoast shareholders (i) who indicate that they have no preference as to whether they receive NBC common stock or cash, (ii) who do not make a valid election, or (iii) who fail to properly perfect appraisal rights will be deemed to be stock election shares.

Effective Date

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The merger transaction will take effect when all conditions, including obtaining shareholder and regulatory approval, have been satisfied or waived, or as soon as practicable thereafter as NBC and SunCoast may mutually select. Regulatory approval cannot be waived. We presently expect closing on the merger to occur during the third quarter of 2006. See *The Merger Conditions to the Merger* and *The Merger Regulatory Approvals*, beginning on pages 71 and 72, respectively.

Statutory Provisions For Appraisal Rights of Shareholders

The following discussion does not purport to be a complete description of the law relating the right of shareholders to appraisal available under Florida law and is qualified in its entirety by reference to the full text of Section 607 of the Florida Business Corporation Act.

A copy of the appraisal rights provided in Sections 607.1301 to 607.1333 of the Florida Business Corporation Act is attached as Appendix B to this proxy statement/prospectus. If you desire to exercise appraisal rights, you should review carefully Section 607 and are urged to consult a legal advisor before electing or attempting to exercise these rights.

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Any holder of record of SunCoast common stock who objects to the merger, and who fully complies with all of the provisions of Section 607 of the Florida Business Corporation Act (but not otherwise), will be entitled to seek appraisal for, and obtain payment of, the fair value of shares of SunCoast common stock if the merger is consummated.

A shareholder of record may assert appraisal rights as to fewer than all of the SunCoast shares registered in his or her name only if he or she objects with respect to all shares beneficially owned by any one person and notifies SunCoast in writing of the name and address of each person on whose behalf he asserts appraisal rights. The rights of a shareholder asserting partial appraisal rights will be determined as if the shares as to which he or she objects, and his or her other shares were registered in the names of different shareholders.

A shareholder of SunCoast who objects to the merger and desires to receive payment of the fair value of his or her SunCoast common stock:

must deliver to SunCoast, before the vote is taken at the special meeting, written notice of the shareholder's intent to demand payment for his or her shares if the merger is effectuated;

must not vote his or her shares in favor of the merger; AND

must demand payment and deposit his or her certificate(s) in accordance with the terms of the appraisal notice sent to the shareholder by SunCoast following approval and adoption of the merger agreement.

A vote against the merger agreement alone will not constitute the separate written notice and demand for payment referred to immediately above. Shareholders asserting appraisal rights must separately comply with all three conditions.

All written notices should be sent to: William F. Gnerre, Secretary, SunCoast Bancorp, Inc., 8592 Potter Park Drive, Suite 200, Sarasota, Florida 34238.

If the merger agreement is approved and adopted, SunCoast will mail, no later than 10 days thereafter, by certified mail to each shareholder who has complied with the three conditions above, written notice of such approval and adoption, addressed to the shareholder at such address as the shareholder has furnished SunCoast in writing or, if none, at the shareholder's address as it appears on the records of SunCoast. Within 20 days of the giving of notice to him or her, any shareholder who elects to object and assert appraisal rights must file with SunCoast a notice of such election, containing the written election to appraisal rights and demand for payment described in the third condition above.

If all three conditions above are satisfied in full, SunCoast is required to make a written offer within 10 days after the expiration of the period in which shareholders may file their notices of election to appraisal rights, or within 10 days after completion of the merger is effected, whichever is later, to each shareholder asserting appraisal rights to purchase all of such shareholder's shares of SunCoast stock at a specific price. If SunCoast and any shareholder asserting appraisal rights are unable to agree on the fair value of the shares within 60 days, then SunCoast will commence a proceeding in a court of competent jurisdiction in the county where the registered office of SunCoast is located to determine the rights of the shareholders asserting appraisal rights and the fair value of his or her shares. If SunCoast does not commence the proceeding within the 60-day period, then any shareholder asserting appraisal rights may do so in the name of SunCoast.

In the event of a court proceeding, the court will determine all costs of the proceeding, including the reasonable compensation and expenses of appraisers appointed by the court, but not including fees and expenses of attorneys and experts for the respective parties. The court will assess these costs against SunCoast, except that the court may assess these costs against all or some of the shareholders asserting appraisal rights in amounts the court finds equitable to the extent the court finds such shareholders acted arbitrarily or not in good faith in demanding payment under the appraisal provisions.

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Upon compliance with the statutory procedures, shareholders asserting appraisal rights will not have any rights as shareholders of SunCoast or of NBC, including, among other things, the right to receive dividends and the right to vote on matters submitted for shareholder consideration.

SunCoast shareholders should note that cash paid to shareholders asserting appraisal rights in satisfaction of the fair value of their shares will be recognized as gain or loss for federal income tax purposes.

Failure by a SunCoast shareholder to follow the steps required by the Florida Business Corporation Act for perfecting appraisal rights may result in the loss of such rights. In view of the complexity of these provisions and the requirement that they be strictly complied with, if you hold SunCoast common stock and are considering objecting to the approval and adoption of the merger agreement and exercising your appraisal rights under the Florida Business Corporation Act, you should consult your legal advisors.

Representations and Warranties

The merger agreement contains representations and warranties relating to, among other things:

Consents or approvals of regulatory authorities or third parties necessary to complete the merger.

Consistency of financial statements with accounting principles generally accepted in the United States.

Absence of material adverse changes, since September 30, 2005, in the assets, financial condition, results of operations, or prospects of SunCoast and NBC.

Absence of undisclosed material pending or threatened litigation.

Retirement and other employee plans and matters relating to the Employee Retirement Income Security Act of 1974.

Quality of title to assets and properties.

Maintenance of adequate insurance.

Required board and shareholder approval.

Absence of material environmental violations, actions or liabilities.

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Accuracy of information supplied by NBC and SunCoast for inclusion in this proxy statement/prospectus, filed under the Securities Act of 1933, in connection with the issuance of NBC common stock in the merger.

Validity and binding nature of loans reflected as assets in the financial statements of SunCoast.

Validity and legality of interest rate risk management instruments.

Conduct of Business Pending the Merger

In the merger agreement, SunCoast agrees to use its best efforts to preserve its business organizations intact, to maintain its advantageous business relationships with customers, vendors and others with whom it does business and retain the services of key officers and employees, and to not take any action that would reasonably be expected to adversely affect or delay any necessary governmental approvals to consummate the merger.

In addition, SunCoast has agreed to conduct its business and to engage in transactions only in the ordinary course of business, consistent with past practice, except as otherwise required or permitted by the merger agreement or consented to by NBC. SunCoast also agreed in the merger agreement that, among other things, it will not, without the prior written consent of NBC:

Declare, set aside or pay any dividend or other distribution in respect of its capital stock.

Modify or amend any material contracts.

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Increase the compensation or benefits of any employee or amend, establish or adopt any new employee benefit plan, except as may be required or in the ordinary course of business.

Make certain capital expenditure in excess of \$10,000 per project or related series of projects or \$30,000 in the aggregate.

Apply for or open a new branch office or loan production or servicing facility.

Make any new loan or credit facility commitment to any borrower in excess of \$2,000,000 in the aggregate or compromise, extend, renew or modify any such loan or commitment in excess of \$2,000,000.

Engage or participate in any material transaction or incur or sustain any material obligation, other than in the ordinary course of business consistent with past practice.

Settle any claim, action or proceeding involving monetary damages in excess of \$10,000.

Change its articles of incorporation or bylaws.

Materially change its investment securities portfolio policy, or the manner in which the portfolio is classified or reported.

NBC and SunCoast jointly agreed, among other things:

To prepare all applications, registration statements and other documents necessary to obtain all required regulatory approvals.

Subject to the terms of the merger agreement, to take all actions necessary to complete the transactions contemplated by the merger agreement.

To maintain adequate insurance.

To maintain accurate books and records.

To file all tax returns and pay all taxes when due.

No Solicitation of Other Transactions

SunCoast has agreed that it will not, and will not allow others under its control to, directly or indirectly:

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Solicit or facilitate any inquiries, approve or recommend any proposal, or enter into any agreement related to a merger, reorganization, share exchange, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving SunCoast or its subsidiaries, or any purchase or sale of 10% or more of SunCoast's consolidated assets or acquisition of voting power of 10% or more of the total voting power of SunCoast or of its subsidiaries; or

Have discussions with or provide confidential information or data to or negotiate with any third party concerning an acquisition proposal described above.

Notwithstanding the foregoing, in the event that, prior to the date of the special meeting, SunCoast receives an unsolicited bona fide acquisition proposal and its board of directors concludes in good faith that such proposal constitutes, or is reasonably likely to result in a superior proposal, SunCoast may, to the extent that its board of directors concludes in good faith based on the written opinion of its outside legal counsel attesting that the foregoing restriction constitutes a breach of the board of director's obligations to its shareholders and that failure to take such actions would result in a violation of its fiduciary duties, approve or recommend (and, in connection therewith, withdraw or modify its approval or recommendation of the merger agreement) a superior proposal, or enter into an agreement with respect to a superior proposal.

SunCoast has agreed to notify NBC promptly if any acquisition proposal or inquiry described above is received by SunCoast from any third party.

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For a discussion of circumstances under which certain actions relating to a possible acquisition involving SunCoast could result in SunCoast being required to pay to NBC a termination fee of \$1.5 million, see *The Merger Termination Fee*, beginning on page 74.

Dividends

The merger agreement generally prohibits SunCoast from paying any cash dividend or making any other distribution with respect to its capital stock, except that SunCoast may pay, prior to completion of the merger, regular dividends on SunCoast preferred stock with record and payment dates consistent with past practices, and dividends paid by any of the subsidiaries of SunCoast so long as such dividends are only paid to SunCoast and that no such dividend shall cause SunCoast Bank to cease to qualify as well capitalized.

NBC expects that after completion of the merger, subject to approval and declaration by its board, it will continue to declare regular quarterly cash dividends on the shares of its common stock consistent with past practices.

Conditions to the Merger

The parties' obligations to complete the merger are subject to various conditions, which include, among other provisions, the following:

SunCoast shall have obtained shareholder approval and adoption of the merger agreement.

The shares of NBC common stock to be issued to the holders of SunCoast common stock upon consummation of the merger shall have been authorized for listing on the American Stock Exchange, subject to official notice of issuance.

All necessary governmental approvals for the merger shall have been obtained, and all waiting periods required by law or imposed by any governmental authority with respect to the merger shall have expired, and no such approval or consent shall have imposed any condition or requirement, which NBC determines would cause a material adverse effect as to NBC or otherwise reduce the contemplated benefits of the merger to NBC. See *The Merger Regulatory Approvals*, at page 72.

This Registration Statement on Form S-4 shall have become effective under the Securities Act, no stop order suspending the effectiveness of the Form S-4 shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC.

There shall not be any order, decree, or injunction in effect preventing the completion of the merger.

SunCoast will have received from CMC, an opinion, to the effect that, as of March 16, 2006, the consideration to be paid to the shareholders of SunCoast in the merger is fair from a financial point of view to such holders of SunCoast common stock, a signed copy of which shall have been delivered to NBC.

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SunCoast and NBC shall have received a legal opinion from Smith, Gambrell & Russell, LLP and Adams and Reese LLP, respectively, that, among other things, the merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986. See *The Merger Federal Income Tax Consequences*, at page 76.

The representations and warranties are accurate, as of March 16, 2006 and the closing of the merger, in all material respects, except as to any representation or warranty that specifically relates to an earlier date and except as otherwise contemplated by the reorganization agreement.

Each party has performed in all material respects all obligations required to be performed under the merger agreement and each party shall have received from the other party a certificate attesting to the foregoing, signed by the CEO and CFO of that party.

Except for the requirements of SunCoast shareholder approval, regulatory approvals, the listing of NBC common stock on the American Stock Exchange, the effectiveness of the Form S-4, the opinion of the Carson

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Medlin Company, and the absence of any order, decree, or injunction preventing the transactions contemplated by the merger agreement, we each may waive each of the conditions described above in the manner and to the extent described in *The Merger Amendment; Waiver*, at page 73.

Subsidiary Bank Merger

As contemplated by the merger agreement, SunCoast Bank and Cadence Bank have entered into a bank plan of merger. The bank plan of merger provides that, subject to receipt of all necessary regulatory approvals, simultaneously with the merger, SunCoast Bank will merge with and into Cadence Bank, with Cadence as the surviving bank. All shares of SunCoast Bank will be canceled and will cease to exist and no consideration will be paid for these shares. NBC and SunCoast expect to complete the merger of Cadence and SunCoast Bank concurrently with the completion of the merger.

Regulatory Approvals

Completion of the merger and reorganization transactions is subject to the prior receipt of all consents or approvals of, and the provision of all notices to federal and state authorities required to complete the merger of SunCoast with NBC, and the expiration of all applicable waiting periods.

NBC and SunCoast have agreed to use their reasonable best efforts to obtain all regulatory approvals required to complete the merger. These approvals include, among others, approval from the Board of Governors of the Federal Reserve System (the Federal Reserve Board), the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency. The merger cannot proceed in the absence of these required regulatory approvals.

Federal Reserve Board. The merger of two bank holding companies requires the prior approval of the Federal Reserve Board under the Bank Holding Company Act, or receipt from the Federal Reserve Board of a waiver of this approval. Pursuant to federal law, we have requested that the Federal Reserve Board waive any approval and defer to the approval of the Office of the Comptroller of the Currency.

Office of the Comptroller of the Currency. The merger of two banks in which the surviving bank is a national bank requires the approval of the Office of the Comptroller of the Currency. In certain situations, if the Federal Reserve Board waives its approval, the Office of the Comptroller of the Currency may also review and approve the merger of two bank holding companies. NBC has requested that the Federal Reserve Board waive its approval, and they have waived such approval. Therefore, the Office of the Comptroller of the Currency will review the merger, including both the merger of SunCoast into NBC and SunCoast Bank into Cadence. The Office of the Comptroller of the Currency generally will not approve any merger:

That would result in a monopoly or that would further a combination or conspiracy to monopolize banking in the United States; or

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That could substantially lessen competition in any section of the country, that would tend to create a monopoly in any section of the country, or that would be in restraint of trade, unless the Office of the Comptroller of the Currency finds that the public interest in meeting the convenience and needs of the communities served outweighs the anti-competitive effects of the proposed transaction.

The Office of the Comptroller of the Currency is also required to consider the financial and managerial resources and future prospects of NBC, SunCoast and their subsidiary banks and the convenience and needs of the communities to be served. Under the Community Reinvestment Act of 1977, the Office of the Comptroller of the Currency also must take into account the record of performance of NBC and SunCoast in meeting the credit needs of their communities, including low and moderate-income neighborhoods. In addition, the Comptroller must take into account the effectiveness of NBC and SunCoast in combating money laundering activities.

Applicable regulations require publication of notice of an application for approval of the merger and an opportunity for the public to comment on the application in writing and to request a hearing. Any merger

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approved by the Office of the Comptroller of the Currency generally may not be completed until 30 days after such approval, during which time the U.S. Department of Justice may challenge such transaction on antitrust grounds and seek divestiture of certain assets and liabilities. With the approval of the Office of the Comptroller of the Currency and the U.S. Department of Justice, the waiting period may be reduced to 15 days.

Applications. NBC and SunCoast have filed the necessary application with the Federal Reserve Board, the FDIC and the OCC, requesting approval of the merger, including the bank merger. The application describes the terms of the merger, the parties involved, and the activities to be conducted by the combined companies as a result of the merger, and contain certain related financial and managerial information. Copies of the application will be provided to the U.S. Department of Justice and other governmental agencies.

Amendment; Waiver

NBC has reserved the right to revise the structure of the merger. Any such change, however, will not alter the merger consideration, adversely affect the tax consequences of the merger to SunCoast shareholders or materially impede the consummation of the merger.

Additionally, subject to compliance with applicable law, the merger agreement may be amended by the parties at any time before or after approval of the matters presented in connection with the merger by the shareholders of SunCoast; provided, however, that after any SunCoast shareholder approval, no amendment shall be made which by law requires further approval by SunCoast shareholders without such further approval.

At any time prior to the consummation of the merger, the parties may, to the extent legally allowed, (a) extend the time for the performance of any of the obligations or other acts of the other party, (b) waive any inaccuracies in the representations and warranties contained in the merger agreement and (c) waive compliance with any of the agreements or conditions contained in the merger agreement, except those that cannot be waived.

Termination

The merger agreement may be terminated by either NBC or SunCoast at any time prior to the closing of the merger:

By mutual consent, if the board of directors of each of NBC and SunCoast so determines.

If (i) the parties fail to obtain regulatory approval and such denial has become final and nonappealable or (ii) any governmental authority of competent jurisdiction has issued a final nonappealable order enjoining or otherwise prohibiting the consummation of the merger.

If the merger is not consummated by December 31, 2006, unless the failure to complete the merger is because of the failure of the party seeking to terminate the merger agreement to perform or observe the covenants and agreements of such party.

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If the conditions precedent to the merger are not satisfied.

If SunCoast shareholder approval of the merger agreement is not obtained.

NBC may terminate the merger agreement at any time prior to the closing of the merger if:

SunCoast materially breaches any of the unwaived covenants or agreements made by the SunCoast or any of the representations or warranties, and in either case, such breach is not cured within 30 days following written notice to the SunCoast, or which breach, by its nature, cannot be cured prior to the closing of the merger.

The board of directors of SunCoast changes its recommendation to the shareholders of SunCoast (or shall have resolved to do so);

Subject to the exception discussed in the section *The Merger No Solicitation of Other Transactions*, SunCoast approves or recommends, or proposes publicly to approve or recommend, any acquisition

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proposal or approve or recommend, or propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, merger agreement, asset purchase or share exchange agreement, option agreement or other similar agreement related to any acquisition proposal or propose or agree to do any of the foregoing.

A tender offer or exchange offer for 10% or more of the outstanding shares of SunCoast common stock is commenced (other than by NBC or a Subsidiary thereof), and the board of directors of SunCoast recommends that the shareholders of SunCoast tender their shares in the tender or exchange offer or otherwise fails to recommend that the shareholders reject the tender offer or exchange offer within the 10 business day period specified in Rule 14e-2(a) under the Exchange Act;

SunCoast may terminate the merger agreement at any time prior to the closing of the merger if:

Prior to the date of the SunCoast special meeting, SunCoast receives an unsolicited bona fide acquisition proposal and SunCoast's board of directors concludes in good faith that such proposal constitutes or is reasonably likely to result in a superior proposal, SunCoast may, to the extent that its board of directors concludes in good faith based on the written opinion its outside legal counsel attesting that the foregoing restriction constitutes a breach of the board of director's obligations to its shareholders and that failure to take such actions would result in a violation of its fiduciary duties, approve or recommend (and, in connection therewith, withdraw or modify its approval or recommendation of the merger agreement) a superior proposal, or enter into an agreement with respect to a superior proposal.

Through a resolution adopted by a majority of the entire SunCoast's board of directors, if both of (a) the average trading price of NBC common stock for the full ten trading days preceding the closing of the merger is less than \$18.94, and (b) the quotient obtained by dividing the average closing market price of NBC common stock for the full ten trading days preceding the closing of the merger by \$23.67 shall be less than the quotient obtained by dividing the index price on the closing date by the index price on the day of the closing of the merger and subtracting .20 from such quotient. The index price on a given date means the closing price of the NASDAQ Bank Index as reported by Bloomberg LP (symbol: CBNK). If SunCoast elects to exercise this termination right, SunCoast must give prompt written notice to NBC at any time during the five business day period commencing on the business day preceding the day before the proposed closing provided that such election to terminate may be withdrawn at any time within the aforementioned five business day period. During the five business day period following the day on which NBC receives such notice, NBC shall have the option of adjusting the merger consideration within certain parameters described in the merger agreement.

Termination Fee

SunCoast will pay NBC a termination fee of \$1.5 million if:

NBC or SunCoast terminates the merger agreement because of the commencement of a tender offer or exchange offer for 10% or more of the outstanding shares of SunCoast common stock and the board of directors of SunCoast recommends that the SunCoast shareholders tender their shares or fails to recommend that the shareholders reject such tender of exchange offer within the ten business day period specified in Rule 14(e)-2(a) under the Securities Exchange Act.

NBC terminates the merger agreement because the board of directors of SunCoast failed to unanimously recommend to SunCoast shareholders adoption of this agreement or breached the terms of the merger agreement relating to the solicitation of other transactions and the breach has a material adverse effect on NBC. See *The Merger - No Solicitation of Other Transactions* on page 70.

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SunCoast terminates the merger agreement because SunCoast has entered into a definitive agreement for the acquisition or merger of SunCoast with another entity in accordance with the terms of the merger agreement.

Expenses

NBC and SunCoast will pay their respective expenses and costs incurred in connection with the merger, including fees and expenses of legal counsel, accountants, and financial consultants.

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Management and Operations After the Merger

Following the closing of the merger, NBC will appoint H. Ronald Foxworthy, chairman of SunCoast, to fill a vacancy on the board of directors of NBC. Otherwise, the board of directors and management of NBC will be the same after the merger.

Employment; Severance

As of or as soon as practicable following the closing of the merger, the employees of SunCoast and SunCoast Bank will become employees of NBC or one of its subsidiaries and will be eligible to participate in NBC employee benefit plans in which similarly situated employees of NBC or its subsidiaries participate.

Any employee of SunCoast or SunCoast Bank as of March 16, 2006 (other than those employees covered by either a written employment or severance agreement) whose employment is discontinued by NBC or one of its subsidiaries within one year after the closing of the merger (unless termination of such employment is for cause) shall be entitled to a severance payment from NBC or its subsidiary equal in amount to two weeks base pay for each full year the employee was employed by SunCoast or SunCoast Bank or any successor or predecessor thereto, subject to a minimum of four weeks severance and a maximum of 16 weeks severance. Any severance paid will be in lieu of, and not in addition to, any amounts that may have otherwise been payable pursuant to SunCoast's written severance policy.

Upon completion of the merger, Kerry J. Ward, Senior Vice President of SunCoast Bank, William F. Gnerre, Executive Vice President of SunCoast, and John S. Wilks, Chief Financial Officer of SunCoast, will have employment agreements with Cadence Bank, a subsidiary of NBC, as the successor entity to SunCoast Bank.

Employee Benefit Plans

The merger agreement provides that each SunCoast employee who becomes an employee of NBC or Cadence at the effective date of the merger will be entitled to full credit for each year of service with SunCoast for purposes of determining eligibility for participation and vesting, but not for benefit accrual, in the NBC or Cadence employee benefit plans, programs and policies. After the effective date of the merger, NBC may, at its discretion, maintain, discontinue or amend any SunCoast benefit plan, subject to the plan's provisions and applicable law.

Immediately prior to the closing of the merger, each SunCoast employee who is a participant in the SunCoast Employee 401(k) Plan shall become fully vested in his or her employer matching account balance in the SunCoast Employee 401(k) Plan. Immediately prior to closing, the SunCoast Employee 401(k) Plan shall be terminated by the current trustee of the SunCoast Employee 401(k) Plan and the SunCoast employees who are then participating in the SunCoast Employee 401(k) Plan shall become participants in the NBC Employee 401(k) Plan.

Options

SunCoast, from time to time, issued options to purchase SunCoast common stock. Pursuant to the terms of the merger agreement, all options, vested or unvested, shall be entitled to receive cash in the amount of \$20.50 less the exercise price.

Interests of Management and Others in the Merger

Share Ownership

As of June 9, 2006, the record date for the special meeting of SunCoast shareholders, the directors and executive officers of SunCoast may be deemed to be the beneficial owners of 303,694 shares, representing 26.7% of the outstanding shares of SunCoast common stock.

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As of June 9, 2006, the directors and executive officers held 82,900 options to acquire SunCoast common stock. Pursuant to the terms of the merger agreement, these officers and directors are entitled to receive \$20.50 less the exercise price of the options.

Indemnification and Insurance

NBC has agreed to indemnify the directors and officers of SunCoast or SunCoast Bank against all costs, expenses (including reasonable attorney's fees), judgments, fines, losses, claims, damages or liabilities arising out of actions or omissions occurring prior to the merger's effective date or the merger agreement to the fullest extent permitted under SunCoast's articles of incorporation, bylaws and applicable law.

NBC has also agreed to use its best effort to cause the officers and directors of SunCoast or SunCoast Bank immediately prior to the effective date of the merger to be covered for a period of three years from the closing of the merger by the directors' and officers' liability insurance policy or policies maintained by NBC. The insurance coverage is to provide at least the same level of coverage available under SunCoast's current directors' and officers' liability insurance policy. NBC is not obligated to make annual premium payments (for the portion related to SunCoast's directors and officers) that exceed 200% of the initial annual premiums maintained by SunCoast prior to the merger. If the amount of the annual premium payments exceeds this amount, NBC shall use reasonable efforts to obtain the most advantageous policy available up to this maximum amount.

Board Positions and Compensation

Upon completion of the merger, H. Ronald Foxworthy will be appointed to fill a vacancy on the board of NBC and shall be entitled to compensation in such capacity on the same basis as other NBC directors.

Accounting Treatment

NBC will account for the merger under the purchase method of accounting. NBC will record, at fair value, the acquired tangible and identifiable intangible assets and assumed liabilities of SunCoast. To the extent that the total purchase price exceeds the fair value of the assets acquired and liabilities assumed, NBC will record the excess as goodwill. Under generally accepted accounting principles, goodwill is not amortized, but is assessed annually for impairment with any resulting impairment losses included in net income. NBC will include in its results of operations the results of SunCoast's operations only after completion of the merger.

Federal Income Tax Consequences

In the opinion of Adams and Reese LLP, NBC's legal counsel, and Smith, Gambrell & Russell, LLP, SunCoast's legal counsel, the following discussion addresses the material United States federal income tax consequences of the merger to a SunCoast shareholder who holds shares of SunCoast common stock as a capital asset. This discussion is based upon the Internal Revenue Code of 1986, as amended, which is referred to in

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this document as the Code, Treasury regulations promulgated under the Code, judicial authorities, published positions of the Internal Revenue Service and other applicable authorities, all as in effect on the date of this discussion and all of which are subject to change (possibly with retroactive effect) and to differing interpretations. This discussion does not address all aspects of United States federal income taxation that may be relevant to SunCoast shareholders in light of their particular circumstances and does not address aspects of United States federal income taxation that may be applicable to SunCoast shareholders subject to special treatment under the Code (including banks, tax-exempt organizations, insurance companies, dealers in securities, traders in securities that elect to use a mark-to-market method of accounting, investors in pass-through entities, SunCoast shareholders who hold their shares of SunCoast common stock as part of a hedge, straddle or conversion transaction, SunCoast shareholders who acquired their shares as compensation, and SunCoast shareholders who are not United States persons as defined in section 7701(a)(30) of the Code). In addition, this discussion does not address any aspect of state, local or foreign taxation. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax aspects set forth below.

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SunCoast shareholders are urged to consult their tax advisors with respect to the particular United States federal, state, local and foreign tax consequences of the merger to them.

The closing of the merger is conditioned upon the receipt by NBC and SunCoast of the opinions of Adams and Reese LLP, counsel to NBC, and Smith, Gambrell & Russell, LLP, counsel to SunCoast, dated as of the effective date of the merger, substantially to the effect that, on the basis of facts, representations and assumptions set forth or referred to in that opinion (including factual representations contained in certificates of officers of SunCoast and NBC) which are consistent with the state of facts existing as of the effective date of the merger, the merger constitutes a reorganization under Section 368(a) of the Code.

The tax opinions to be delivered in connection with the merger are not binding on the IRS or the courts, and neither SunCoast nor NBC intends to request a ruling from the IRS with respect to the United States federal income tax consequences of the merger. Consequently, no assurance can be given that the IRS will not assert, or that a court would not sustain, a position contrary to any of those set forth below. In addition, if any of the facts, representations or assumptions upon which the opinion is based is inconsistent with the actual facts, the United States federal income tax consequences of the merger could be adversely affected.

Assuming that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Code, the discussion below reflects the conclusions of Adams and Reese LLP and Smith, Gambrell & Russell, LLP, in their respective opinions as to the material United States federal income tax consequences of the merger to SunCoast shareholders.

A shareholder who receives in the merger only shares of NBC common stock in exchange for shares of SunCoast common stock generally will not recognize gain or loss, except with respect to any cash received in lieu of a fractional share interest in NBC common stock.

A shareholder who receives in the merger solely cash in exchange for shares of SunCoast common stock will generally recognize gain or loss in an amount equal to the difference between the amount of cash received and the tax basis in the shares of SunCoast common stock exchanged.

A shareholder who receives in the merger a combination of cash and shares of NBC common stock in exchange for shares of SunCoast common stock generally will recognize gain as capital gain or ordinary income (but not loss) in an amount equal to the lesser of (1) the amount of gain realized (i.e., the excess of the sum of the amount of cash and the fair market value of the NBC common stock received pursuant to the merger over such shareholder's adjusted tax basis in the shares of SunCoast common stock surrendered) and (2) the amount of cash received pursuant to the merger. For this purpose, gain or loss must be calculated separately for each identifiable block of shares surrendered in the exchange, and loss realized on one block of shares may not be used to offset gain realized on another block of shares. Any recognized gain generally will be long-term capital gain if the SunCoast shareholder's holding period with respect to the SunCoast common stock surrendered is more than one year. If, however, the cash received has the effect of the distribution of a dividend, the cash received will be treated as a dividend to the extent of the SunCoast shareholder's ratable share of accumulated earnings and profits as calculated for United States federal income tax purposes. See *The Merger Possible treatment of cash as a dividend*, below.

The aggregate tax basis of NBC common stock received by a SunCoast shareholder pursuant to the merger (including any fractional share deemed received and redeemed) will be equal to the aggregate adjusted tax basis of the shares of SunCoast common stock surrendered, reduced by the amount of cash, if any, received by the SunCoast shareholder pursuant to the merger (other than cash received in lieu of a fractional share of NBC common stock), and increased by the amount of gain (including any portion of the gain that is treated as a dividend as described below),

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if any, recognized by the SunCoast shareholder on the exchange. The holding period of the NBC common stock will include the holding period of the shares of SunCoast common stock surrendered. If a SunCoast shareholder has differing bases or holding periods in respect of his or her shares of

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SunCoast common stock, such shareholder should consult his or her tax advisor prior to the exchange with regard to identifying the bases or holding periods of the particular shares of NBC common stock received in the exchange.

Possible treatment of cash as a dividend. In general, the determination of whether the gain recognized in the exchange will be treated as capital gain or as distribution of a dividend depends upon whether and to what extent the exchange reduces the SunCoast shareholder's deemed percentage stock ownership of NBC. For purposes of this determination, SunCoast shareholders will be treated as if they first exchanged all of their shares of SunCoast common stock solely for NBC common stock and then NBC immediately redeemed (the "deemed redemption") a portion of the NBC common stock in exchange for the cash actually received. The gain recognized in the exchange followed by a deemed redemption will be treated as capital gain if (1) the deemed redemption is substantially disproportionate with respect to the SunCoast shareholder (and the shareholder actually or constructively owns after the deemed redemption less than 50% of voting power of the outstanding NBC common stock) or (2) the deemed redemption is not essentially equivalent to a dividend. Gain recognized will also be capital gain to the extent the recognized gain exceeds the shareholder's ratable share of SunCoast accumulated earnings and profits.

The deemed redemption generally will be substantially disproportionate with respect to a SunCoast shareholder if the percentage described in (2) below is less than 80% of the percentage described in (1) below. Whether the deemed redemption is not essentially equivalent to a dividend with respect to a SunCoast shareholder will depend upon the shareholder's particular circumstances. In order for the deemed redemption to be not essentially equivalent to a dividend, the deemed redemption must generally result in a meaningful reduction in the shareholder's deemed percentage stock ownership of NBC. In general, the determination requires a comparison of (1) the percentage of the outstanding stock of NBC that the shareholder is deemed actually and constructively to have owned immediately before the deemed redemption and (2) the percentage of the outstanding stock of NBC that is actually and constructively owned by the shareholder immediately after the deemed redemption. In applying the above tests, a SunCoast shareholder may, under the constructive ownership rules, be deemed to own stock that is owned by other persons and certain entities in addition to the stock actually owned by the shareholder. As these rules are complex and dependent upon a SunCoast shareholder's specific circumstances, each shareholder that may be subject to these rules should consult his or her tax advisor. The IRS has ruled that a minority shareholder in a publicly held corporation whose relative stock interest is minimal and who exercises no control with respect to corporate affairs is considered to have a meaningful reduction if the shareholder has a relatively minor reduction in such shareholder's percentage stock ownership under the above analysis.

Cash received in lieu of a fractional share. Cash received by a SunCoast shareholder in lieu of a fractional share of NBC common stock generally will be treated as received in redemption of the fractional share, and gain generally will be recognized based on the difference between the amount of cash received in lieu of the fractional share and the portion of the shareholder's aggregate adjusted tax basis of the shares of SunCoast common stock surrendered that is allocable to the fractional share. The gain generally will be long-term capital gain if the holding period for the shares of SunCoast common stock is more than one year.

Backup Withholding. To the extent that a SunCoast shareholder receives cash in exchange for surrendering shares of SunCoast common stock, the shareholder may be subject to backup withholding at a rate of 28% if the shareholder is a non-corporate United States person and (1) fails to provide an accurate taxpayer identification number; (2) is notified by the IRS that it has failed to report all interest or dividends required to be shown on its federal income tax returns, or (3) in certain circumstances, fails to comply with applicable certification requirements. Amounts withheld under the backup withholding rules will be allowed as a refund or credit against a shareholder's United States federal income tax liability provided that the shareholder furnishes the required information to the IRS.

The foregoing discussion is not intended to be a complete analysis or description of all potential United States federal income tax consequences of the merger. In addition, this discussion does not address tax consequences that may vary with, or are contingent on, a SunCoast shareholder's individual

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circumstances. It also does not address any federal estate tax or state, local or foreign tax consequences of the merger. Tax matters are very complicated, and the tax consequences of the merger to a SunCoast shareholder will depend upon the facts of his or her particular situation. Accordingly, we strongly urge you to consult with a tax advisor to determine the particular tax consequences to you of the merger, as well as to any later sale of shares of NBC common stock received by you in the merger.

Resale of NBC Common Stock

You may freely transfer the NBC common stock issued in the merger under the Securities Act, unless you are deemed to be:

An affiliate of SunCoast for purposes of Rule 145 of the Securities Act; or

An affiliate of NBC for purposes of Rule 144 under the Securities Act.

Affiliates will include persons (generally executive officers, directors and 10% or more shareholders) who control, are controlled by, or are under common control with (1) NBC or SunCoast at the time of the SunCoast special meeting, or (2) NBC, at or after the effective date of the merger.

Rule 144 and 145 will restrict the sale of shares of NBC common stock received in the merger by affiliates and certain of their family members and related interests.

SunCoast affiliates:

Generally, during the year following the effective date of the merger, those persons who are affiliates of SunCoast at the time of the SunCoast special meeting, provided they are not affiliates of NBC at or following the merger's effective date, may publicly resell any shares of NBC common stock received by them in the merger, subject to certain limitations and requirements. These include the amount of NBC common stock that may be sold by them in any three-month period, the manner of sale, and the adequacy of current public information about NBC.

After the one-year period, these affiliates may resell their shares without the restrictions, so long as there is adequate current public information with respect to NBC as required by Rule 144.

This proxy statement/prospectus does not cover any resales of shares of NBC common stock received by persons who may be deemed to be affiliates of NBC or SunCoast. The foregoing description does not purport to be complete and is qualified in its entirety by reference to the applicable rules and regulations.

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Each SunCoast director, as an affiliate of SunCoast, has agreed with NBC not to transfer any shares of NBC common stock received in the merger except in compliance with the Securities Act.

Material Contracts

On April 26, 2006, SunCoast Bank issued a certificate of deposit to Cadence Bank for \$4.0 million at SunCoast's posted rate of interest of 3.78%, and which matures on July 14, 2006. On June 1, 2006, SunCoast Bank issued a certificate of deposit to Cadence Bank for \$2.0 million at SunCoast's posted rate of interest of 3.78%, and which matures on August 17, 2006. Other than these transactions, there have been no material contacts or other transactions between SunCoast and NBC since the merger agreement, nor have there been any material contracts, arrangements, relationships or transactions between SunCoast and NBC during the past five years, other than in connection with the merger agreement as described in this document.

No Fractional Shares

No fractional shares of NBC common stock shall be issued in the merger. Instead of fractional shares and subject to certain restrictions, SunCoast shareholders will receive an amount of cash based on the average closing price of NBC common stock over the ten full trading days prior to the date the merger is completed.

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DESCRIPTION OF NBC CAPITAL CORPORATION CAPITAL STOCK

*In this section, we describe the material features and rights of NBC's capital stock. This summary does not purport to be complete and is qualified in its entirety by reference to applicable Mississippi law, NBC's article of incorporation, and NBC's bylaws, as described below. See *Where You Can Find More Information* beginning on page 94.*

General

NBC is currently authorized to issue 50,000,000 shares of common stock having a par value of \$1.00 per share. Each share of NBC common stock has the same relative rights as, and is identical in all respects to, each other share of NBC common stock.

As of May 15, 2006, there were 10,946,724 shares of NBC common stock outstanding, and 822,390 of NBC common stock reserved for issuance pursuant to various employee incentive, compensation and option plans. After giving effect to the merger on a pro forma basis, approximately 11,855,450 million shares of NBC common stock will be outstanding.

Common Stock

Distributions. Subject to certain regulatory restrictions, NBC can pay dividends out of statutory surplus or from certain net profits if, as and when declared by its board of directors. NBC is a holding company, and NBC's primary source for the payment of dividends is dividends from its subsidiaries. The payment of dividends by NBC is subject to limitations that are imposed by law and applicable regulation. The holders of common stock of NBC are entitled to receive and share equally in dividends declared by the board of directors of NBC out of funds legally available therefor.

Voting Rights. The holders of common stock of NBC possess exclusive voting rights in NBC. They elect the NBC board of directors and act on such other matters as are required to be presented to them under Mississippi law, the rules promulgated by the American Stock Exchange or NBC's articles of incorporation and bylaws or as are otherwise presented to them by the board of directors. Each holder of NBC common stock is entitled to one vote per share and does not have any right to cumulate votes in the election of directors. Certain matters require a 75% shareholder vote.

Liquidation. In the event of any liquidation, dissolution or winding up of Cadence Bank, NBC, as holder of Cadence Bank's capital stock, would be entitled to receive, after payment or provision for payment of all debts and liabilities of Cadence Bank (including all deposit accounts and accrued interest thereon), all assets of Cadence Bank available for distribution. In the event of liquidation, dissolution or winding up of NBC, the holders of its common stock would be entitled to receive, after payment or provision for payment of all its debts and liabilities, all of the assets of NBC available for distribution.

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Preemptive Rights. Holders of NBC common stock do not have preemptive rights with respect to any shares that may be issued. The NBC common stock is not subject to redemption.

Anti-takeover Provisions. See *Certain Anti-takeover Provisions* on page 83 for a description of anti-takeover provisions in NBC's articles of incorporation and bylaws.

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COMPARISON OF SHAREHOLDERS RIGHTS

General

NBC and SunCoast are incorporated under the laws of the States of Mississippi and Florida, respectively. As a result of the merger, SunCoast shareholders will become shareholders of NBC. Thus, following the merger, the rights of SunCoast shareholders who become NBC shareholders in the merger will be governed by the laws of the State of Mississippi, as opposed to Florida, and will also then be governed by the NBC's articles of incorporation and the bylaws. The NBC articles of incorporation and bylaws will be unaltered by the merger. As more fully described below, NBC and SunCoast's respective articles of incorporation and bylaws are substantially similar in many material respects.

Authorized Capital

NBC. The authorized capital stock of NBC consists of:

50,000,000 shares of common stock, par value \$1.00 per share.

SunCoast. The authorized capital stock of SunCoast consists of:

10,000,000 shares of SunCoast common stock, par value \$0.01 per share; and

3,000,000 shares of SunCoast preferred stock, par value \$0.01 per share.

Number and Election of Directors

NBC. The board of directors of NBC currently has 19 members. The NBC's articles of incorporation provide that the NBC board of directors will consist of no more than 25 directors. The board of directors may be expanded by NBC with the affirmative vote of the holders of 75% of the outstanding common stock of NBC. The number of directors within the stated limitation is fixed from time to time by the board of directors by a resolution duly adopted by the board. With the exception of the addition of H. Ronald Foxworthy, the board of directors of NBC will remain unchanged.

NBC's articles of incorporation provide that the members of the NBC board of directors each serve one year terms and are elected annually by the NBC shareholders.

SunCoast. The board of directors of SunCoast currently has 8 members. The SunCoast bylaws provide that the SunCoast board of directors will consist of a number of directors to be fixed from time to time by a vote of a majority of the SunCoast board of directors.

Voting Rights

In the case of SunCoast, the affirmative vote of a majority of the then outstanding shares of common stock is required for certain business combinations, certain liquidations or dissolutions, and certain reclassifications of securities. In the case of NBC, the affirmative vote of 75% of the then outstanding shares of common stock is required for certain business combinations, certain liquidations or dissolutions, and certain reclassifications of securities. The vote of NBC shareholders is not necessary to approve this merger transaction.

Under Mississippi and Florida law, shareholders do not have cumulative voting rights in the election of directors unless the articles of incorporation so provide. Neither NBC's nor SunCoast's articles of incorporation provides for cumulative voting.

In the case of both NBC and SunCoast, the presence in person or by proxy of shares representing a majority of shares entitled to vote at the meeting is considered a quorum.

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Vacancies and Removal

In the case of both NBC and SunCoast, vacancies and newly created directorships are filled by a majority vote of the directors then in office. The person who fills any such vacancy holds office for the unexpired term of the director which that person succeeds.

NBC's articles of incorporation provide that a director may be removed from office for cause by the affirmative vote of a majority of the entire board of directors or by the affirmative vote of the shareholders of NBC representing the majority of the shares of outstanding NBC common stock.

SunCoast's bylaws provide that the shareholders of SunCoast may remove a director with or without cause by the affirmative vote of a majority vote of the SunCoast shareholders.

Indemnification of Directors and Officers

Under Florida law, SunCoast is required to indemnify an officer or director who has been successful, on the merits or otherwise, in defense of any proceeding or in defense of any claim, issue, or matter therein, by reason of the fact that he or she is or was a director or officer, against expenses actually and reasonably incurred in connection therewith. Florida law also contains detailed and comprehensive provisions regarding when SunCoast is permitted, although not required, to indemnify its officers and directors against expenses, judgments, fines and other expenses in connection with litigation.

Under Mississippi law, NBC must indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he was a party because he was a director of NBC against reasonable expenses incurred by him in connection with the proceeding. Mississippi law also contains detailed and comprehensive provisions regarding when NBC is permitted, although not required, to indemnify its officers and directors against expenses, judgments, fines and other expenses in connection with litigation.

In the case of both NBC and SunCoast, the articles of incorporation and bylaws provide that NBC and SunCoast will indemnify their directors, officers, employees, and agents to the fullest extent authorized by Mississippi and Florida law, respectively, against all expense, liability and loss reasonably incurred or suffered. Both NBC's and SunCoast's articles of incorporation and bylaws further permit NBC and SunCoast to maintain insurance on behalf of any director, officer, employee, or agent of the NBC or SunCoast.

Ability to Call Special Meetings and Act by Written Consent

In the case of both NBC and SunCoast, except as otherwise required by law, special meetings of shareholders may be called by a majority vote of the board of directors. Under the bylaws of SunCoast, one third (1/3) of the shareholders of SunCoast entitled to vote on any issue at the proposed special meeting may call a special meeting by written request to the board of directors. Pursuant to the bylaws of NBC, a special

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meeting may be called by the holders of twenty percent (20%) of the outstanding common stock of NBC.

Under both the articles of incorporation and bylaws of NBC and SunCoast, the board or directors may take any action without a meeting if the action is taken by all members of the board and is evidenced by a written consent signed by each director.

Under Florida law, the shareholders of SunCoast may take action without a meeting if the action is taken by the holders of outstanding stock of each voting group entitled to vote thereon having not less than the minimum number of votes with respect to each voting group that would be necessary to authorize or take such action at a meeting at which all voting groups and shares entitled to vote thereon were present and voted and such action is evidenced by a writing signed by each shareholder.

Under Mississippi law, the shareholders of NBC may take action without a meeting if the action is taken by all shareholders eligible to vote and is evidenced by a signed written consent of all the shareholders.

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Preemptive Rights

Neither NBC's nor SunCoast's articles of incorporation provides for preemptive rights for its shareholders.

CERTAIN ANTI-TAKEOVER PROVISIONS

General

Provisions of the NBC's articles of incorporation and bylaws may have anti-takeover effects. These provisions may discourage attempts by others to acquire control of NBC without negotiation with the NBC board of directors. The effect of these provisions is discussed briefly below. All of the provisions discussed below are currently contained in NBC's articles of incorporation and bylaws. SunCoast's articles of incorporation and bylaws also contain similar provisions, although SunCoast's articles of incorporation also provide for the issuance of preferred stock, which may have an anti-takeover effect.

Classification of Board of Directors; No Cumulative Voting

NBC's articles of incorporation and bylaws provide that the board of directors of NBC is to be re-elected annually. NBC's articles of incorporation also do not and will not, after the merger, authorize cumulative voting for the election of directors of NBC. The absence of cumulative voting makes it more difficult for a person owning a minority interest to exercise control over the board of directors.

Size of Board; Vacancies; Removal of Directors

The provisions of NBC's articles of incorporation and bylaws giving the NBC board of directors the power to determine the exact number of directors and to fill any vacancies or newly created positions, and allowing removal of directors only for cause upon a majority vote of shareholders, are intended to insure that the classified board provisions discussed above are not circumvented by the removal of incumbent directors.

Amendment of Certificate of Incorporation and Bylaws.

The requirements in NBC's articles of incorporation for a 75% shareholder vote for the amendment of certain provisions of NBC's articles of incorporation are intended to prevent a shareholder who controls a majority of the NBC common stock from avoiding the requirements of important provisions of NBC's articles of incorporation simply by amending or repealing them. Thus, the holders of a minority of the shares of NBC's common stock could block the future repeal or modification of NBC's articles of incorporation, even if that action were deemed beneficial

by the holders of more than a majority, but less than 75%, of the NBC common stock.

Business Combination Statutes and Provisions

Pursuant to the Mississippi Business Corporation Act (MBCA), in the case of a merger or share exchange, with some exceptions, NBC's Board of Directors must submit the plan of merger or share exchange to the shareholders for approval, and the approval of the plan of merger or share exchange generally requires the approval of the shareholders at a meeting at which a quorum consisting of at least a majority of the shares entitled to vote on the plan exists.

The MBCA also provides that a sale, lease, exchange or other disposition of assets, subject to certain exceptions, requires approval of NBC's shareholders if NBC would leave the corporation without a significant continuing business activity. If NBC retains a business activity that represented at least 25% of total assets at the end of the most recently completed fiscal year, and 25% of either income from continuing operations for that fiscal year, in each case of NBC and its subsidiaries on a consolidated basis, NBC will conclusively be deemed to have retained a significant continuing business activity. The board of directors of NBC must submit the

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proposed disposition to the shareholders for their approval and the approval of a disposition by the shareholders shall require the approval of the shareholders at a meeting at which a quorum consisting of at least a majority of the shares entitled to vote on the disposition exists.

The MBCA also provides that a NBC director, in determining what he reasonably believes to be in the best interests of NBC, shall consider the interests of NBC's shareholders and, in his discretion, may consider the interests of NBC's employees, suppliers, creditors and customers, the economy of the state and nation, community and societal considerations and the long-term as well as short-term interests of NBC and its shareholders, including the possibility that such interests may be best served by the continued independence of NBC.

The articles of incorporation of NBC also provide for certain super-majority requirements to approve a merger of NBC. Under the articles of incorporation, the affirmative vote of the holders of not less than seventy-five percent (75%) of the outstanding common stock of NBC is required to authorize (a) a merger or consolidation of NBC with, or (b) a sale, exchange or lease of twenty-five percent (25%) or more of the assets of NBC to, any person or entity unless approval of such proposed transaction is recommended by at least a majority of the entire board of directors NBC.

Additionally, NBC's articles of incorporation provide that the affirmative vote of the shareholders of not less than seventy-five percent (75%) of the common stock and the affirmative vote of the shareholders of not less than sixty-seven percent (67%) of the outstanding shares of NBC common stock held by the shareholders other than by a controlling party (as hereafter defined) shall be required for the approval or authorization of any merger, consolidation, reverse stock split, sale, exchange or lease of twenty-five percent (25%) or more of the assets of NBC or its common stock. Controlling Party is defined by the articles of incorporation as any shareholder or other person who owns or controls twenty percent (20%) or more of NBC's common stock at the time of the proposed transaction. However, this supermajority requirement shall not apply to any transaction that has been approved by a majority of the Continuing Directors. The term Continuing Director is defined as any incumbent director who is not a controlling party or in any manner affiliated or associated with or a representative of a Controlling Party and such person's nomination for election was recommended or approved by the Nominating and Corporate Governance Committee of NBC and a majority of the incumbent directors at the time of such nomination.

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UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma combined financial information and explanatory notes present how the combined financial statements of NBC and SunCoast may have appeared had the businesses actually been combined as of the date indicated. The unaudited pro forma combined balance sheet at December 31, 2005 assumes the merger was completed on that date. The unaudited pro forma combined income statement for the year ended December 31, 2005 gives effect to the merger as if the merger had been completed on January 1, 2005. The unaudited pro forma combined financial information shows the impact of the merger on NBC's and SunCoast's combined financial position and results of operations under the purchase method of accounting with NBC treated as the acquiror. Under this method of accounting, NBC will be required to record the assets and liabilities of SunCoast at their estimated fair market values as of the date the merger is completed.

The unaudited pro forma combined financial information has been derived from and should be read in conjunction with the historical consolidated financial statements and the related notes of NBC that are incorporated into this document by reference and of SunCoast that are included as a part of this proxy statement/prospectus. See *Where You Can Find More Information* on page 94 and *Index to SunCoast's Financial Statements* beginning on page F-1.

The unaudited pro forma combined financial information is presented for illustrative purposes only and does not indicate the financial results of the combined company had the companies actually been combined at the beginning of the period presented. Furthermore, the information does not include the impact of possible revenue enhancements, expense efficiencies, asset dispositions and share repurchases, among other factors. In addition, as explained in more detail in the accompanying notes to the unaudited pro forma combined financial information, the allocation of the purchase price reflected in the unaudited pro forma combined financial information is subject to adjustment and will vary from the actual purchase price allocation that will be recorded upon completion of the merger based upon changes in the balance sheet including fair value estimates.

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NBC CAPITAL CORPORATION

PRO FORMA COMBINED CONDENSED CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2005

	NBC	Offering				Pro Forma NBC
	Capital	Adjustments	Pro Forma	SunCoast		Post Offering
	Corp. (8)	(1)(9)(10)	Post Offering	(10)	Adjustments	SunCoast (10)
(In thousands, except share data)						
Assets:						
Cash and Cash Equivalents	\$ 43,122	\$ 50,291	\$ 93,413	\$ 4,623	\$ (16,528)(11)	\$ 81,508
Available-For-Sale Securities	418,685		418,685	9,603		428,288
Held-To-Maturity Securities and other	23,755		23,755	620		24,375
Total Securities	442,440		442,440	10,223		452,663
Loans	860,644		860,644	114,171	(113)(12)	974,702
Less: Reserve For Loan Losses	(9,312)		(9,312)	(1,194)		(10,506)
Net Loans	851,332		851,332	112,977	(113)	964,196
Bank Premises and Equipment (Net)	19,243		19,243	3,067		22,310
Goodwill	36,556		36,556		20,600(6)	57,156
Core Deposit Premium	3,098		3,098		1,488(6)	4,586
Other Assets	50,326		50,326	1,034		51,360
TOTAL ASSETS	\$ 1,446,117	\$ 50,291	\$ 1,496,408	\$ 131,924	\$ 5,447	\$ 1,633,779
LIABILITIES AND SHAREHOLDERS EQUITY						

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