

CADENCE FINANCIAL CORP
Form S-4/A
August 22, 2006
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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

CADENCE FINANCIAL CORPORATION

(Exact Name of Registrant as Specified in its Charter)

MISSISSIPPI
(State or Other Jurisdiction of
Incorporation or Organization)

6021
(Primary Standard Industrial
Classification No.)
301 EAST MAIN STREET

64-0684755
(I.R.S. Employer
Identification Number)

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:

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(404) 572-6600

Approximate Date of Commencement of Proposed Sale to the Public:

Upon the merger of Seasons Bancshares, Inc. with and into the Registrant

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

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

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

Calculation of Registration Fee

Title of each class of securities to be registered	Amount to be registered (1)	Proposed maximum aggregate offering price (2)	Amount of registration fee (3)
Common Stock, Par value \$1.00 per share	610,000	\$ 4,617,700	\$ 495.00

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- (1) Represents the maximum number of shares of Cadence Financial 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 book value of Seasons Bancshares, Inc. common stock as of June 30, 2006 and the number of Seasons Bancshares, Inc. common stock to be received by Cadence Financial Corporation in the merger, reduced by the cash to be paid to the holders of Seasons Bancshares, Inc. common stock by Cadence Financial Corporation as part of the merger consideration.
- (3) Fee previously paid.

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

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

PRELIMINARY SUBJECT TO COMPLETION, DATED AUGUST 22, 2006

Seasons Bancshares, Inc.

PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

To Seasons Shareholders:

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

You will be asked to vote on the merger at a special meeting of shareholders to be held on September 26, 2006 at 10:00 a.m., local time, at Seasons' main office located at 336 Blue Ridge Street, Blairsville, Georgia 30512. We cannot complete the merger unless the holders of a majority of the shares of Seasons common stock outstanding on August 25, 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 Seasons share that you own, either \$18.83 in cash or a to-be-determined number of shares of Cadence common stock with a market value, measured as of a 10-day trading period ending on the third full trading day preceding the closing of the merger, equal to \$18.83, subject to certain limitations described in the merger agreement. For purposes of illustration only, if the merger had occurred on July 12, 2006, the exchange ratio for each share of Seasons common stock would have been .884 shares of Cadence common stock, having a value of \$21.31 based on the average closing price of Cadence common stock over the trading period. We encourage you to obtain current market quotations for Cadence common stock, which is traded on the American Stock Exchange under the ticker symbol NBY.

You may elect to receive Cadence common stock, cash or a combination of stock and cash for your Seasons shares, subject to proration, whereby holders of Seasons common stock and Seasons stock options shall collectively receive, in the aggregate, merger consideration in the form of cash approximately equal to \$9,900,000. Because elections are subject to proration, you may receive some stock, rather than cash, even though you make an all-cash election, and you may receive some cash, rather than stock, even though you make an all-stock election. The federal income taxes payable by you will depend upon the value of and form of consideration you receive in exchange for your shares of Seasons 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,

William L. Sutton

Chief Executive Officer

Seasons Bancshares, Inc.

Robert M. Thomas, Jr.

Chairman of the Board

Seasons Bancshares, 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 Cadence 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 August 22, 2006, and it is first being mailed or otherwise delivered to Seasons shareholders on or about August 28, 2006.

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PLEASE NOTE

This document, which is sometimes referred to as a proxy statement/prospectus, constitutes a proxy statement of Seasons Bancshares, Inc. with respect to the solicitation of proxies from Seasons shareholders for the special meeting described herein and a prospectus of Cadence Financial Corporation for the shares of Cadence common stock that Cadence will issue to Seasons 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 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 Cadence or Seasons after that date that are not reflected in this proxy statement/prospectus.

As used in this proxy statement/prospectus: (i) the terms Cadence and Seasons refer to Cadence Financial Corporation and Seasons Bancshares, Inc., respectively, and, where the context requires, to Cadence and Seasons and their respective subsidiaries, including Cadence Bank, N.A. and Seasons Bank; and (ii) the term merger agreement refers to the merger agreement which governs the merger of Seasons with and into Cadence, dated as of March 21, 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 Cadence 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 93. 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:

Cadence Financial Corporation

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 September 18, 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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Seasons Bancshares, Inc.

336 Blue Ridge Street

Blairsville, Georgia 30512

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of Seasons Bancshares, Inc. will be held at Seasons main office located at 336 Blue Ridge Street, Blairsville, Georgia 30512 on September 26, 2006 at 10:00 am, 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 Cadence Financial Corporation and Seasons Bancshares, Inc., dated March 21, 2006, pursuant to which Cadence will acquire Seasons through the merger of Seasons with and into Cadence. A copy of the merger agreement is attached to the accompanying proxy statement/prospectus as Appendix A.
2. To transact such other business as may properly come before the special meeting or any adjournments or postponements of the special meeting, including, without limitation, a motion to adjourn or postpone the special meeting to allow more time for soliciting additional votes to approve and adopt the merger agreement.

Only shareholders of record at the close of business on August 25, 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,

William L. Sutton, CEO
August 28, 2006

Robert M. Thomas, Jr., Chairman

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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 Cadence and Seasons, dated as of March 21, 2006, which provides for the merger of Seasons with and into Cadence, with Cadence as the surviving corporation in the merger. At the effective time of the merger agreement, Seasons will be merged with and into Cadence, and simultaneously therewith, Seasons Bank, Seasons wholly owned bank subsidiary, will be merged with and into Cadence Bank, Cadence's wholly owned bank subsidiary.

Q: Why are Seasons and Cadence proposing to merge?

A: The board of directors of each of Cadence and Seasons believes that a combination of the two companies is in the best interests of its respective company. From Seasons' perspective, the Seasons board of directors believes that the merger presents a more favorable opportunity for Seasons to maximize value for its shareholders than Seasons continuing to operate on a stand-alone basis. See *The Merger Reasons for the Merger: Seasons' Reasons for the Merger* beginning on page 54 and *The Merger Reasons for the Merger: Cadence's Reasons for the Merger* beginning on page 62.

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 Seasons common stock that you own, either shares of Cadence common stock or \$18.83 in cash. If you elect to receive shares of Cadence common stock, you will receive a number of shares of Cadence common stock equal to \$18.83 divided by the average closing market price of Cadence common stock for the full ten trading days ending on the third full trading day preceding the closing of the merger, subject to certain limitations in the merger agreement. You may elect to receive all cash, all Cadence common stock, or a combination of cash and Cadence common stock for your shares of Seasons common stock, subject to allocation procedures designed to ensure that holders of Seasons common stock and options to acquire Seasons common stock will collectively receive cash consideration in the amount of \$9,900,000.

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 Seasons common stock. *Please retain this proxy statement/prospectus in connection with making your election to receive cash, Cadence common stock, or a combination of cash and Cadence common stock for your shares of Seasons common stock.* Your election form must be received no later than 5:00 p.m., Central time, on October 18, 2006 (which we refer to as the election deadline), to return the completed and signed election form, together with the certificates that represent your shares of Seasons common stock.

Q: Can I change or revoke my election?

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

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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 election form to Computershare Trust Company 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 Seasons common stock you generally will not recognize gain or loss with respect to your shares of Seasons common stock if you receive only shares of Cadence common stock in the merger, except with respect to any cash received in lieu of a fractional share interest in Cadence common stock.

If you receive a combination of cash and shares of Cadence common stock in exchange for your shares of Seasons common stock, you will generally recognize gain, but not loss, with respect to the excess of the cash and value of Cadence common stock you receive over your tax basis in your shares of Seasons 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 Seasons 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 Seasons 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 Seasons special meeting?

A: Seasons shareholders of record at the close of business on August 25, 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 Seasons shareholder may only vote his or her shares if he or she is either present in person or represented by proxy at the Seasons 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 August 25, 2006, there were 1,032,890 outstanding shares of Seasons common stock. As of the record date, Seasons directors and executive officers and their affiliates beneficially owned approximately 25.5% of the outstanding shares of Seasons common stock.

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

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

Q: How do I vote?

A: After you have carefully read this proxy statement/prospectus, indicate on your proxy card how you want your shares to be voted, then sign, date and mail it in the enclosed postage-paid envelope as soon as possible so that your shares may be represented and voted at the special meeting. If you are a record owner of shares

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of Seasons 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.

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 Seasons a later-dated, signed proxy card before the Seasons special meeting. Second, you may attend Seasons special meeting in person and vote. Third, you may revoke any proxy by written notice to the Secretary of Seasons prior to Seasons 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 dissenter's rights in connection with the merger?

A: Yes. Under Georgia law, Seasons shareholders have the right to exercise dissenter's rights with respect to the merger and receive a payment in cash for the value of their shares of Seasons 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 dissenter's rights. To perfect your dissenter's rights, you must precisely follow the required statutory procedures. See *The Merger-Statutory Provisions for Dissenter's Rights of Shareholders* at page 66 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 fourth 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:

Cadence Financial Corporation
P.O. Box 1187

Starkville, Mississippi 39760

Seasons Bancshares, Inc.
336 Blue Ridge Street

Blairsville, Georgia

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(662) 343-1341

(706) 745-5588

Attention: Richard T. Haston

Attention: William L. Sutton

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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 Cadence 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 93. 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 Cadence and Seasons together.

The Parties

Information About Cadence (Page 24)

Cadence is a financial holding company, organized under the laws of the State of Mississippi and headquartered in Starkville, Mississippi. Cadence's operations are primarily conducted through its wholly owned subsidiary Cadence Bank, N.A., a national bank (Cadence Bank), and its 30 full service bank facilities located in Mississippi, Alabama and Tennessee. In addition, Cadence recently completed its acquisition of SunCoast Bancorp, Inc. (SunCoast) and its subsidiary bank SunCoast Bank, which has three locations in the Sarasota, Florida area. Through Cadence Bank, Cadence 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. Cadence 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 June 30, 2006, Cadence had consolidated total assets of \$1.57 billion, consolidated total loans of approximately \$917.7 million, consolidated total deposits of approximately \$1.20 billion and consolidated shareholders' equity of approximately \$165.8 million.

The principal executive offices of Cadence are located at:

301 East Main Street

Starkville, Mississippi 39759

(662) 343-1341

Information About Seasons (Page 26)

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

As of June 30, 2006, Seasons had consolidated total assets of approximately \$86.6 million, consolidated total loans of approximately \$75.3 million, consolidated total deposits of approximately \$73.5 million and consolidated shareholders' equity of approximately \$7.8 million.

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The principal executive offices of Seasons are located at:

336 Blue Ridge Street

Blairsville, Georgia 30514

(706) 745-5588

Seasons Special Shareholders Meeting (Page 22)

A special meeting of the shareholders of Seasons will be held on September 26, 2006 at Seasons' main office located at 336 Blue Ridge Street, Blairsville, Georgia at 10:00 a.m. local time. At the special meeting, Seasons shareholders will consider and vote on a proposal to adopt and approve the merger by and between Cadence and Seasons, dated as of March 21, 2006. Seasons 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.

Seasons Record Date and Voting (Page 22)

You are entitled to vote at the special meeting if you were the record owner of shares of Seasons common stock as of the close of business on August 25, 2006, the record date established for the special meeting. You are entitled to one vote for each share of Seasons common stock you owned of record on the record date.

On August 25, 2006, a total of 1,032,890 votes were eligible to be cast at the Seasons special meeting.

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

Holders of at least a majority of the outstanding shares of common stock of Seasons 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 Seasons shares must be present in person or by proxy for any vote to be valid.

The Merger (Page 53)

The merger agreement provides for the merger of Seasons with and into Cadence, with Cadence 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 63)

Subject to the restrictions described below, you may elect to receive cash, shares of Cadence common stock or a combination of both in exchange for each share of Seasons common stock that you hold. The purchase price per share of Seasons common stock shall be \$18.83, and the aggregate purchase price shall be \$22 million of which, in the aggregate and including cash to be paid to holders of options to purchase Seasons common stock, \$9,900,000 shall be in the form of cash consideration. Certain proration provisions are triggered in the event the aggregate cash elections and cash paid for options to purchase shares of Seasons common stock exceeds or is less than \$9,900,000. You will be mailed an election form on which you will indicate the form of merger consideration you wish to receive for your Seasons common stock. *You should retain this proxy statement/prospectus in connection with making your election to receive cash, Cadence common stock or a combination of cash and Cadence common stock for your shares of Seasons common stock.* You will have until October 18,

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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 Cadence common stock for your Seasons shares. Complete information on the election procedure can be found in the section entitled *The Merger Election and Exchange Procedures* on page 64.*

The number of shares to be issued by Cadence as consideration for the Seasons shares is to be adjusted based on the average closing market price of Cadence common stock for the full ten trading days ending on the third full trading day preceding the closing of the merger with certain limitations. At the effective time of the merger, each share of Seasons common stock to be converted into Cadence common stock shall be converted into the right to receive the number of shares of Cadence common stock equal to \$18.83 divided by the average closing market price for the full ten trading days ending on the third full trading day preceding the closing of the merger. The merger agreement also provides that the average closing market price of Cadence common stock for the full ten trading days ending on the third full trading day preceding the closing of the merger will be capped and therefore not adjusted below \$20.05 or above \$27.13. Therefore, the amount of merger consideration in the form of Cadence common stock that you receive you each share of Seasons common stock could be worth more or less than \$18.83 per share.

The merger agreement also provides that every outstanding and unexercised option, whether vested or unvested, to receive Seasons common stock shall be deemed to be vested and exercised and shall receive \$18.83 less the exercise price.

The aggregate consideration to be paid by Cadence for the merger shall be \$22 million, of which, in the aggregate and including the aggregate amount to be paid to holders of options to acquire Seasons common stock, \$9,900,000 shall be in the form of cash consideration.

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 \$18.83 per share of Seasons common stock. However, if you elect to receive Cadence common stock as consideration, or a combination of Cadence common stock and cash, the value of the stock consideration will fluctuate and, on the closing date, may be higher or lower than \$18.83 per share of Seasons common stock.

Election of Cash or Stock Consideration (Page 64)

After the special meeting of shareholders of Seasons and no later than 15 business days prior to the anticipated completion of the merger, Computershare Trust Company, the exchange agent, will send each Seasons shareholder, who is the owner of record of shares of Seasons 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, Cadence common stock or a combination of cash and Cadence common stock. You will have until the election deadline, to return the completed and signed election form, together with the certificates that represent your shares of Seasons common stock. Should you acquire Seasons 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 Seasons 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 Seasons 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.

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Your election may be limited by the elections other shareholders of Seasons common stock make so that, in the aggregate and including the aggregate amount to be paid to holders of options to acquire Seasons common stock, \$9,900,000 shall be in the form of cash consideration. For example, if cash elections and the amount to be paid to holders of options to acquire shares of Seasons common stock exceeds \$9,900,000, then Cadence will prorate the number of cash election shares so that the aggregate cash consideration to be paid by Cadence shall not exceed \$9,900,000.

No Fractional Shares (Page 78)

No fractional shares of Cadence common stock shall be issued in the merger. Instead of fractional shares, each Seasons shareholder holding a fractional share interest (after taking into account all Seasons shares held by such shareholder) will receive an amount of cash based on such fractional share interest multiplied by the average closing price of Cadence common stock over the ten full trading days ending on the third full trading day preceding the closing of the merger.

Federal Income Tax Consequences (Page 75)

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

If you receive a combination of cash and shares of Cadence common stock in exchange for your shares of Seasons common stock, you will generally recognize gain, but not loss, with respect to the excess of the cash and value of Cadence common stock you receive over your tax basis in your shares of Seasons 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 Seasons 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 Seasons 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 Cadence Shareholders and Seasons Shareholders are Different (Page 80)

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

Shares of Cadence Common Stock Issued in the Merger to be Listed on the American Stock Exchange (Page 70)

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

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Cadence's Dividend Policy (Page 70)

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

Seasons' Board of Directors Unanimously Recommends Approval of the Merger (Page 55)

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

Opinion of Seasons' Financial Advisor (Page 55)

SunTrust Robinson Humphrey has given an opinion dated March 21, 2006 to Seasons' board of directors that the consideration to be received in the merger was fair, from a financial point of view, to Seasons' 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 SunTrust Robinson Humphrey. This opinion does not constitute a recommendation to any Seasons shareholder as to how to vote on the merger agreement or as to the form of consideration that a Seasons shareholder should elect.

Management and Operations Following the Merger (Page 74)

Under the terms of the merger agreement, Seasons will merge with and into Cadence and Seasons shall cease to exist as a separate entity. Additionally, Seasons' subsidiary, Seasons Bank, will merge with and into Cadence's subsidiary, Cadence Bank, with Cadence Bank as the surviving entity. The management and board of directors of Cadence will not change because of the merger.

Conditions to the Merger (Page 70)

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 Seasons shareholders;

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

the performance of obligations by Cadence and Seasons under the merger agreement;

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

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

receipt of tax opinions of Adams and Reese LLP and Powell Goldstein, LLP, counsel to Cadence and Seasons, 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.

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The Merger Agreement can be Amended or Terminated (Page 72)

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

Termination Fee (Page 73)

Seasons has agreed that, under specific circumstances described in the merger agreement, Seasons will pay Cadence a termination fee of \$1 million.

Required Regulatory Approvals (Page 71)

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 Georgia Department of Banking and Finance, 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.

Seasons Shareholders have Dissenter's Rights (Page 66)

Seasons shareholders are entitled to assert certain dissenter's rights under Georgia law. These dissenter's rights may give you the opportunity to receive the fair value of your shares of Seasons common stock in cash instead of having each of your shares converted in the merger into the merger consideration of shares of Cadence common stock or \$18.83 in cash. In order to perfect your dissenter's rights, you must strictly follow specific procedures under the Georgia Business Corporation Code. If you do not follow the procedures set forth in the statutory provisions of the Georgia Business Corporation Code, you may lose your dissenter's rights with respect to the merger. Please refer to pages 66 through 68 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 Georgia law related to dissenter's rights.

Accounting Treatment of the Merger by Cadence (Page 75)

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

Seasons Executive Officers and Board of Directors may have Financial Interests in the Merger that Differ from your Interests (Page 74)

Seasons executive officers and directors may have economic interests in the merger that are different from, or in addition to, their interests as Seasons shareholders. The Seasons 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 Seasons 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 \$18.83. Additionally, upon completion of the merger, Nita Elliot, Chief Financial Officer of Seasons, will have an employment agreement with Cadence Bank, a subsidiary of Cadence.

Table of Contents**Index to Financial Statements****Selected Consolidated Historical Financial Data of Cadence**

The following table sets forth certain consolidated financial information of Cadence. This information is based on, and should be read in conjunction with, the consolidated financial statements and related notes of Cadence 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 June 30, 2006, which are incorporated by reference in this proxy statement/prospectus. Information as of and for the periods ended June 30, 2006 and 2005 is unaudited, but in the opinion of Cadence's management, contains all adjustments necessary for a fair statement of Cadence's financial position and results of operations for such periods in accordance with GAAP. Cadence's results for the six-month period ended June 30, 2006 are not necessarily indicative of the results of operations that may be expected for the year ended December 31, 2006.

Cadence's financial statements for the years presented below were audited by T.E. Lott & Company, independent registered public accounting firm. The amounts for the periods ended June 30, 2006 and 2005 have not been audited.

	Six Months Ended		Years Ended December 31,				
	June 30, 2006	2005	2005	2004	2003	2002	2001 (1)
	<i>(In thousands, except per share data)</i>						
Income Statement Data							
Interest and fees on loans	\$ 32,003	\$ 25,053	\$ 53,035	\$ 43,242	\$ 34,073	\$ 40,022	\$ 51,852
Interest and dividends on securities	10,443	9,776	19,480	18,796	17,242	19,814	17,968
Other interest income	553	251	669	346	262	215	950
Total interest income	42,999	35,080	73,184	62,384	51,577	60,051	70,770
Interest expense	19,171	12,655	27,970	21,186	17,881	22,876	36,001
Net interest income	23,828	22,425	45,214	41,198	33,696	37,175	34,769
Provision for loan losses	1,228	993	2,128	3,522	2,770	2,790	1,720
Net interest income after provision for loan losses	22,600	21,432	43,086	37,676	30,926	34,385	33,049
Service charges on deposit accounts	4,228	3,905	7,952	8,581	7,774	7,110	5,942
Other income	5,911	6,279	11,983	11,526	12,871	10,936	10,524
Total noninterest income	10,139	10,184	19,935	20,107	20,645	18,046	16,466
Salaries and employee benefits	13,589	12,387	24,934	23,415	19,868	19,827	18,156
Occupancy and equipment expense	3,194	3,108	6,172	5,861	4,657	4,728	4,616
Other expenses	6,685	6,379	13,639	12,451	9,029	8,863	9,344
Total noninterest expenses	23,468	21,874	44,745	41,727	33,554	33,418	32,116
Income before income taxes	9,271	9,742	18,276	16,056	18,017	19,013	17,399
Income taxes	2,527	2,661	4,522	3,757	4,492	4,792	4,261
Net income	\$ 6,744	\$ 7,081	\$ 13,754	\$ 12,299	\$ 13,525	\$ 14,221	\$ 13,138
Per Share Data (1)							
Net income basic	\$ 0.75	\$ 0.87	\$ 1.68	\$ 1.51	\$ 1.65	\$ 1.73	\$ 1.54
Net income diluted	0.75	0.87	1.68	1.50	1.65	1.73	1.54
Book Value	15.14	14.46	14.31	14.06	13.58	13.57	12.48
Tangible book value	11.57	9.53	9.46	9.08	13.23	13.22	12.13

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Dividends	0.50	0.48	0.98	0.96	0.92	0.87	0.82
Balance Sheet Data							
Total assets	\$ 1,573,812	\$ 1,416,138	\$ 1,446,117	\$ 1,439,573	\$ 1,093,223	\$ 1,077,456	\$ 1,050,802
Net loans	907,598	797,245	851,332	817,649	582,933	570,296	607,976
Total deposits	1,195,434	1,111,843	1,121,684	1,116,373	815,839	817,447	810,703
Investment securities	481,002	441,347	442,440	465,770	378,935	393,783	340,726
Total shareholders equity	105,788	118,028	116,984	114,766	111,102	111,107	102,927
Tangible shareholders equity	126,647	77,800	77,330	74,107	108,249	108,254	100,070

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

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	At and for the Periods			At and for the Years			
	Ended June 30, 2006	2005	2005	Ended December 31, 2004	2003	2002	2001
<i>(Dollars in thousands, except per share data)</i>							
Selected Financial Ratios:							
Net interest margin (1)	3.57%	3.54%	3.55%	3.37%	3.42%	3.80%	3.59%
Selected Performance Ratios:							
Return on average assets	0.9%	1.0%	1.0%	1.0%	1.3%	1.3%	1.3%
Return on average equity	10.1%	12.2%	11.8%	11.0%	12.2%	13.3%	12.5%
Return on average tangible equity	14.3%	18.8%	18.0%	13.7%	12.5%	13.7%	12.9%
Dividend payout ratio	66.7%	55.2%	58.3%	63.6%	55.8%	50.3%	53.2%
Equity to asset ratio	10.5%	8.3%	8.2%	8.7%	10.4%	10.1%	9.8%
Efficiency ratio (2)	69.1%	67.1%	68.7%	68.1%	61.7%	60.5%	62.7%
Asset Quality Ratios (3):							
Ratio of nonperforming assets to total assets	0.37%	0.57%	0.53%	0.62%	0.42%	0.54%	0.67%
Ratio of nonperforming loans to total loans	0.25%	0.52%	0.30%	0.55%	0.55%	0.74%	0.74%
Ratio of allowance for loan losses to nonperforming loans	447%	254%	361%	239%	191%	141%	148%
Ratio of allowance for loan losses to total loans	1.10%	1.33%	1.08%	1.32%	1.05%	1.05%	1.10%
Capital Ratios:							
Tier 1 leverage ratio (4)	11.7%	8.6%	8.7%	8.2%	13.3%	9.9%	9.7%
Tier 1 risk-based capital	16.3%	12.6%	12.5%	12.2%	21.6%	16.5%	15.0%
Total risk-based capital	17.2%	13.7%	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 Non-GAAP Financial Measures**

Certain financial information included in Cadence'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. Cadence's management uses these non-GAAP measures in its analysis of Cadence'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 that may be presented by other companies. The following reconciliation table provides a more detailed analysis of these non-GAAP performance measures:

	At and for the				At and for the		
	Periods Ended				Years Ended		
	June 30,				December 31,		
	2006	2005	2005	2004	2003	2002	2001
Book value per common share	\$ 15.14	\$ 14.46	\$ 14.31	\$ 14.06	\$ 13.58	\$ 13.57	\$ 12.48
Effect of intangible assets per share	\$ (3.58)	\$ (4.93)	\$ (4.85)	\$ (4.98)	\$ (0.35)	\$ (0.35)	\$ (0.35)
Tangible book value per share	\$ 11.57	\$ 9.53	\$ 9.46	\$ 9.08	\$ 13.23	\$ 13.22	\$ 12.13
Return on average equity	10.1%	12.2%	11.8%	11.0%	12.2%	13.3%	12.5%
Effect of intangible assets	4.2%	6.6%	6.2%	2.7%	0.3%	0.4%	0.4%
Return on average tangible equity	14.3%	18.8%	18.0%	13.7%	12.5%	13.7%	12.9%

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

The following table sets forth certain consolidated financial information of Seasons. This information is based on, and should be read in conjunction with, the consolidated financial statements and related notes of Seasons 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 June 30, 2006, which financial statements appear elsewhere in this proxy statement/prospectus. Information as of and for the periods ended June 30, 2006 and 2005 is unaudited, but, in the opinion of Seasons' management, contains all adjustments necessary for a fair statement of Seasons' financial position and results of operations for such periods in accordance with GAAP. Seasons' results for the six-month period ended June 30, 2006, are not necessarily indicative of the results of operations that may be expected for the year ended December 31, 2006.

Seasons' financial statements for the years presented ended December 31, 2005 and 2004 were audited by Mauldin & Jenkins, LLC, independent registered public accounting firm. The amounts for the periods ended June 30, 2006 and 2005 have not been audited.

	Six Months Ended June 30,		For the Years Ended December 31,	
	2006	2005	2005	2004
	(In thousands, except per share data)			
Statement of Earnings Data				
Interest income	\$ 3,162	\$ 1,840	\$ 4,413	\$ 2,530
Interest expense	1,348	698	1,767	894
Net interest income before provision for loan losses	1,814	1,142	2,646	1,636
Provision for loan losses	308	197	396	303
Net interest income after provision for loan losses	1,506	945	2,250	1,334
Noninterest income	125	68	154	94
Noninterest expenses	1,629	1,204	2,557	1,934
Earnings (loss) before income taxes	2	(191)	(153)	(506)
Income taxes				
Net earnings (loss)	2	(191)	(153)	(506)
Net earnings (loss) available to common shareholders	2	(191)	(153)	(506)
Per share data:				
Earnings per share:				
Basic	\$ 0.00	\$ (0.21)	\$ (0.17)	\$ (0.55)
Diluted	\$ 0.00	\$ (0.21)	(0.17)	(0.55)
Cash dividends declared				
Book value at end of period	\$ 7.57	\$ 6.99	\$ 7.34	\$ 7.23
Balance Sheet Data				
Total assets at end of period	\$ 86,559	\$ 68,165	\$ 75,758	\$ 54,571
Cash and cash equivalents	1,263	603	1,185	1,656
Securities available for sale	6,530	6,386	6,176	6,617
Loans, net	74,293	56,828	63,594	41,757
Deposits	73,540	57,572	63,892	47,780
Other borrowings	4,000	3,900	4,400	
Stockholders' equity	7,820	6,387	7,141	6,610
Total loans before allowance for loan losses	75,303	57,549	67,494	42,296

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Allowance for loan losses	1,010	721	900	539
Nonperforming loans	537	245	17	22
Allowance for loan losses as a percentage of period-end total loans	1.34%	1.25%	1.33%	1.27%
Allowance for loan losses as a percentage of nonperforming loans	188%	294%	5,294%	2,450%
Total nonperforming loans as a percentage of total loans	.71%	.43%	.03%	.05%
Total nonperforming loans as a percentage of total assets	.62%	.36%	.02%	.04%
Total nonperforming loans and real estate owned as a percentage of total assets	.62%	.36%	.02%	.04%

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 Cadence and Seasons after giving effect to Cadence's recent offering of 2.76 million shares of common stock and the mergers of SunCoast and Seasons as if the transactions 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 91. 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 75. 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 84 and *Where You Can Find More Information* on page 93. 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.

CADENCE FINANCIAL CORPORATION**SELECTED PRO FORMA CONDENSED****CONSOLIDATED FINANCIAL INFORMATION**

	Year	
	Six Months Ended June 30, 2006	Ended December 31, 2005
	(In thousands)	
Selected Balance Sheet Data:		
Total assets	\$ 1,810,849	\$ 1,715,078
Loans	1,116,739	1,039,196
Deposits	1,393,801	1,302,411
Total Securities	497,353	459,173
Total Shareholders' Equity	196,893	198,380
Selected Income Statement Data:		
Total interest income	50,638	84,729
Total interest expense	22,581	32,478
Net interest income	28,057	52,251
Provision for loan losses	1,685	2,854
Total Other Income	10,335	20,195
Total Other Expenses	27,054	50,369
Income before income taxes	9,653	19,223
Income taxes	2,671	4,881
Net income	\$ 6,982	\$ 14,342

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

The following table shows information, at and for the periods indicated, about Cadence's and Seasons' 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 Cadence and Seasons 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 Cadence has filed with the SEC. Cadence has incorporated its prior filings into this proxy statement/prospectus by reference. For information on how to obtain the reports Cadence has filed, please refer to the section entitled "Where You Can Find More Information" on page 93 of this proxy statement/prospectus. You should not rely on the pro forma information as being indicative of the results that Cadence will achieve in the merger.

Preliminary Pro Forma Comparative Per Common Share Data of Cadence and Seasons

	As Of and For the Six Months Ended June 30, 2006	As Of and For the Year Ended December 31, 2005
Cadence		
Basic net income per common share:		
Historical	\$ 0.75	\$ 1.68
Pro forma (1)	0.67	1.15
Diluted net income per common share:		
Historical	0.75	1.68
Pro forma (1)	0.66	1.15
Dividends declared on common stock:		
Historical	0.50	0.98
Pro forma (1)	0.50	0.98
Book value per common share:		
Historical	15.14	14.31
Pro forma (1)	15.81	15.94
Seasons		
Basic net income per common share:		
Historical	\$ 0.00	\$ (0.17)
Equivalent pro forma (2)	0.61	1.05
Diluted net income per common share:		
Historical	0.00	(0.17)
Equivalent pro forma (2)	0.60	1.05
Dividends declared on common stock:		
Historical		
Equivalent pro forma (2)	0.46	0.90
Book value per common share:		
Historical	7.57	7.34
Equivalent pro forma (2)	14.45	14.57

(1) Includes 2,760,000 Cadence shares issued in the recent offering for \$19.50, 922,000 Cadence shares issued for 55% of the total merger consideration of SunCoast Bancorp, Inc., and assumes 587,000 Cadence shares issued for 55% of the total merger consideration of Seasons. This is calculated using an estimated 1,032,890 shares of Seasons stock outstanding at the effective date of the merger and an estimated average market price of Cadence stock of \$20.61.

(2) Assumes a relative value of Seasons stock to Cadence stock of 91.4%. This is calculated using the merger consideration of \$18.83 per share of Seasons stock and an estimated average market price of Cadence stock of \$20.61.

Table of Contents**Index to Financial Statements****Comparative Market Price and Dividend Information**

Cadence common stock is traded on the American Stock Exchange under the symbol NBY. The following table sets forth, for the indicated periods, the high and low sales prices for Cadence common stock as reported by the American Stock Exchange. There is no established public market for the Seasons common stock and the stock is not quoted on any stock exchange and is not traded over the counter. However, Seasons management is aware of isolated trades of Seasons common stock, and the high and low prices of such trades for the indicated periods are set forth in the following table.

Cadence had a total of 2,388 shareholders of record as of July 31, 2006, while Seasons had a total of 884 shareholders of record as of that same date. The following table also shows the quarterly cash dividends declared per share of Cadence. Seasons has not declared or paid any cash dividends in the past.

	Seasons Common Stock Price		Cadence Common Stock Price		Dividend Declared
	High	Low	High	Low	
2006					
First Quarter	\$ 12.00	\$ 12.00	\$ 24.97	\$ 22.89	\$ 0.25
Second Quarter	12.00	12.00	23.33	20.04	0.25
Third Quarter (through August 21)	12.00	12.00	22.00	20.02	
2005					
First Quarter	\$ 13.00	\$ 13.00	\$ 26.08	\$ 22.82	\$ 0.24
Second Quarter	16.00	15.00	25.05	23.01	0.24
Third Quarter	15.00	15.00	25.42	23.06	0.25
Fourth Quarter	15.00	12.00	25.73	23.01	0.25
2004					
First Quarter	\$ 15.00	\$ 11.00	\$ 27.14	\$ 25.54	\$ 0.24
Second Quarter	14.00	14.00	27.06	23.11	0.24
Third Quarter	15.00	15.00	27.00	23.60	0.24
Fourth Quarter	15.00	15.00	28.60	25.20	0.24

As reported on the American Stock Exchange, the closing price per share of Cadence common stock on March 20, 2006 (the last full trading day prior to the date of the merger agreement) was \$22.99. On August 21, 2006, the latest practicable date prior to the mailing of this proxy statement/prospectus, the closing price per share of Cadence common stock was \$20.20.

See *The Merger What You Will Receive* beginning on page 63 for an illustration of how the implied exchange ratio may change in response to fluctuations in the price of Cadence common stock.

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

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RISK FACTORS

An investment in Cadence 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 Cadence 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 Cadence common stock that you will receive in exchange for your shares of Seasons common stock at the time you make your election. Pursuant to the merger agreement, each share of Seasons common stock that is to be converted into Cadence common stock will be converted by the ratio of \$18.83 divided by the average closing price of Cadence common stock for the full ten trading days ending on the third full trading day preceding the closing of the merger, subject to certain conditions. We currently expect that the merger will close during the fourth quarter of 2006. You will be required to make your election to receive cash or shares of Cadence common stock by 5:00 p.m., Central time, on October 18, 2006.

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

The merger agreement requires that the aggregate cash consideration to be paid by Cadence as cash consideration to Seasons shareholders, including cash paid to holders of options to purchase shares of Seasons common stock, shall not exceed \$9,900,000. In the event there is an over-election of the stock consideration, each Seasons shareholder who elects to receive cash will receive some Cadence common stock in addition to cash consideration. Similarly, if there is an over-election of the cash consideration such that the aggregate amount of cash to be paid by Cadence is less than \$9,900,000, each Seasons shareholder who elects to receive stock will receive some cash in addition to stock. Thus, you may not receive exactly the form of consideration that you request and you may receive a combination of cash and shares of Cadence 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 Cadence common stock the full ten trading days ending on the third full trading day preceding the closing of the merger is less than \$20.05, the value of the stock consideration you receive could be less than \$18.83 per share of Seasons common stock that you own.

Pursuant to the terms of the merger agreement, the amount of Cadence common stock you will receive in exchange for your shares of Seasons common stock will be based on the average closing market price of Cadence common stock for the full ten trading days ending on the third full trading day preceding the closing of the merger. However, the merger agreement also provides that the average closing market price of Cadence common stock for the full ten trading days ending on the third full trading day preceding the closing cannot be less than \$20.05 or greater than \$27.13 per share. Therefore, if the average market closing price of Cadence common stock for the full ten trading days ending on the third full trading day preceding the closing date of the merger is less than \$20.05, the consideration received by Seasons shareholders who receive Cadence common stock in exchange for their shares of Seasons common stock would be less than \$18.83 per share of Seasons common stock. If, however, the average closing market price of Cadence common stock for the full ten trading days ending on the third full trading day prior to the closing of the merger is greater than \$27.13 per share, the consideration received by Seasons shareholders who receive Cadence common stock in exchange for their shares of Seasons common stock would be greater than \$18.83 per share.

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Additionally, if the average closing market price per share of Cadence common stock for the full ten trading days ending on the third full trading day preceding the closing of the merger is less than \$18.87 and certain other market conditions are met, the board of directors of Seasons shall have the right to terminate the merger agreement if Cadence does not adjust the stock consideration to be given to shareholders of Seasons common stock. Seasons cannot predict now whether or not the Seasons 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 Seasons shareholders in the event the above conditions are met and the Seasons board, nevertheless, chooses to complete the merger. Seasons 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, Seasons 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 Cadence than as a shareholder of Seasons.

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

Cadence 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 Cadence's ability to realize the anticipated benefits and cost savings from integrating the business of Seasons with the business of Cadence. If Cadence 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.

Seasons and Cadence 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 Cadence common stock after the merger may be affected by factors different from those affecting Seasons common stock currently.

The businesses of Cadence and Seasons 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 Cadence and Seasons. For a discussion of the businesses of Cadence and Seasons and of certain factors to consider in connection with those businesses, see the sections entitled *Information About Cadence* at page 24 and *Information About Seasons* at page 26 and the documents that Cadence 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 Office of the Comptroller of the Currency and various other authorities. These governmental entities, including the Office of

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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 Cadence following the merger, any of which might have a material adverse effect on Cadence following the merger. Cadence 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 Cadence as the surviving company.

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

The merger agreement contains no shop provisions that, subject to certain exceptions, limit Seasons' ability to discuss, facilitate or commit to competing third-party proposals to acquire all or a significant part of Seasons or its subsidiary bank. Additionally, if the merger would fail to occur in certain circumstances that relate to a possible combination of Seasons with another acquiror, Seasons could be obligated to pay Cadence \$1 million as a termination fee. See *The Merger Termination Fee* beginning on page 75. These provisions may discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of Seasons from considering or proposing an acquisition of Seasons 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 Seasons than it might otherwise have proposed to pay.

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

Executive officers of Seasons negotiated the terms of the merger agreement with their counterparts at Cadence, and Seasons' board of directors unanimously approved the merger agreement and recommended that Seasons 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 Seasons' directors may have financial interests in the merger that are different from, or in addition to, their interests as shareholders. Please see *The Merger Interests of Management and Others in the Merger* beginning on page 74 for information about these financial interests.

Risks Related to Cadence's Business

Cadence may face risks with respect to future expansion.

From time to time, Cadence engages in additional de novo branch expansion as well as the acquisition of other financial institutions or parts of those institutions, including Cadence's pending acquisition of Seasons. In addition, on March 16, 2006, Cadence entered into an Agreement and Plan of Merger with SunCoast Bancorp, Inc., a bank holding company incorporated under the laws of the State of Florida and the sole shareholder of SunCoast Bank, a Florida state-chartered bank. The transaction closed on August 17, 2006. 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;

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

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the diversion of attention of Cadence's management 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 Cadence's results of operations;

entry into new markets where Cadence lacks experience;

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

the risk of loss of key employees and customers.

Cadence may incur substantial costs to expand, and Cadence 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, Cadence 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 Cadence's current shareholders and to Seasons shareholders receiving shares of Cadence in this merger.

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

Cadence intends to continue to pursue a growth strategy for its business. Cadence'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 Cadence's ability to manage its growth. Cadence's prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in significant growth stages of development. Cadence 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 Cadence's growth effectively could have a material adverse effect on its business, future prospects, financial condition or results of operations, and could adversely affect Cadence's ability to successfully implement its business strategy. Also, if Cadence'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 Cadence's profitability.

Cadence conducts its banking operations in north central Mississippi, the cities of Tuscaloosa and Hoover, Alabama, and Memphis, Germantown and Nashville, Tennessee, and recently expanded to Sarasota and Bradenton, Florida with the acquisition of SunCoast. In Cadence'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 Cadence and may offer certain services that Cadence does not or cannot provide. Cadence's profitability depends on its continued ability to compete effectively in its market areas.

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

Cadence's success depends on the general economic conditions of the geographic markets it serves in the states of Mississippi, Alabama, Tennessee and Florida and may depend on the conditions in other markets, including Florida, when the merger with SunCoast is consummated, and Georgia if the merger with Seasons is consummated. The local economic conditions in these areas have a significant impact on Cadence'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 Cadence's local markets could negatively impact its results of operations and profitability.

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The banking industry is heavily regulated and such regulation could limit or restrict Cadence's activities and adversely affect Cadence'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. Cadence'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. Cadence is also subject to capitalization guidelines established by its regulators, which require it to maintain adequate capital to support its growth.

The laws and regulations applicable to the banking industry could change at any time, and the effects of these changes on Cadence'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, Cadence's cost of compliance could adversely affect its ability to operate profitably.

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

Cadence'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 Cadence. 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 Cadence's financial condition and results of operations.

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

Cadence could sustain losses if borrowers, guarantors and related parties fail to perform in accordance with the terms of their loans. Cadence'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 Cadence's allowance for loan losses is not sufficient to cover actual loan losses, Cadence's earnings could decrease.

Cadence'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 Cadence's borrowers and the value of the real estate and other assets serving as collateral for the repayment of many of Cadence's loans. Although Cadence 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 Cadence's net income and capital.

Cadence'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. Cadence may experience significant loan losses, which could have a material adverse effect on its operating results. Cadence 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 Cadence's loan portfolio based on the factors listed in the preceding paragraph and other pertinent

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information. As Cadence expands into new markets, its determination of the size of the allowance could be inaccurate due to Cadence's lack of familiarity with market-specific factors.

If Cadence'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 Cadence's loan portfolio. In addition, federal regulators periodically review Cadence's allowance for loan losses and may require Cadence 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 Cadence's allowance would materially decrease its net income. Cadence's allowance for loan losses was \$9.3 million, or 1.08% of loans, as of December 31, 2005.

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

At June 30, 2006, Cadence had approximately \$364.6 million in loans to borrowers in the commercial real estate industry, representing approximately 39.7% of Cadence'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 Cadence'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 Cadence'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 Cadence's financial condition and results of operations.

These loans by Cadence have grown 13.5% 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 Cadence'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. Cadence'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 Cadence's results of operations and financial condition.

Cadence relies on the dividends from Cadence Bank as its primary source of funds. The primary source of funds of Cadence'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

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interest rate levels, returns available to customers on alternative investments and general economic conditions. Accordingly, Cadence 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 Cadence believes that these sources are currently adequate, there can be no assurance they will be sufficient to meet future liquidity demands, particularly if Cadence continues to grow and experience increasing loan demand. Cadence may be required to slow or discontinue loan growth, capital expenditures or other investments or liquidate assets should such sources not be adequate.

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

Both the merger with SunCoast and Cadence's proposed acquisition of Seasons present integration issues and the success of these acquisitions will depend primarily on Cadence's ability to consolidate operations, systems and procedures and to eliminate redundancies and costs. Cadence 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 Cadence has difficulties with the integration, it might not achieve the economic benefits it expects to result from the acquisitions and this would adversely affect Cadence's business and earnings. In addition, Cadence 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.

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

Cadence'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. Cadence'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 Cadence's financial condition and results of operations. Cadence cannot be assured of the continued service of its senior management team with it or Cadence's ability to find suitable replacements for any members of its management team.

Cadence'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.

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

Cadence'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, Cadence cannot assure you of its ability to raise additional capital if needed on terms acceptable to it. If Cadence 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 Cadence and its subsidiaries, or the combined businesses of Cadence and Seasons. 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 Cadence and Seasons 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 Cadence; 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 Cadence after the merger is included in this proxy statement/prospectus under *Risk Factors* beginning on page 14 and in Cadence's SEC filings incorporated by reference in this document. Cadence and Seasons 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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SEASONS SPECIAL SHAREHOLDERS MEETING

Date, Time and Place

The Seasons special shareholders meeting will be held at Seasons main office located at 336 Blue Ridge Street, Blairsville, Georgia at 10:00 a.m., local time, on September 26, 2006.

Matters to be Considered at the Meeting

At the special meeting, holders of Seasons stock will be asked to consider and vote upon the approval and adoption of the merger agreement between Cadence and Seasons, dated as of March 21, 2006. Seasons 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.

Seasons 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 Seasons common stock at the close of business on August 25, 2006 will be entitled to notice of, and to vote at, the special meeting. On August 25, 2006, Seasons had outstanding 1,032,890 shares of Seasons common stock. There is no other class of Seasons common stock outstanding. Each share of Seasons common stock entitles the holder to one vote. The presence at the Seasons 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 Seasons (*i.e.*, at least 516,446 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.

Seasons does not expect 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

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meeting. Broker non-votes with respect to the merger agreement also will not be counted as votes cast at the meeting.

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 Seasons 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 Seasons 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 Seasons 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:

Solicitation of Proxies

Seasons will bear the cost of the solicitation of proxies from its shareholders, and Cadence and Seasons will each bear one-half of the costs associated with printing and mailing of this proxy statement/prospectus. Seasons has agreed to bear the expense of any proxy solicitor engaged by Seasons at Cadence's request. In addition to solicitation by mail, the directors, officers and employees of Seasons may solicit proxies from Seasons shareholders by telephone or telegram or in person without compensation other than reimbursements of their actual and reasonable expenses. Seasons 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 64, you will be sent under separate cover subsequent to the special meeting materials for exchanging your shares of Seasons.

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Cadence is a financial holding company, organized under the laws of the State of Mississippi. Last year, Cadence renamed its bank Cadence Bank, N.A. Effective as of June 28, 2006, Cadence changed its name from NBC Capital Corporation to Cadence Financial Corporation. The purpose of the change was to align Cadence's corporate name with that of Cadence Bank and further leverage the brand being created in Cadence's markets. The new Cadence brand is part of an overall marketing and business strategy that Cadence expects to create both operational and marketing efficiencies.

Cadence 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. Cadence's primary activities are conducted through its wholly owned subsidiary, Cadence Bank. Cadence Bank provides a complete line of wholesale and retail financial services, including mortgage loans and trusts. Additionally, Cadence Bank 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.

Cadence'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, Cadence'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.

Cadence's assets consist primarily of its investment in Cadence Bank and liquid investments. At March 31, 2006, Cadence'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.

Cadence'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 Bank 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 Bank's customer base is well diversified and consists of business, industry, agriculture, government, education and individual accounts. In Mississippi, Cadence Bank 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 Bank 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. In addition, with the recent acquisition of SunCoast, Cadence now serves the Sarasota and Bradenton, Florida areas.

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 of June 30, 2006:

State	Assets	Loans	Deposits	Bank Facilities
Alabama	10%	17%	15%	20%
Mississippi	69	46	66	67
Tennessee	21	37	19	13
Total	100%	100%	100%	100%

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Recent Developments

Cadence Bank has made several recent commitments to expand its market area outside of its traditional Mississippi markets. In March of 2006, Cadence Bank 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 Cadence's strategy of continuing to expand its franchise into markets growing faster than its traditional markets.

On March 16, 2006, Cadence entered into an Agreement and Plan of Merger with SunCoast Bancorp, Inc., a bank holding company incorporated under the laws of the State of Florida and the sole shareholder of SunCoast Bank, a Florida state-chartered bank. SunCoast Bank currently operates three bank facilities in the Sarasota, Florida area. As of June 30, 2006, SunCoast Bank had approximately \$124.8 million in deposits and approximately \$123.8 million in loans. SunCoast's shareholders approved the Agreement and Plan of Merger at a special meeting held on July 11, 2006. The merger closed on August 17, 2006. Pursuant to the terms of the merger, SunCoast merged into Cadence and SunCoast Bank merged into Cadence Bank. The acquisition was valued at approximately \$35.5 million with 55.0% of the consideration in the form of Cadence common stock and the remainder in cash. Option holders received the difference between the cash election price and the option price of their options, or an aggregate of approximately \$1.0 million.

Cadence closed on a public offering of 2,400,000 shares of its common stock on May 9, 2006, and an additional 360,000 shares subject to the underwriters' over-allotment option on May 12, 2006. The shares of common stock were offered to the public at a price of \$19.50 per share.

Effective as of June 28, 2006, Cadence changed its name from NBC Capital Corporation to Cadence Financial Corporation.

Cadence 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, Cadence 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 Cadence, see *Where You Can Find More Information* and *Incorporation of Certain Documents by Reference* beginning on page 93.

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INFORMATION ABOUT SEASONS BANCSHARES, INC.

Seasons Bancshares is a Georgia corporation that was incorporated on October 1, 2001 to organize and serve as the holding company for Seasons Bank, a state-chartered bank organized under Georgia law. Seasons Bank is a full-service commercial bank dedicated to providing superior customer service to the individuals and businesses in Seasons' community. Seasons believes that local ownership and control allows Seasons Bank to serve customers more efficiently and will aid its growth and success. Seasons Bank emphasizes real estate lending to take advantage of the population growth of Union County and aggressively markets to small- to medium-sized businesses, professional concerns, and individual consumers who are currently underserved.

Business

General. Seasons Bank focuses on community involvement and personal service while providing customers with the financial sophistication and products typically offered by a larger bank. Seasons Bank's lending services emphasize real estate related loans and include consumer loans and commercial loans to small- to medium-sized businesses and professional concerns. Seasons Bank offers a broad array of deposit services including demand deposits, regular savings accounts, money market deposits, certificates of deposit and individual retirement accounts. Seasons Bank also provides additional services including ATM cards, debit cards, travelers' checks, direct deposit, automatic transfers, and Internet banking with on-line bill payment. Seasons Bank offers its services through a variety of delivery systems including automated teller machines and telephone banking.

Philosophy and Strategy. Seasons Bank operates as a full-service community bank, offering sophisticated financial products while emphasizing prompt, personalized customer service. Seasons believes that this philosophy, encompassing the service aspects of community banking, distinguishes Seasons Bank from its competitors.

To carry out Seasons' philosophy, Seasons' business strategy involves the following:

capitalizing on Seasons directors' and officers' diverse community involvement, professional expertise, and personal and business contacts within its primary service area.

hiring and retaining highly experienced and qualified banking personnel, preferably with established customer relationships.

providing individualized attention with consistent, local decision-making authority.

utilizing technology and strategic outsourcing to provide a broad array of convenient products and services.

attracting an initial customer base by offering competitive interest rates on Seasons Bank's deposit accounts.

positioning Seasons' main office in a highly visible location near major traffic arteries.

implementing an aggressive marketing program.

Primary Service Area. Seasons Bank's primary service area is Union County, Georgia. Seasons Bank draws most of its customer deposits and conduct most of its lending transactions from and within its primary service area. Seasons also draws additional business from counties contiguous to Union County: Towns County and Fannin County in Georgia and Clay County in North Carolina. In addition, Seasons established a branch office in Fannin County during the first quarter of 2005.

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Seasons primary service area represents a diverse market with a growing population and economy. Rich in Georgian history and home to some of Georgia's most beautiful mountain scenery, Union County has long enjoyed the status of a recreation haven for metro Atlantans. Blairsville, the county seat and its only incorporated

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community, has enjoyed significant and sustained population growth for more than a decade. This population growth has attracted many businesses to the area and led to growth in the local service economy, and Seasons expects this trend to continue.

Lending Policy. Seasons places primary emphasis on real estate related loans in order to take advantage of the population growth in Seasons service area. Seasons also offers a full range of lending products, including commercial loans to small- to medium-sized businesses and professional concerns, and consumer loans to individuals. Seasons competes for these loans with competitors who are well established and have greater resources and lending limits.

As of June 30, 2006, Seasons Bank's loan portfolio was comprised of the following:

Loan Category	Ratio
Real estate related loans	88.5%
Commercial real estate	44.1%
Construction and development	29.5%
Residential real estate	26.4%
Commercial loans	8.1%
Consumer loans	3.4%

Based on Seasons executive officers' past lending experience, Seasons believes that, when properly managed and monitored, none of these categories represent a significantly higher risk than the other.

Lending Limits. Seasons Bank's lending activities are subject to a variety of lending limits. Differing limits apply based on the type of loan or the nature of the borrower, including the borrower's relationship to the bank. In general, however, Seasons Bank is able to loan any one borrower a maximum amount equal to either:

15% of Seasons Bank's capital and surplus; or

25% of its capital and surplus if the entire amount of the loan is fully secured by good collateral or other ample security.

These legal limits will increase or decrease as Seasons Bank's capital increases or decreases as a result of its earnings or losses, among other reasons. Based on either internal lending limits or legal lending limits, Seasons will need to sell participations in loans to other financial institutions in order to meet all of the lending needs of customers requiring extensions of credit above these limits.

Credit Risks. The principal economic risk associated with each category of loans that Seasons Bank makes is the creditworthiness of the borrower. Borrower creditworthiness is affected by general economic conditions and the strength of the relevant business market segment. General economic factors affecting a borrower's ability to repay include interest, inflation and employment rates, as well as other factors affecting a borrower's customers, suppliers and employees.

The well-established financial institutions in Seasons' market make proportionately more loans to medium- to large-sized businesses than Seasons Bank makes. Many of Seasons Bank's commercial loans are made to small- to medium-sized businesses that are less able to withstand competitive, economic and financial pressures than larger borrowers.

Real Estate Loans. Seasons Bank makes commercial real estate loans, construction and development loans, and residential real estate loans. These loans include commercial loans where Seasons Bank takes a security interest in real estate out of an abundance of caution and not as the principal collateral for the loan, but exclude home equity loans, which are classified as consumer loans.

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Commercial Real Estate. Commercial real estate loan terms generally are limited to five years or less, although payments may be structured on a longer amortization basis. Interest rates may be fixed or adjustable, although rates typically are not fixed for a period exceeding 36 months. Seasons Bank generally charges an origination fee of one percent. Seasons attempts to reduce credit risk on Seasons commercial real estate loans by emphasizing loans on owner-occupied office and retail buildings where the ratio of the loan principal to the value of the collateral as established by independent appraisal does not exceed 80% and net projected cash flow available for debt service equals 120% of the debt service requirement. In addition, Seasons Bank generally requires personal guarantees from the principal owners of the property supported by a review by Seasons Bank's management of the principal owners' personal financial statements. Risks associated with commercial real estate loans include fluctuations in the value of real estate, new job creation trends, tenant vacancy rates and the quality of the borrower's management. Seasons Bank limits its risk by analyzing borrowers' cash flow and collateral value on an ongoing basis.

Construction and Development Loans. Seasons makes construction and development loans both on a pre-sold and speculative basis. If the borrower has entered into an agreement to sell the property prior to beginning construction, then the loan is considered to be on a pre-sold basis. If the borrower has not entered into an agreement to sell the property prior to beginning construction, then the loan is considered to be on a speculative basis. Construction and development loans are generally made with a term of six to twelve months and interest is paid quarterly. The ratio of the loan principal to the value of the collateral as established by independent appraisal typically will not exceed 75%. Speculative loans are based on the borrower's financial strength and cash flow position. Loan proceeds are disbursed based on the percentage of completion and only after the project has been inspected by an experienced construction lender or third-party inspector. Risks associated with construction loans include fluctuations in the value of real estate and new job creation trends.

Residential Real Estate. Seasons Bank's residential real estate loans consist of residential second mortgage loans, residential construction loans and traditional mortgage lending for one to four family residences. Seasons originates and maintains fixed and variable rate mortgages with long-term maturity and balloon payments not exceeding 20 years. The amortization of second mortgages generally does not exceed 15 years, and the rates will generally not be fixed for over 60 months. All loans are made in accordance with Seasons Bank's appraisal policy and with the ratio of the loan principal to the value of collateral as established by independent appraisal not exceeding 85%. Seasons expects that these loan-to-value ratios will be sufficient to compensate for fluctuations in real estate market value and to minimize losses that could result from a downturn in the residential real estate market.

Commercial Loans. Loans for commercial purposes in various lines of businesses are components of Seasons Bank's loan portfolio. The terms of these loans vary by purpose and by type of underlying collateral, if any. Seasons Bank typically makes equipment loans for a term of five years or less at fixed or variable rates, with the loan fully amortized over the term. Equipment loans generally are secured by the financed equipment, and the ratio of the loan principal to the value of the financed equipment or other collateral is generally 80% or less. Loans to support working capital typically have terms not exceeding one year and are usually secured by accounts receivable, inventory or personal guarantees of the principals of the business. For loans secured by accounts receivable or inventory, principal is typically repaid as the assets securing the loan are converted into cash, and for loans secured with other types of collateral, principal is typically due at maturity. The quality of the commercial borrower's management and its ability both to properly evaluate changes in the supply and demand characteristics affecting its markets for products and services and to effectively respond to such changes are significant factors in a commercial borrower's creditworthiness.

Consumer Loans. Seasons Bank makes a variety of loans to individuals for personal, family and household purposes, including secured and unsecured installment and term loans, home equity loans and home equity lines of credit. Consumer loan repayments depend upon the borrower's financial stability and are more likely to be adversely affected by divorce, job loss, illness and personal hardships. Because many consumer loans are secured

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by depreciable assets such as boats, cars and trailers, the loan should be amortized over the useful life of the asset. To minimize the risk that the borrower cannot afford the monthly payments, all fixed monthly obligations should not exceed 40% of the borrower's gross monthly income. The borrower should also be continuously employed for at least 12 months prior to obtaining the loan. The loan officer will review the borrower's past credit history, past income level, debt history and, when applicable, cash flow and determine the impact of all these factors on the ability of the borrower to make future payments as agreed. Seasons' principal competitors for consumer loans are the established banks in Seasons Bank's market.

Investments. In addition to loans, Seasons Bank makes other investments primarily in obligations of the United States or obligations guaranteed as to principal and interest by the United States and other taxable securities. No investment in any of those instruments exceeds any applicable limitation imposed by law or regulation. The Asset/Liability Committee reviews the investment portfolio on an ongoing basis in order to ensure that the investments conform to Seasons Bank's policy as set by the board of directors.

Asset and Liability Management. The Asset/Liability Committee manages Seasons Bank's assets and liabilities and strives to provide a stable, optimized net interest margin, adequate liquidity and a profitable after-tax return on assets and return on equity. The committee conducts these management functions within the framework of written loan and investment policies of Seasons Bank. The committee attempts to maintain a balanced position between rate sensitive assets and rate sensitive liabilities. Specifically, it charts assets and liabilities on a matrix by maturity, effective duration and interest adjustment period and attempts to manage any gaps in maturity ranges.

Deposit Services. Seasons Bank seeks to establish a broad base of core deposits, including savings accounts, checking accounts, money market accounts, a variety of certificates of deposit and IRA accounts. To attract deposits, Seasons Bank employs an aggressive marketing plan in its overall service area and features a broad product line and competitive rates and services. The primary sources of deposits are residents of, and businesses and their employees located in, Seasons Bank's primary service area. Seasons Bank obtains these deposits through personal solicitation by its officers and directors, direct mail solicitations and advertisements published in the local media.

Other Banking Services. Other banking services now operational include travelers checks, direct deposits, night depository, ATM cards, debit cards, on-line banking services, on-line bill payment, limited cash management services, courier services and TT&L Depository. Seasons Bank is associated with STAR and CIRBUS so Seasons Bank's customers are able to use ATMs throughout Georgia and other regions. Seasons does not charge its customers for the use of these automated teller machines. However, other financial institutions may charge its customers for the use of their automated teller machines.

Employees. Seasons Bank has 25 full-time equivalent employees. Seasons does not have any employees who are not also employees of Seasons Bank.

Recent Developments

Effective July 31, 2006, David K. George resigned from his position as President of Seasons and Seasons Bank. Seasons is actively searching for a new President.

Supervision & Regulation

Both Seasons and Seasons Bank are subject to extensive state and federal banking regulations that impose restrictions on and provide for general regulatory oversight of their operations. These laws generally are intended to protect depositors and not shareholders. The following discussion describes the material elements of the regulatory framework that applies to Seasons.

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Seasons Bancshares, Inc.

Because it owns all of the capital stock of Seasons Bank, Seasons Bancshares is a bank holding company under the federal Bank Holding Company Act of 1956 (the "BHCA"). As a result, Seasons is primarily subject to the supervision, examination and reporting requirements of the BHCA and the regulations of the Board of Governors of the Federal Reserve System (the "Federal Reserve"). As a bank holding company located in Georgia, the GDBF also regulates and monitors all significant aspects of Seasons' operations.

Acquisitions of Banks. The BHCA requires every bank holding company to obtain the Federal Reserve's prior approval before:

acquiring direct or indirect ownership or control of any voting shares of any bank if, after the acquisition, the bank holding company will directly or indirectly own or control more than 5% of the bank's voting shares;

acquiring all or substantially all of the assets of any bank; or

merging or consolidating with any other bank holding company.

Additionally, the BHCA provides that the Federal Reserve may not approve any of these transactions if it would result in or tend to create a monopoly or, substantially lessen competition or otherwise function as a restraint of trade, unless the anti-competitive effects of the proposed transaction are clearly outweighed by the public interest in meeting the convenience and needs of the community to be served. The Federal Reserve is also required to consider the financial and managerial resources and future prospects of the bank holding companies and banks concerned. The Federal Reserve's consideration of financial resources generally focuses on capital adequacy, which is discussed below.

Under the BHCA, if Seasons is adequately capitalized and adequately managed, Seasons may purchase a bank located outside of Georgia. However, the laws of the other state may impose restrictions on the acquisition of a bank that has only been in existence for a limited amount of time or that would result in specified concentrations of deposits. For example, Georgia law prohibits a bank holding company from acquiring control of a bank until the target bank has been incorporated for more than three years. Because Seasons Bank has been chartered for more than three years, this restriction would not limit Seasons' ability to sell.

Change in Bank Control. Subject to various exceptions, the BHCA and the Change in Bank Control Act, together with related regulations, require Federal Reserve approval prior to any person or company acquiring control of a bank holding company. Control is conclusively presumed to exist if an individual or company acquires 25% or more of any class of voting securities of a bank holding company. Control is rebuttably presumed to exist if a person or company acquires 10% or more, but less than 25%, of any class of voting securities and either:

the bank holding company has registered securities under Section 12 of the Securities Exchange Act of 1934; or

no other person owns a greater percentage of that class of voting securities immediately after the transaction.

The regulations provide a procedure for challenging any rebuttable presumption of control.

Permitted Activities. A bank holding company is generally permitted under the BHCA to engage in, or acquire direct or indirect control of more than 5% of the voting shares of any company engaged in, the following activities:

banking or managing or controlling banks; and

any activity that the Federal Reserve determines to be so closely related to banking as to be a proper incident to the business of banking.

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Activities that the Federal Reserve has found to be so closely related to banking as to be a proper incident to the business of banking include:

factoring accounts receivable;

making, acquiring, brokering or servicing loans and usual related activities;

leasing personal or real property;

operating a non-bank depository institution, such as a savings association;

trust company functions;

financial and investment advisory activities;

conducting discount securities brokerage activities;

underwriting and dealing in government obligations and money market instruments;

providing specified management consulting and counseling activities;

performing selected data processing services and support services;

acting as agent or broker in selling credit life insurance and other types of insurance in connection with credit transactions; and

performing selected insurance underwriting activities.

The Federal Reserve may order a bank holding company or its subsidiaries to terminate any of these activities or to terminate its ownership or control of any subsidiary when it has reasonable cause to believe that the bank holding company's continued ownership, activity or control constitutes a serious risk to the financial safety, soundness, or stability of it or any of its bank subsidiaries.

In addition to the permissible bank holding company activities listed above, a bank holding company may qualify and elect to become a financial holding company under the Gramm-Leach-Bliley Financial Services Modernization Act of 1999. A financial holding company may engage in additional activities that are financial in nature or incidental or complementary to financial activity. The BHCA expressly lists the following activities as financial in nature:

lending, trust and other banking activities;

insuring, guaranteeing, or indemnifying against loss or harm, or providing and issuing annuities, and acting as principal, agent, or broker for these purposes, in any state;

providing financial, investment, or advisory services;

issuing or selling instruments representing interests in pools of assets permissible for a bank to hold directly;

underwriting, dealing in or making a market in securities;

other activities that the Federal Reserve may determine to be so closely related to banking or managing or controlling banks as to be a proper incident to managing or controlling banks;

foreign activities permitted outside of the United States if the Federal Reserve has determined them to be usual in connection with banking operations abroad;

merchant banking through securities or insurance affiliates; and

insurance company portfolio investments.

To qualify to become a financial holding company, Seasons Bank and any other depository institution subsidiary of Seasons Bancshares is required to be well capitalized and well managed and have a Community

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Reinvestment Act rating of at least satisfactory. Additionally, Seasons would be required to file an election with the Federal Reserve to become a financial holding company and provide the Federal Reserve with 30 days written notice prior to engaging in a permitted financial activity. While Seasons meets the qualification standards applicable to financial holding companies, Seasons has not elected to become a financial holding company at this time.

Support of Subsidiary Institution. Under Federal Reserve policy, Seasons is expected to act as a source of financial strength for Seasons Bank and to commit resources to support Seasons Bank. This support may be required at times when, without this Federal Reserve policy, Seasons might not be inclined to provide it. In addition, any capital loans made by Seasons to Seasons Bank will be repaid only after its deposits and various other obligations are repaid in full. In the unlikely event of bankruptcy, any commitment by Seasons to a federal bank regulatory agency to maintain the capital of Seasons Bank will be assumed by the bankruptcy trustee and entitled to a priority of payment.

Seasons Bank

Seasons Bank is subject to extensive state and federal banking regulations that impose restrictions on and provide for general regulatory oversight of Seasons operations. These laws are generally intended to protect depositors and not shareholders. The following discussion describes the material elements of the regulatory framework that applies to Seasons Bank.

Because Seasons Bank is a commercial bank chartered under the laws of the State of Georgia, it is primarily subject to the supervision, examination and reporting requirements of the FDIC and the GDBF. The FDIC and the GDBF regularly examine Seasons Bank's operations and have the authority to approve or disapprove mergers, the establishment of branches and similar corporate actions. Both regulatory agencies have the power to prevent the continuance or development of unsafe or unsound banking practices or other violations of law. Additionally, Seasons Bank's deposits are insured by the FDIC to the maximum extent provided by law. Seasons Bank is also subject to numerous state and federal statutes and regulations that affect its business, activities and operations.

Branching. Under current Georgia law, Seasons Bank may open branch offices throughout Georgia with the prior approval of the GDBF. In addition, with prior regulatory approval, Seasons Bank may acquire branches of existing banks located in Georgia. Seasons Bank and any other national or state-chartered bank generally may branch across state lines by merging with banks in other states if allowed by the target states' laws. Georgia law, with limited exceptions, currently permits branching across state lines through interstate merger.

Under the Federal Deposit Insurance Act, states may opt-in and allow out-of-state banks to branch into their state by establishing a new start-up branch in the state. Currently, Georgia has not opted-in to this provision. Therefore, interstate merger is the only method through which a bank located outside of Georgia may branch into Georgia. This provides a limited barrier of entry into the Georgia banking market, which protects us from an important segment of potential competition. However, because Georgia has elected not to opt-in, Seasons' ability to establish a new start-up branch in another state is limited. Many states that have elected to opt-in have done so on a reciprocal basis, meaning that an out-of-state bank may establish a new start-up branch only if its home state has also elected to opt-in. Consequently, until Georgia changes its election, the only way Seasons will be able to branch into states that have elected to opt-in on a reciprocal basis will be through interstate merger.

Prompt Corrective Action. The Federal Deposit Insurance Corporation Improvement Act of 1991 (the FDIC Improvement Act) established a system of prompt corrective action to resolve the problems of undercapitalized financial institutions. Under this system, the federal banking regulators have established five capital categories (well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized) in which all institutions are placed. The federal banking agencies have specified by regulation the relevant capital level for each category. Federal banking regulators are required to take various

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mandatory supervisory actions and are authorized to take other discretionary actions with respect to institutions in the three undercapitalized categories. The severity of the action depends upon the capital category in which the institution is placed. Generally, subject to a narrow exception, the banking regulator must appoint a receiver or conservator for an institution that is critically undercapitalized.

An institution that is categorized as undercapitalized, significantly undercapitalized, or critically undercapitalized is required to submit an acceptable capital restoration plan to its appropriate federal regulator. A bank holding company must guarantee that a subsidiary depository institution meets its capital restoration plan, subject to various limitations. The controlling holding company's obligation to fund a capital restoration plan is limited to the lesser of 5% of an undercapitalized subsidiary's assets at the time it became undercapitalized or the amount required to meet regulatory capital requirements. An undercapitalized institution is also generally prohibited from increasing its average total assets, making acquisitions, establishing any branches or engaging in any new line of business, except under an accepted capital restoration plan or with FDIC approval. The regulations also establish procedures for downgrading an institution to a lower capital category based on supervisory factors other than capital.

FDIC Insurance Assessments. The FDIC has adopted a risk-based assessment system for insured depository institutions that takes into account the risks attributable to different categories and concentrations of assets and liabilities. The system assigns an institution to one of three capital categories: (1) well capitalized, (2) adequately capitalized, or (3) undercapitalized. These three categories are substantially similar to the prompt corrective action categories described above, with the undercapitalized category including institutions that are undercapitalized, significantly undercapitalized and critically undercapitalized for prompt corrective action purposes. The FDIC also assigns an institution to one of three supervisory subgroups based on a supervisory evaluation that the institution's primary federal regulator provides to the FDIC and information that the FDIC determines to be relevant to the institution's financial condition and the risk posed to the deposit insurance funds. Assessments range from 0 to 27 cents per \$100 of deposits, depending on the institution's capital group and supervisory subgroup. In addition, the FDIC imposes assessments to help pay off the \$780 million in annual interest payments on the \$8 billion Financing Corporation bonds issued in the late 1980s as part of the government rescue of the thrift industry. This assessment rate is adjusted quarterly and is set at 1.26 cents per \$100 of deposits for the third quarter of 2006.

The FDIC may terminate its insurance of deposits if it finds that the institution has engaged in unsafe and unsound practices, is in an unsafe or unsound condition to continue operations, or has violated any applicable law, regulation, rule, order or condition imposed by the FDIC.

Community Reinvestment Act. The Community Reinvestment Act requires that, in connection with examinations of financial institutions within their respective jurisdictions, the Federal Reserve or the FDIC shall evaluate the record of each financial institution in meeting the credit needs of its local community, including low- and moderate-income neighborhoods. These facts are also considered in evaluating mergers, acquisitions and applications to open a branch or facility. Failure to adequately meet these criteria could impose additional requirements and limitations on Seasons Bank. Additionally, Seasons must publicly disclose the terms of various Community Reinvestment Act-related agreements.

Other Regulations. Interest and other charges collected or contracted for by Seasons Bank are subject to state usury laws and federal laws concerning interest rates. For example, under the Servicemembers Civil Relief Act, which amended the Soldiers' and Sailors' Civil Relief Act of 1940, a lender is generally prohibited from charging an annual interest rate in excess of 6% on any obligation of a borrower who is on active duty with the United States military.

Seasons Bank's loan operations are also subject to federal laws applicable to credit transactions, such as:

the Federal Truth-In-Lending Act, governing disclosures of credit terms to consumer borrowers;

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the Home Mortgage Disclosure Act of 1975, requiring financial institutions to provide information to enable the public and public officials to determine whether a financial institution is fulfilling its obligation to help meet the housing needs of the community it serves;

the Equal Credit Opportunity Act, prohibiting discrimination on the basis of race, creed or other prohibited factors in extending credit;

the Fair Credit Reporting Act of 1978, as amended by the Fair and Accurate Credit Transactions Act, governing the use and provision of information to credit reporting agencies, certain identify theft protections, and certain credit and other disclosures;

the Fair Debt Collection Act, governing the manner in which consumer debts may be collected by collection agencies; and

the rules and regulations of the various federal agencies charged with the responsibility of implementing these federal laws. The deposit operations of Seasons Bank are subject to:

the Right to Financial Privacy Act, which imposes a duty to maintain confidentiality of consumer financial records and prescribes procedures for complying with administrative subpoenas of financial records; and

the Electronic Funds Transfer Act and Regulation E issued by the Federal Reserve to implement that act, which govern automatic deposits to and withdrawals from deposit accounts and customers' rights and liabilities arising from the use of automated teller machines and other electronic banking services.

Capital Adequacy

Seasons Bancshares and Seasons Bank are required to comply with the capital adequacy standards established by the Federal Reserve, in the case of Seasons Bancshares, and the FDIC, in the case of Seasons Bank. The Federal Reserve has established a risk-based and a leverage measure of capital adequacy for bank holding companies. Because Seasons Bancshares' consolidated total assets are less than \$150 million, under the Federal Reserve's capital guidelines, Seasons Bank's capital adequacy is measured on a bank-only basis, as opposed to a consolidated basis. Seasons Bank is also subject to risk-based and leverage capital requirements adopted by the FDIC, which are substantially similar to those adopted by the Federal Reserve for bank holding companies.

The risk-based capital standards are designed to make regulatory 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, such as letters of credit and unfunded loan commitments, are assigned to broad risk categories, each with appropriate risk weights. The resulting capital ratios represent capital as a percentage of total risk-weighted assets and off-balance-sheet items.

The minimum guideline for the ratio of total capital to risk-weighted assets is 8%. Total capital consists of two components: Tier 1 Capital and Tier 2 Capital. Tier 1 Capital generally consists of common stock, minority interests in the equity accounts of consolidated depository institution subsidiaries, noncumulative perpetual preferred stock in consolidated non-depository subsidiaries and a limited amount of qualifying cumulative perpetual preferred stock, less goodwill and other specified intangible assets. Tier 1 Capital must equal at least 4% of risk-weighted assets. Tier 2 Capital generally consists of subordinated debt, other preferred stock and a limited amount of loan loss reserves. The total amount of Tier 2 Capital is limited to 100% of Tier 1 Capital. At December 31, 2005, Seasons Bank's ratio of total capital to risk-weighted assets was 11.96% and its ratio of Tier 1 Capital to risk-weighted assets was 10.58%.

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In addition, the Federal Reserve has established minimum leverage ratio guidelines for bank holding companies. These guidelines provide for a minimum ratio of Tier 1 Capital to average assets, less goodwill and other specified intangible assets, of 3% for bank holding companies that meet specified criteria, including having the highest regulatory rating and implementing the Federal Reserve's risk-based capital measure for market risk. All other bank holding companies generally are required to maintain a leverage ratio of at least 4%. At December 31, 2005, Seasons Bank's leverage ratio was 9.12%. The guidelines also provide that bank holding companies experiencing internal growth or making acquisitions will be expected to maintain strong capital positions substantially above the minimum supervisory levels without reliance on intangible assets. The Federal Reserve considers the leverage ratio and other indicators of capital strength in evaluating proposals for expansion or new activities.

Failure to meet capital guidelines could subject a bank or bank holding company to a variety of enforcement remedies, including issuance of a capital directive, the termination of deposit insurance by the FDIC, a prohibition on accepting brokered deposits and certain other restrictions on its business. As described above, significant additional restrictions can be imposed on FDIC-insured depository institutions that fail to meet applicable capital requirements.

Payment of Dividends

Seasons is a legal entity separate and distinct from Seasons Bank. The principal sources of Seasons' cash flow, including cash flow to pay dividends to its shareholders, are dividends that Seasons Bank pays to Seasons as its sole shareholder. Statutory and regulatory limitations apply to Seasons Bank's payment of dividends to Seasons as well as to Seasons' payment of dividends to its shareholders.

A federal banking regulator may require, after notice and a hearing, that Seasons Bank stop or refrain from engaging in any practice it considers unsafe or unsound. The federal banking agencies have indicated that paying dividends that deplete a depository institution's capital base to an inadequate level would be an unsafe and unsound banking practice. Under the FDIC Improvement Act, a depository institution may not pay any dividend if payment would cause it to become undercapitalized or if it already is undercapitalized. Moreover, the federal agencies have issued policy statements that provide that bank holding companies and insured banks should generally only pay dividends out of current operating earnings. See *Seasons Bank Prompt Corrective Action* on page 32.

The GDBF also regulates Seasons Bank's dividend payments and must approve dividend payments that would exceed 50% of Seasons Bank's net income for the prior year. Seasons Bank's payment of dividends may also be affected or limited by other factors, such as the requirement to maintain adequate capital above regulatory guidelines.

At December 31, 2005, Seasons Bank could not pay cash dividends without prior regulatory approval.

Restrictions on Transactions with Affiliates

Seasons and Seasons Bank are subject to the provisions of Section 23A of the Federal Reserve Act. Section 23A places limits on the amount of:

a bank's loans or extensions of credit to affiliates;

a bank's investment in affiliates;

assets a bank may purchase from affiliates, except for real and personal property exempted by the Federal Reserve;

loans or extensions of credit made by a bank to third parties collateralized by the securities or obligations of affiliates; and

a bank's guarantee, acceptance or letter of credit issued on behalf of an affiliate.

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The total amount of the above transactions is limited in amount, as to any one affiliate, to 10% of a bank's capital and surplus and, as to all affiliates combined, to 20% of a bank's capital and surplus. In addition to the limitation on the amount of these transactions, each of the above transactions must also meet specified collateral requirements. Seasons Bank must also comply with other provisions designed to avoid the taking of low-quality assets.

Seasons and Seasons Bank are also subject to the provisions of Section 23B of the Federal Reserve Act, which, among other things, prohibit an institution from engaging in the above transactions with affiliates unless the transactions are on terms substantially the same, or at least as favorable to the institution or its subsidiaries, as those prevailing at the time for comparable transactions with nonaffiliated companies.

Seasons Bank is also subject to restrictions on extensions of credit to its executive officers, directors, principal shareholders and their related interests. These extensions of credit (1) must be made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with third parties, and (2) must not involve more than the normal risk of repayment or present other unfavorable features.

Privacy

Financial institutions are required to disclose their policies for collecting and protecting confidential information. Customers generally may prevent financial institutions from sharing nonpublic personal financial information with nonaffiliated third parties except under narrow circumstances, such as the processing of transactions requested by the consumer or when the financial institution is jointly sponsoring a product or service with a nonaffiliated third party. Additionally, financial institutions generally may not disclose consumer account numbers to any nonaffiliated third party for use in telemarketing, direct mail marketing or other marketing to consumers.

Anti-Terrorism and Money Laundering Legislation

Seasons Bank is subject to the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the USA PATRIOT Act), as it amended the Bank Secrecy Act and the rules and regulations of the Office of Foreign Assets Control (the OFAC). These statutes and related rules and regulations impose requirements and limitations on specific financial transactions and account relationships, intended to guard against money laundering and terrorism financing. Seasons Bank has established a customer identification program pursuant to Section 326 of the USA PATRIOT Act and the Bank Secrecy Act, and otherwise has implemented policies and procedures to comply with the foregoing rules.

Federal Deposit Insurance Reform

On February 8, 2006, President Bush signed the Federal Deposit Insurance Reform Act of 2005 (FDIRA). The FDIC must adopt rules implementing the various provisions of FDIRA by November 5, 2006.

Among other things, FDIRA changes the Federal deposit insurance system by:

raising the coverage level for retirement accounts to \$250,000;

indexing deposit insurance coverage levels for inflation beginning in 2012;

prohibiting undercapitalized financial institutions from accepting employee benefit plan deposits;

merging the Bank Insurance Fund and Savings Association Insurance Fund into a new Deposit Insurance Fund (DIF); and

providing credits to financial institutions that capitalized the FDIC prior to 1996 to offset future assessment premiums.

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FDIRA also authorizes the FDIC to revise the current risk-based assessment system, subject to notice and comment, and caps the amount of the DIF at 1.50% of domestic deposits. The FDIC must issue cash dividends, awarded on a historical basis, for the amount of the DIF over the 1.50% ratio. Additionally, if the DIF exceeds 1.35% of domestic deposits at year-end, the FDIC must issue cash dividends, awarded on a historical basis, for half of the amount of the excess.

Proposed Legislation and Regulatory Action

New regulations and statutes are regularly proposed that contain wide-ranging potential changes to the structures, regulations and competitive relationships of financial institutions operating and doing business in the United States. Seasons cannot predict whether or in what form any proposed regulation or statute will be adopted or the extent to which Seasons' business may be affected by any new regulation or statute.

Effect of Governmental Monetary Policies

Seasons' earnings are affected by domestic economic conditions and the monetary and fiscal policies of the United States government and its agencies. The Federal Reserve has, and is likely to continue to have, an important impact on the operating results of commercial banks through its power to implement national monetary policy in order, among other things, to curb inflation or combat a recession. The Federal Reserve affects the levels of bank loans, investments and deposits through its control over the issuance of United States government securities, its regulation of the discount rate applicable to member banks, and its influence over reserve requirements to which member banks are subject. Seasons cannot predict the nature or impact of future changes in monetary and fiscal policies.

Description of Property

Seasons Bank's main office is located at 336 Blue Ridge Street in Blairsville, Georgia. Located next to the public library on Blue Ridge Street, a major road in Blairsville with good access from U.S. 19 and U.S. 76, this site is well suited for Seasons Bank to serve its market. Construction of Seasons Bank's permanent facility was completed in December 2003. The permanent facility is a two-story, rock veneer building with 12,250 square feet. It features traditional bank architecture and includes three drive-up windows and an automated teller machine.

Seasons Bank's Blue Ridge office is located at 2517 Appalachian Highway in Blue Ridge, Georgia. Located on Highway 515, a major road in Blue Ridge, this site is well suited for Seasons Bank to serve its market. The branch is currently utilizing a mobile unit and plans to construct a permanent facility in the fourth quarter of 2006.

Legal Proceedings

There are no material pending legal proceedings to which Seasons or Seasons Bank is a party or of which any of its properties are subject, nor are there material proceedings known to Seasons to be contemplated by any governmental authority. Additionally, Seasons is unaware of any material proceedings, pending or contemplated, in which any existing or proposed director, officer or affiliate, or any principal security holder of Seasons or any associate of any of the foregoing, is a party or has an interest adverse to Seasons.

Market for Common Equity, Related Shareholder Matters and Small Business Purchases of Equity Securities

Seasons closed a secondary offering of securities on February 17, 2006. All sales of securities by Seasons in 2005 and 2006 were registered under the Securities Act. There is currently no established market for Seasons' common stock, and an active trading market is not likely to develop. Seasons does not have any plans to list its common stock on any stock exchange or on the over-the-counter market. As a result, investors who need or wish

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to dispose of all or any part of their common stock may be unable to do so except in private, directly negotiated sales.

On March 17, 2006, Seasons had approximately 881 shareholders of record who owned an aggregate of 1,032,890 shares.

Seasons has paid no dividends on its common stock since its organization. The principal source of Seasons' cash flow, including cash flow to pay dividends to its shareholders, is dividends that Seasons Bank pays to Seasons as its sole shareholder. Statutory and regulatory limitations apply to Seasons Bank's payment of dividends to Seasons, as well as to Seasons' payment of dividends to its shareholders. For a complete discussion of restrictions on dividends, see *Information About Seasons' Supervision and Regulation - Payment of Dividends* on page 35.

Management's Discussion and Analysis

Critical Accounting Policies

Seasons has adopted various accounting policies which govern the application of accounting principles generally accepted in the United States in the preparation of Seasons' financial statements. Seasons' significant accounting policies are described in the footnotes to the financial statements at December 31, 2005 as filed in Seasons' annual report on Form 10-KSB and attached to this proxy statement/prospectus. Certain accounting policies involve significant judgments and assumptions by Seasons which have a material impact on the carrying value of certain assets and liabilities. Seasons considers these accounting policies to be critical accounting policies. The judgments and assumptions Seasons uses are based on historical experience and other factors, which Seasons believes to be reasonable under the circumstances. Because of the nature of the judgments and assumptions Seasons makes, actual results could differ from these judgments and estimates which could have a material impact on Seasons' carrying values of assets and liabilities and Seasons' results of operations.

Seasons believes the allowance for loan losses is a critical accounting policy that requires the most significant judgments and estimates used in preparation of Seasons' consolidated financial statements. Refer to the portion of this discussion that addresses Seasons' allowance for loan losses for a description of Seasons' processes and methodology for determining Seasons' allowance for loan losses.

Liquidity and Capital Resources

Liquidity management involves the ability to match the cash flow requirements of Seasons' customers. This matching is accomplished by monitoring and managing the balances and maturities of Seasons' loans and deposits so that Seasons' cash in vault, cash held in correspondent bank accounts, and federal funds sold are sufficient to meet anticipated demand for immediate funds.

Both Seasons and its regulatory authorities monitor the liquidity of Seasons Bank on a periodic basis. Seasons believes the liquidity of Seasons Bank as of June 30, 2006 is adequate to support the cash flow requirements of its customers. Seasons will continue to monitor and make adjustments as deemed necessary.

Seasons' primary sources of liquidity are customer deposits, other borrowings, loan repayments and securities available for sale. If additional funding sources are needed, Seasons has access to federal fund lines at correspondent banks of \$4.5 million. Additionally, Seasons Bank is a member of the Federal Home Loan Bank of Atlanta, which provides access to FHLB lending sources. Lines of credit with the FHLB totaling \$4.4 million were available on June 30, 2006, of which \$4.0 million was outstanding.

Requirements by banking regulators include the monitoring of risk-based capital guidelines for banks that are designed to make capital requirements more sensitive to differences in risk profiles and account for off

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balance sheet items. Seasons exceeded the regulatory minimums on capital requirements and ratios as of June 30, 2006. Seasons monitors these amounts and ratios on a frequent basis. The minimum capital requirements and the actual capital ratios for Seasons and the Seasons Bank as of June 30, 2006 are as follows:

	Seasons Bancshares, Inc.	Actual Seasons Bank	Regulatory Requirements
Leverage capital ratio	9.28%	8.84%	4.00%
Risk-based capital ratios:			
Core capital	10.77%	10.27%	4.00%
Total capital	12.04%	11.52%	8.00%

Off-Balance Sheet Arrangements

Through the operations of Seasons Bank, Seasons has made contractual commitments to extend credit in the ordinary course of Seasons' business activities. These commitments are legally binding agreements to lend money to Seasons' customers at predetermined interest rates for a specified period of time. At June 30, 2006, Seasons had issued unfunded commitments to extend credit of \$11,603,000 through various types of lending arrangements. Seasons evaluates each customer's credit worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by Seasons upon extension of credit, is based on Seasons' credit evaluation of the borrower. Collateral varies but may include accounts receivable, inventory, property, plant and equipment, commercial and residential real estate.

If needed, Seasons has the ability on a short-term basis to borrow and purchase federal funds from other financial institutions. At June 30, 2006, Seasons had arrangements with three commercial banks for short-term advances of \$4,500,000 and a line of credit with FHLB of Atlanta for advances secured by residential 1-4 first mortgages of \$4,400,000.

Financial Condition as of June 30, 2006

Seasons' total assets at June 30, 2006 were approximately \$86,559,000 as compared to \$75,758,000 as of December 31, 2005. During the six months ended June 30, 2006, Seasons Bank's loans grew to \$75,303,000 as compared to \$64,494,000 at December 31, 2005 for an increase of \$10,809,000. The increase was primarily funded by deposit growth of \$9,648,000 and federal funds purchased of \$774,000.

Seasons expects continued growth in assets and liabilities during the remainder of 2006. Seasons will monitor growth and seek to maintain a proper mix of types, maturities, and interest rates. Seasons believes that its current capital and liquidity levels are adequate to support the current growth of Seasons Bank.

Seasons' total equity increased by \$679,000 during the six months ended June 30, 2006, due to the net income for the six months of \$1,782, unrealized losses in Seasons' securities available for sale category of \$7,561, proceeds from sale of stock of \$635,493, and the recording of a credit of \$49,252 associated with stock based compensation.

Results of Operations for the Three and Six Months Ended June 30, 2006 and 2005

The results of operations are determined by Seasons' ability to effectively manage net interest income, control non-interest expenses, generate non-interest income and minimize loan losses. In order for Seasons to become profitable, Seasons must increase the amount of earning assets so that net interest income along with non-interest income will be sufficient to cover normal operating expenses incurred in a banking operation and Seasons Bank's provision for loan losses.

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Seasons' net income (loss) for the three and six-month periods ended June 30, 2006 was \$(36,108) and \$1,782, respectively compared to a net loss of \$101,000 and \$191,000, respectively, for the three and six-month periods ended June 30, 2005. The decrease in net loss is primarily due to an increase in interest-earning assets, primarily loans.

Seasons' net interest income increased by \$347,000 and \$672,000, respectively, for the second quarter and first six months of 2006 as compared to the same periods in 2005. The increase in net interest income is attributed to an increase in average outstanding loans. Seasons' net interest margin was 4.73% for the six months ended June 30, 2006. Seasons' yield on total earning assets was 8.23% and cost of funds was 3.65% for the six months ended June 30, 2006.

Seasons' provision for loan losses was \$308,000 and \$197,000, respectively, for the six months ended June 30, 2006 and 2005. The amounts provided are due to loan growth and to Seasons' assessment of the inherent risk in the portfolio. Seasons' management believes that the \$1,010,000 in the allowance for loan losses at June 30, 2006, or approximately 1.34% of total net outstanding loans, is adequate to absorb known risks in the portfolio. No assurance can be given, however, that increased loan volume, and adverse economic conditions or other circumstances will not result in increased losses in Seasons' loan portfolio.

Information with respect to non-accrual, past due and restructured loans at June 30, 2006 and 2005 is as follows:

	2006	2005
	(Dollars in Thousands)	
Non-accrual loans	\$ 537	\$ 245
Loans contractually past due ninety days or more as to interest or principal payments and still accruing	7	34
Restructured loans	0	0
Loans, now current about which there are serious doubts as to the ability of the borrower to comply with loan repayment terms	0	0
Interest income that would have been recorded on non-accrual and restructured loans under original terms	28	4
Interest income that was recorded on non-accrual and restructured loans	0	0

Potential problem loans are defined as loans about which Seasons has serious doubts as to the ability of the borrower to comply with the present loan repayment terms and which may cause the loan to be placed on non-accrual status, to become past due more than ninety days, or to be restructured.

It is Seasons' policy to discontinue the accrual of interest income when, in Seasons' opinion, collection of interest becomes doubtful. Seasons will generally discontinue the accrual of interest income when (1) there is a significant deterioration in the financial condition of the borrower and full repayment of principal and interest is not expected and (2) the principal or interest is more than ninety days past due, unless the loan is both well-secured and in the process of collection.

Loans classified for regulatory purposes as loss, doubtful, substandard, or special mention that have not been included in the table above do not represent or result from trends or uncertainties which Seasons reasonably expects will materially impact future operating results, liquidity or capital resources. Seasons believes that these borrowers will comply with their loan repayment terms.

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Information regarding certain loans and allowance for loan loss data at June 30, 2006 and 2005 (Dollars in Thousands) is as follows:

	2006	2005
Average amount of loans outstanding	\$ 73,780	\$ 48,265
Balance of allowance for loan losses at beginning of period	\$ 900	\$ 539
Loans charged off		
Commercial and financial	117	13
Real estate mortgage	47	0
Installment	60	3
	224	16
Loans recovered		
Commercial and financial	7	0
Real estate mortgage	15	0
Installment	4	1
	26	1
Net charge-offs	198	15
Additions to allowance charged to operating expense during period	308	197
Balance of allowance for loan losses at end of period	\$ 1,010	\$ 721
Ratio of net loans charged off during the period to average loans outstanding	.27%	.03%

Seasons other income increased by approximately \$41,000 and \$57,000, respectively, for the second quarter and six-month period ended June 30, 2006 compared to the same periods in 2005. Other income consists primarily of service charges on deposit accounts that include monthly service charges on transaction accounts, insufficient funds charges, and miscellaneous maintenance fees. The increase in service charge income is directly related to the overdraft protection program and the growth of Seasons deposits.

Seasons other expenses increased by \$252,000 and \$425,000, respectively, during the three and six months ended June 30, 2006 compared to the same periods in 2005, due primarily to increased salaries and other items related to the growth of Seasons Bank.

Seasons salaries and employee benefits increased \$189,000 for the six-month period ended June 30, 2006 compared to the same period in 2005 due to staffing requirements needed to manage Seasons Bank's growth. The number of full-time equivalent employees was 27 at June 30, 2006 as compared to 22 at June 30, 2005. Seasons occupancy and equipment and other operating expenses increased \$50,000 during the six months ended June 30, 2006 compared to the same period during 2005 due primarily to increased depreciation expense and the overall growth. Seasons other operating expenses increased \$186,000 during the six months ended June 30, 2006 compared to the same period during 2005 due primarily to an increase in data processing, professional fees and overall growth.

Seasons will be subject to federal and state income taxes when taxable income is generated. No income taxes have been accrued for the three months ended June 30, 2006 and 2005 because of operating losses incurred to date.

Seasons knows of no trends, demands, commitments, events or uncertainties that should result in, or are reasonably likely to result in, Seasons liquidity or capital resources increasing or decreasing in any material way in the foreseeable future, other than as a result of Seasons normal operations. Seasons is also not aware of any current recommendations by the regulatory authorities, which, if implemented, would have such an effect.

Table of Contents**Index to Financial Statements****Financial Condition as of December 31, 2005 and 2004****Overview**

Seasons' total assets at December 31, 2005 were approximately \$75,758,000 compared to approximately \$54,571,000 as of December 31, 2004. During 2005, Seasons' loans grew to approximately \$64,494,000 compared to approximately \$42,296,000 at December 31, 2004, an increase of \$22,198,000. This increase was primarily funded by Federal Home Loan Bank advances of \$4,400,000, reducing federal funds sold of \$630,000, purchasing federal funds and deposit growth of \$16,112,000.

Interest-Earning Assets

In banking, the predominant interest-earning assets are loans and securities. The proportion of interest earning assets to total assets measures the effectiveness of management's efforts to invest available funds into the most profitable interest-earning assets. The following discussion focuses on loans, the related allowance for loan losses, and securities.

Loans

The amount of loans outstanding as of December 31, 2005 and December 31, 2004 are shown in the following table according to the type of loan.

	2005	2004
	(Dollars in Thousands)	
Commercial	\$ 4,703	\$ 10,197
Real estate-commercial	29,156	10,927
Real estate-construction	14,999	9,297
Real estate-mortgage	13,293	10,238
Consumer installment loans and other	2,420	1,703
	64,571	42,362
Less deferred loan fees	(77)	(66)
Less allowance for loan losses	(900)	(539)
Net loans	\$ 63,594	\$ 41,757

Seasons had 89.0% of its loan portfolio collateralized by real estate located in its primary market areas of Union County, Fannin County, and surrounding Georgia counties as of December 31, 2005. A breakdown of its real estate loan portfolio is as follows: construction and land development loans, which comprised 23.2% of the loan portfolio, consisted of loans primarily collateralized by one to four family residential properties. Commercial real estate loans comprised 45.2% of the loan portfolio, and other real estate mortgages total 20.6% of the loan portfolio. Seasons generally requires that loans collateralized by real estate not exceed customary collateral values.

The remaining 11.0% of the loan portfolio consisted of commercial, consumer, and other loans. Seasons requires collateral commensurate with the repayment ability and creditworthiness of the borrower.

The specific economic and credit risks associated with Seasons' loan portfolio, especially the real estate portfolio, include, but are not limited to, a general downturn in the economy which could affect unemployment rates in the market area, general real estate market deterioration, interest rate fluctuations, deteriorated or non-existing collateral, title defects, inaccurate appraisals, financial deterioration of borrowers, fraud, and any violation of banking protection laws. Construction lending can also present other specific risks to the lender such as whether developers can find builders to buy lots for home construction, whether the builders can obtain financing for the construction, whether the builders can sell the home to a buyer, and whether the buyer can

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obtain permanent financing. Currently, real estate values and employment trends in Seasons market area are stable.

Seasons attempts to reduce these economic and credit risks not only by adhering to loan to value guidelines, but also by investigating the creditworthiness of the borrower and monitoring the borrower's financial position. Also, Seasons establishes and periodically reviews its lending policies and procedures. Banking regulations limit exposure by prohibiting loan relationships that exceed 25% of Season Bank's statutory capital and surplus, or \$1,705,000 as of December 31, 2005.

Maturities and Sensitivities of Loans to Changes in Interest Rates

Total loans as of December 31, 2005 are shown in the following table according to the following contractual maturity classifications: one year or less, after one year and less than five years, and after five years.

	2005 (Dollars in Thousands)
Commercial	
One year or less	\$ 3,225
After one year and less than five years	1,388
After five years	90
	4,703
Construction	
One year or less	14,060
After one year and less than five years	939
After five years	
	14,999
Other	
One year or less	34,981
After one year and less than five years	9,382
After five years	506
	44,869
	\$ 64,571

The following table summarizes loans at December 31, 2005 with the due dates after one year that have predetermined and floating or adjustable interest rates.

	2005 (Dollars in Thousands)
Predetermined interest rates	\$ 11,808
Floating or adjustable interest rates	497
	\$ 12,305

Allowance for Loan Losses

In making the risk evaluation and establishing an allowance level that Seasons believes is adequate to absorb probable losses in the portfolio, Seasons considers various sources of information. Some of the more important sources include an ongoing review of the loan portfolio, which is undertaken both to ascertain whether there are probable losses, which must be charged off, and to assess the risk characteristics of the portfolio in the

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aggregate. This review takes into consideration the judgments of the responsible lending officers and senior management, and also those of bank regulatory agencies that review the loan portfolio as part of the regular bank examination process. Finally, Seasons retains internal and external credit reviews to perform independent reviews of the risk management process, adequacy of loan documentation and the risk ratings and appropriateness of the level of Allowance for Loan Losses. Loans identified as having increased credit risk are classified in accordance with loan policy and appropriate reserves are established for each loan classification category. Due to limited loan loss experience, reserves are established for the remaining unclassified portion of the loan portfolio based on a predetermined factor.

In evaluating the allowance, Seasons considers its historical loan loss experience, the amount of past due and nonperforming loans, current and anticipated economic conditions, lender requirements and other appropriate information.

The provision for loan losses charged to expense was \$396,000 and \$392,500, respectively, for the years ended December 31, 2005 and 2004. The amounts provided were due primarily to the growth of the portfolio. Based upon Seasons' evaluation of the loan portfolio, Seasons believes the allowance for loan losses is adequate to absorb possible losses on existing loans that may become uncollectible. Seasons' evaluation considers the credit quality of its loan portfolio, underlying collateral values, and current economic conditions that may affect the borrowers' ability to repay. As of December 31, 2005, Seasons had nonperforming loans of \$17,000. The allowance for loan losses as a percentage of total loans as of December 31, 2005 and 2004 was 1.40% and 1.27%, respectively.

As of December 31, 2005 and 2004, Seasons had made no allocations of its allowance for loan losses to specific categories of loans. Based on Seasons' best estimate, the allocation of the allowance for loan losses to types of loans, as of the indicated dates, is as follows:

	Amount	Percent of	Amount	Percent of
		loans in		loans in
		each		each
		category		category
		to total		to total
		loans	(Dollars in Thousands)	loans
	2005		2004	
Commercial	\$ 66	7.28%	\$ 130	24.07%
Real estate - commercial	407	45.15	139	25.79
Real estate - construction	209	23.23	118	21.95
Real estate - mortgage	186	20.59	130	24.17
Consumer installment and other	32	3.75	22	4.02
	\$ 900	100.00%	\$ 539	100.00%

Table of Contents**Index to Financial Statements****Summary of Loan Loss Experience**

The following table summarizes average loan balances for the year determined using the daily average balances during the period of banking operations; changes in the allowance for loan losses arising from loans charged off and recoveries on loans previously charged off; additions to the allowance which have been charged to operating expense; and the ratio of net charge-offs during period to average loans for December 31, 2005 and 2004.

	December 31,	
	2005	2004
	(Dollars in Thousands)	
Average amount of loans outstanding	\$ 55,543	\$ 32,980
Balance of allowance for loan losses at beginning of period	\$ 539	\$ 271
Loans charged off		
Commercial and financial	13	25
Real estate mortgage		
Installment	25	10
	38	35
Loans recovered		
Commercial and financial		
Real estate mortgage		
Installment	3	
	3	
Net charge-offs	35	35
Additions to allowance charged to operating expense during period	396	303
Balance of allowance for loan losses at end of period	\$ 900	\$ 539
Ratio of net loans charged off during the period to average loans outstanding	.06%	.11%

Securities

The carrying amounts of securities at the dates indicated, which are all classified as available-for-sale, are summarized as follows for the years ending December 31, 2005 and 2004.

	December 31,	
	2005	2004
	(Dollars in Thousands)	
Debt securities:		
U.S. Agency securities	\$ 4,961	\$ 4,960
Mortgage backed securities	1,215	1,657
	6,176	6,617

Table of Contents**Index to Financial Statements****Maturities**

The amount of debt securities in each category as of December 31, 2005 are shown in the following table according to the following contractual maturity classifications: (1) one year or less, (2) after one and less than five years (3) after five through ten years and (4) greater than ten years.

	Government Agencies		Mortgage-backed Securities	
	Amount	Yield (1)	Amount	Yield (1)(2)
	(Dollars in Thousands)			
One year or less	\$ 3,964	2.09%	\$	
After one and less than five years	997	4.77%	275	4.50%
After five and less than ten years			702	4.50%
Greater than ten years			238	5.50%
	\$ 4,961	2.62%	\$ 1,215	4.70%

(1) Yields were computed using coupon interest, adding discount accretion or subtracting premium amortization, as appropriate, on a basis over the life of each security.

(2) Yields on state and municipal securities are not stated on a tax-equivalent basis.

Interest-Bearing Liabilities

Seasons' primary source of funds is deposits. Emphasis has been placed upon attracting both commercial and consumer deposits. It is Seasons' intent to expand its deposit base in order to continue to fund asset growth. The following discussion focuses on Seasons' deposit base. As of December 31, 2005, Seasons had the ability on a short-term basis to borrow and purchase Federal funds from other financial institutions and borrow from the Federal Home Loan Bank of Atlanta. At December 31, 2005, Seasons had arrangements with three commercial banks for short-term advances of \$4,500,000.

Deposits

Average non-interest bearing deposits in 2005 accounted for 7.80% of average total deposits. Seasons does not expect non-interest bearing funds to be a significant source of funds for Seasons based upon the demographics of Seasons' market area.

Below is a table that summarizes Seasons' deposit base for the years ended December 31, 2005 and 2004. Average amount of deposits and average rates paid thereon, classified as to noninterest-bearing demand deposits, interest-bearing demand deposits, savings deposits, and time deposits, for the period of operations is presented below.⁽¹⁾

	Amount	Percentage	Amount	Percentage
		Rates Paid		Rates Paid
	(Dollars in Thousands)			
	2005		2004	
Noninterest-bearing demand deposits	\$ 4,373	%	\$ 2,770	%
Interest-bearing demand deposits and savings	11,112	2.38%	8,062	1.08%
Time deposits	40,596	3.35%	27,325	2.93%
Total deposits	\$ 56,081		38,157	

(1) Average balances were determined using the daily average balances.

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The amounts of time certificates of deposit issued in amounts of \$100,000 or more as of December 31, 2005 are shown below by category, which is based on time remaining until maturity of (1) three months or less, (2) over three through six months, (3) over six through twelve months, and (4) over twelve months.

	2005 (Dollars in Thousands)
Three months or less	\$ 3,810
Over three months and less than six months	4,458
Over six months and less than twelve months	5,806
Over twelve months	4,051
Total	\$ 18,125

Return on Assets and Stockholders Equity

The following rate of return information for the years ending December 31, 2005 and 2004 indicated is presented below.

	2005	2004
Return on assets (1)	(.23)%	(1.12)%
Return on equity (2)	(2.43)%	(7.53)%
Dividend payout ratio (3)		
Equity to assets ratio (4)	9.53%	14.83%

- (1) Net loss divided by average total assets.
- (2) Net loss divided by average equity.
- (3) Dividends declared per share of common stock divided by net loss per share.
- (4) Average equity divided by average total assets.

Asset/Liability Management

Seasons objective is to manage assets and liabilities to provide a satisfactory, consistent level of profitability within the framework of established cash, loan, investment, borrowing, and capital policies. Certain officers are charged with the responsibility for monitoring policies and procedures that are designed to ensure acceptable composition of the asset/liability mix. Seasons management's overall philosophy is to support asset growth primarily through growth of core deposits of all categories made by local individuals, partnerships, and corporations.

Seasons asset/liability mix is monitored on a regular basis with a report reflecting the interest rate-sensitive assets and interest rate-sensitive liabilities being prepared and presented to the board of directors on a periodic basis. The objective of this policy is to monitor interest rate-sensitive assets and liabilities so as to minimize the impact of substantial movements in interest rates on earnings. An asset or liability is considered to be interest rate-sensitive if it will reprice or mature within the time period analyzed, usually one year or less. The interest rate-sensitivity gap is the difference between the 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 the interest rate-sensitive assets. During a period of rising interest rates, a negative gap would tend to affect net interest income adversely, while a positive gap would tend to result in an increase in net interest income. Conversely, 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 affect net interest income adversely. If 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.

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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, Seasons also evaluates how the repayment of particular assets and liabilities is impacted by changes in interest rates. Income associated with 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 periods 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 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 and floors) that limit changes in interest rates. Prepayment and early withdrawal 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 during periods of rising interest rates.

Changes in interest rates also affect Seasons' liquidity position. Seasons currently prices deposits in response to market rates and it is Seasons management's intention to continue this policy. If deposits are not priced in response to market rates, a loss of deposits could occur that would negatively affect Seasons liquidity position.

At December 31, 2005, Seasons cumulative one year interest rate-sensitivity gap ratio was 104%. Seasons targeted ratio is 80% to 120% in this time horizon. This indicates that interest-bearing liabilities will reprice during this period at a rate slower than interest-earning assets. It is Seasons' belief that as long as it pays the prevailing market rate on these type of deposits, liquidity, while not assured, will not be negatively affected.

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The following table sets forth the distribution of the repricing of Seasons' interest-earning assets and interest-bearing liabilities as of December 31, 2005, the interest rate-sensitivity gap, the cumulative interest rate-sensitivity gap, the interest rate-sensitivity gap ratio and the cumulative interest rate-sensitivity gap ratio. The table also sets forth the time periods in which interest-earning assets and interest-bearing liabilities will mature or may reprice in accordance with their contractual terms. However, the table does not necessarily indicate the impact of general interest rate movements on the net interest margin as the repricing of various categories of assets and liabilities is subject to competitive pressures and the needs of Seasons' customers. In addition, various assets and liabilities indicated as repricing within the same period may in fact, reprice at different times within this period and at different rates.

	Within Three Months	After Three Months but Within One Year	After One Year but Within Five Years	After Five Years	Total
(Dollars in Thousands)					
Interest-earning assets:					
Interest-bearing deposits in banks	\$ 80	\$	\$	\$	\$ 804
Federal funds sold	464				464
Securities	1,495	2,469	1,272	940	6,176
Loans	30,413	19,122	12,220	2,739	64,494
	32,452	21,591	13,492	3,679	71,214
Interest-bearing liabilities:					
Interest-bearing demand deposits and savings	17,682				17,682
Certificates, less than \$100,000	6,281	9,487	6,417		22,185
Certificates, \$100,000 and over	3,810	10,365	3,951		18,126
Other borrowings	4,400				4,400
	32,173	19,852	10,368		62,393
Interest rate sensitivity gap	\$ 279	\$ 1,739	\$ 3,124	\$ 3,679	\$ 8,821
Cumulative interest rate sensitivity gap	\$ 279	\$ 2,018	\$ 5,142	\$ 8,821	
Interest rate sensitivity gap ratio	1.01	1.09	1.30		
Cumulative interest rate sensitivity gap ratio	1.01	1.04	1.08	1.14	

Results of Operations for the Years Ended December 31, 2005 and 2004

For the year ended December 31, 2005, Seasons reported a consolidated net loss of \$154,000 compared to a net loss of \$506,000 for the year ended December 31, 2004. The loss per share was \$.17 for the year 2005 compared to a loss per share of \$.55 for the year 2004.

Net Interest Income

Seasons' results of operations are determined by its ability to manage interest income and expense effectively, to minimize loan and investment losses, to generate non-interest income, and to control operating expenses. Because interest rates are determined by market forces and economic conditions beyond Seasons' control, Seasons' ability to generate net interest income is dependent upon its ability to obtain an adequate net interest spread between the rate it pays on interest-bearing liabilities and the rate it earns on interest-earning assets.

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The net yield on average interest-earning assets during 2005 was 4.24% as compared to 3.92% for 2004. Average loans were \$55.5 million, average securities were \$6.4 million, and average federal funds sold were

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\$172 thousand. Average interest-bearing liabilities were \$55.6 million. During 2005, the rate earned on average interest-earning assets was 7.06%, and the rate paid on average interest-bearing liabilities was 3.18%, resulting in a net interest spread of 3.88%. Seasons net interest margin has increased primarily due to the increase in the average balance of loans outstanding as well as increases in the prime lending rate. Seasons expects net interest margins to increase during 2006 as it invests its interest earning assets primarily in loans.

For 2004, the rate earned on average interest-earning assets was 6.05%, and the rate paid on average interest-bearing liabilities was 2.50%, resulting in a net interest spread of 3.55%.

The following table sets forth the amount of its interest income and interest expense for each category of average interest-earning assets and average interest-bearing liabilities and the average interest rate for total interest-earning assets and total interest-bearing liabilities, net interest spread and net yield on average interest-earning assets (dollars in thousands).

	Year ending 2005			Year ending 2004		
	Average Balances (1)	Income/ Expense	Yields/ Rates	Average Balances (1)	Income/ Expense	Yields/ Rates
Cash and non interest bearing due from banks	\$ 1,063	\$	%	\$ 1,004	\$	%
Interest-bearing deposits in banks	100	4	4.47			
Federal funds sold	172	6	3.37	1,805	22	1.22
Taxable securities	6,446	172	2.86	7,007	177	2.53
Restricted equity securities	269	9	3.25			
Unrealized losses on securities	(85)			(33)		
Loans (2)(3)	55,543	4,222	7.60	32,980	2,331	7.07
Allowance for loan losses	(689)			(408)		
Other assets	3,753			2,976		
Total assets	\$ 66,572			\$ 45,331		
Total interest-earning assets	\$ 62,530	\$ 4,413	7.06%	\$ 41,792	\$ 2,530	6.05%
Noninterest-bearing demand	\$ 4,373		%	\$ 2,770		%
Interest-bearing demand and savings	11,112	265	2.38	8,062	87	1.08
Time deposits	40,596	1,362	3.35	27,325	802	2.93
Total deposits	\$ 56,081			\$ 38,157		
Federal Home Loan						
Bank advances	3,159	112	3.54	125	2	1.48
Federal funds purchased	704	28	3.91	103	2	1.60
Repurchase agreements	21	1	4.58	102	1	1.73
Other liabilities	262			122		
Stockholders equity (4)	6,345			6,722		
Total liabilities and equity	\$ 66,572			\$ 45,331		
Total interest-bearing liabilities	\$ 55,592	\$ 1,768	3.18%	\$ 35,717	\$ 894	2.50%
Net interest income		\$ 2,645			\$ 1,636	
Net interest spread			3.88%			3.55%
Net yield on average interest-earning assets			4.24%			3.92%

-
- (1) Average balances and average yields were determined using the daily average balances for each category.
 - (2) Average balances of loans include nonaccrual loans.

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- (3) Interest and fees on loans includes \$498,000 and \$275,000 of loan fee income for the years ended December 31, 2005 and 2004, respectively.
- (4) Average unrealized losses on securities available-for-sale are included in stockholders' equity.

Rate and Volume Analysis of Interest Income and Interest Expense

The following table describes the extent to which changes in interest rates and changes in volume of interest-earning assets and interest-bearing liabilities have affected Seasons' interest income and expense during the year indicated. For each category of interest-earning assets and interest-bearing liabilities, information is provided on changes attributable to (1) change in volume (change in volume multiplied by old rate); (2) change in rate (change in rate multiplied by old volume); and (3) a combination of change in rate and change in volume. The changes in interest income and interest expense attributable to both volume and rate have been allocated proportionately to the change due to volume and the change due to rate.

	2005 vs. 2004 Changes Due To:		
	Rate	Volume	Increase (Decrease)
	(Dollars in Thousands)		
Increase (decrease) in:			
Interest on loans	\$ 187	\$ 1,704	\$ 1,891
Interest on taxable securities	14	(19)	(5)
Interest on restricted equity securities		9	9
Interest on interest-bearing deposits in banks		4	4
Interest on federal funds sold	16	(32)	(16)
Total interest income	217	1,666	1,883
Interest on interest-bearing demand and savings deposits	135	43	178
Interest on time deposits	128	432	560
Interest on Federal Home Loan Bank advances	7	103	110
Interest on securities sold under repurchase agreements			
Interest on federal funds purchased	21	5	26
Total interest expense	291	583	874
Net interest income	\$ (74)	\$ 1,083	\$ 1,009

Provision for Loan Losses, Net Charge-offs and Allowance for Loan Losses

Seasons maintains an allowance for loan losses to absorb losses inherent in the loan portfolio. The allowance is based upon management's estimated range of those losses. Actual losses for these loans may vary significantly from this estimate.

The provision for loan losses is charged to current earnings to bring the allowance for loan losses to a level deemed appropriate by Seasons management. Actual loan losses, net of recoveries, are charged directly to the allowance for loan losses. The amount of the provision for loan losses is based on the growth of the loan portfolio, the amount of net loan losses incurred and management's estimation of potential future losses based on an evaluation of the risk in the loan portfolio.

Loan charge-offs were \$38,000 during 2005 as compared to \$35,000 during 2004. The amounts charged off during 2005 totaled \$6,000 unsecured and \$19,000 secured consumer credits and \$13,000 secured commercial credits which were identified by Seasons management as a loss. Management feels the allowance for loan losses remains adequate to absorb future losses which may exist in the loan portfolio.

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For a more detailed discussion of changes in the allowance for loan losses, risk elements and general credit quality, see *Allowance for Loan Losses* earlier in this discussion. The future level of the allowance and provision for loan losses will reflect management's ongoing evaluation of credit risk, based on established internal policies and practices.

Noninterest Income

Seasons' other income totaled \$154,000 in 2005 and \$94,000 in 2004. Other income consists primarily of service charges on deposit accounts that include monthly service charges on transaction accounts, insufficient funds charges, and other miscellaneous maintenance fees. Approximately 68% and 76% of total other income is generated from insufficient funds charges for the years ended December 31, 2005 and 2004, respectively.

Noninterest Expense

The main components of Seasons' noninterest expense are salaries and employee benefits, occupancy and equipment expenses, and other noninterest expense. Total noninterest expenses were approximately \$2,557,000 in 2005 and \$1,934,000 in 2004, an increase of \$623,000.

Seasons' total salaries and benefits increased by \$268,000 to \$1,163,000 in 2005 from \$895,000 in 2004. The increase in salaries and employee benefits during 2005 resulted primarily from the increase in the number of employees needed for the growth of Seasons Bank. As of December 31, 2005, Seasons had 25 full-time equivalent employees as compared to 19 at December 31, 2004.

Seasons' Equipment and Occupancy expenses increased \$88,000 to \$524,000 during 2005 as compared to \$436,000 in 2004. These increases were primarily due to increased business activity and also due to the costs of Seasons' new branch facility that it occupied in March 2005.

Seasons' other operating expenses increased by \$268,000 in 2005 to \$870,000, compared to \$602,000 in 2004.

Seasons' professional expenses increased in 2005 to \$171,000 as compared to \$91,000 in 2004 due primarily to increased legal expenses for trade mark licensing. Data processing expenses increased in 2005 to \$165,000 compared to \$129,000 in 2004 due to increases in customer volume. Advertising and business development increased in 2005 to \$77,000 compared to \$58,000 in 2004 related to general advertising. The remaining other expenses increased due to the overall growth of Seasons and adding a new branch facility.

Income Tax

Seasons has not recorded income taxes due to cumulative operating losses incurred to date. At December 31, 2005, Seasons had available net operating loss carryforwards of approximately \$1,775,000 for Federal income tax purposes. If unused, the carryforwards will expire beginning 2023.

Effects of Inflation and Changing Prices

The impact of inflation on banks differs from its impact on non-financial institutions. Banks, as financial intermediaries, have assets that are primarily monetary in nature and that tend to fluctuate in concert with inflation. A bank can reduce the impact of inflation if it can manage its rate sensitivity gap. This gap represents the difference between rate sensitive assets and rate sensitive liabilities. Seasons, through its asset-liability committee, attempts to structure the assets and liabilities and manage the rate sensitivity gap, thereby seeking to minimize the potential effects of inflation. For information on the management of interest rate sensitive assets and liabilities, see *Asset/Liability Management* on page 47.

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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 primary 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 Seasons and Cadence. 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 Seasons by Cadence through the merger of Seasons with and into Cadence, with Cadence continuing as the surviving entity. In addition, Seasons Bank, the wholly-owned subsidiary of Seasons, will be merged with and into Cadence Bank, N.A., a wholly-owned subsidiary of Cadence, with Cadence Bank continuing as the surviving entity.

In the merger, each share of Seasons common stock will be converted into the right to receive \$18.83 per share or a number of shares of Cadence common stock determined by dividing \$18.83 by the average closing market price of Cadence common stock for the full ten trading days ending on the third full trading day preceding the closing of the merger, subject to certain limitations in the merger agreement.

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

Background of the Merger

Although Seasons' board of directors believes that Seasons has enjoyed strong performance since Seasons Bank opened, it believes that a strategic merger with a larger bank with greater stock liquidity would enhance the value of Seasons' shareholders' investment in Seasons.

On September 20, 2005, Seasons commenced a secondary offering of its common stock to raise capital necessary to support its growth and to maintain requisite capital ratios. In December 2005, Seasons decided to engage an investment bank to help Seasons raise capital in its secondary offering. On December 9, 2005, William L. Sutton, Seasons' chief executive officer, met with Brian Dowhower, an investment banker with SunTrust Robinson Humphrey, to discuss the ways in which SunTrust Robinson Humphrey could help Seasons meet its goals in raising capital in the secondary offering. During this meeting, Mr. Dowhower asked Mr. Sutton whether Seasons would be interested in a merger transaction and told Mr. Sutton that he knew of a regional bank that might be interested acquiring a Georgia bank. Mr. Sutton informed Mr. Dowhower that he did not believe that Seasons' board of directors was interested in pursuing a merger, but that he would discuss the matter with members of Seasons' board. On or about December 27, 2005, Mr. Dowhower called Mr. Sutton and informed him that Cadence would be interested in acquiring Seasons and invited members of Seasons' management team to meet with members of Cadence's management in Atlanta to discuss such a transaction.

On January 12, 2006, members of Seasons' management team, including Robert M. Thomas, Jr., Seasons' chairman, Timothy A. Nelson, a director of Seasons and Mr. Sutton met with members of Cadence's management team in Atlanta including Lewis F. Mallory, chairman and chief executive officer and Mark A. Abernathy, Cadence's president and chief operating officer. Mr. Dowhower also attended the meeting. At this

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meeting, Mr. Mallory expressed Cadence's interest in seeking a strategic combination with Seasons to provide Cadence with a platform for expansion into the Georgia market and indicated that a merger offer would be forthcoming. Seasons' management team expressed interest in entering into a strategic merger with Cadence.

On January 18, 2006, Mr. Sutton informed Seasons' board of directors of the ongoing negotiations with Cadence and the board voted to consider a merger offer from Cadence should such an offer arise. Cadence reviewed public information and performed a financial analysis of Seasons prior to determining that it wanted to pursue a possible acquisition. On February 3, 2006, Cadence's board of directors considered whether to make a formal proposal to acquire Seasons and determined that Cadence would make such an offer subject to additional due diligence. On February 10, 2006, Mr. Mallory and members of Cadence's management visited Seasons' main office to conduct due diligence. During the remainder of February, the parties continued negotiations and Cadence made an informal offer to acquire Seasons during the last week of February 2006.

On February 23, 2006, Seasons engaged SunTrust Robinson Humphrey to perform a financial analysis of the proposed transaction and to render a fairness opinion. On March 1, 2006, SunTrust Robinson Humphrey met with the Seasons' board of directors to explain its preliminary financial analysis of the terms of Cadence's informal offer. On March 6, 2006, Cadence presented Seasons with a proposed merger agreement. Seasons board of directors met on March 17, 2006 to discuss the terms of the proposed merger agreement. Prior to this meeting, Cadence and Seasons, aided by representatives of Adams and Reese LLP and Powell Goldstein LLP, respectively, negotiated the terms of the definitive merger agreement. A team from SunTrust Robinson Humphrey attended Seasons' board meeting and presented their analysis of the financial terms of proposed merger agreement. Representatives of Powell Goldstein LLP also at the meeting and explained the terms of the merger agreement and the fiduciary obligations of Seasons' directors to shareholders when considering the merger transaction.

During the meeting, SunTrust Robinson Humphrey delivered an oral opinion to Seasons' board of directors that the proposed merger consideration was fair, from a financial point of view, to Seasons' shareholders. After full consideration and discussion of the structure, terms and conditions of the proposed merger, Seasons' board of directors ratified the proposed transaction as in the best interests of Seasons' shareholders and authorized Mr. Sutton to execute the agreement and take such further action as necessary to consummate the merger agreement, subject to regulatory and shareholder approval and pending receipt of a written fairness opinion from SunTrust Robinson Humphrey. SunTrust Robinson Humphrey issued its written fairness opinion on March 21, 2006 and the parties executed the merger agreement later that day. Cadence announced the execution of the merger agreement in a press release dated March 21, 2006.

Reasons for the Merger

Seasons' Reasons for the Merger

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

Seasons' board of directors has determined that the merger is fair to, and in the best interests of, Seasons and Seasons' shareholders. In recommending that shareholders of Seasons approve the merger, Seasons' 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 Seasons common stock, resulted from arm's-length negotiations between representatives of Seasons and Cadence. In approving the merger agreement, Seasons' board of directors consulted with Seasons' special legal counsel, Powell Goldstein LLP, as to its legal duties and the terms of the merger agreement and ancillary documents. In arriving at its determination that the

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merger agreement is in the best interest of Seasons and its shareholders, Seasons board of directors also considered the following material factors:

Seasons board of directors believes that its primary responsibility is to increase shareholder value;

The value of the consideration to be received by the Seasons shareholders relative to the book value and earnings per share of Seasons common stock;

Certain information concerning the financial condition, results of operations and business prospects of Cadence;

The financial terms of recent business combinations in the financial services industry and a comparison of the multiples of selected combinations with the terms of the merger with Cadence;

The alternatives to the merger, including remaining an independent institution;

The competitive and regulatory environment for financial institutions generally;

The fact that the merger will enable Seasons shareholders to exchange their shares of Seasons common stock, in a partially tax-free transaction, for cash and shares of common stock of a larger company, the stock of which is more widely held and more liquid than that of Seasons;

The opinion of SunTrust Robinson Humphrey, that the consideration to be received by Seasons shareholders as a result of the merger is fair from a financial point of view;

The complementary aspects of Seasons and Cadence's businesses, including customer focus, geographic coverage and business orientation;

The potential expense-saving opportunities, and the fact that former Seasons shareholders may participate in the benefits of such opportunities, as well as in the benefit of any potential incremental revenue enhancement opportunities, on a going forward basis as Cadence shareholders; and

Seasons Board of Directors belief that a combination with Cadence will allow Seasons shareholders to elect to participate in a combined company that will have better future prospects than we were likely to achieve on a stand-alone basis or through a combination with other potential merger partners, with greater market penetration and more diversified customer bases and revenue sources.

The discussion and factors considered by Seasons board of directors listed above were not exhaustive, but includes all material factors considered. Seasons board of directors did not assign any specific or relative weights to any of the foregoing factors. Rather, Seasons 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 Seasons Board of Directors

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

Opinion of SunTrust Robinson Humphrey

Seasons has engaged SunTrust Robinson Humphrey as its financial advisor in connection with the merger. At the March 17, 2006 meeting of the Seasons board of directors, SunTrust Robinson Humphrey reviewed its financial analysis of the merger with the board and delivered its oral opinion, which was subsequently confirmed in writing, that, as of the date of such opinion and based upon and subject to certain matters stated therein, the merger consideration was fair to the holders of Seasons common stock from a financial point of view.

The full text of the opinion of SunTrust Robinson Humphrey, which sets forth the assumptions made, matters considered and limitations on the review undertaken, is attached as Appendix C and is incorporated by

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reference in this proxy statement/prospectus. The summary of the SunTrust Robinson Humphrey opinion described below is qualified in its entirety by reference to the full text of the SunTrust Robinson Humphrey opinion. Seasons shareholders are urged to read the opinion carefully and in its entirety.

SunTrust Robinson Humphrey's opinion is directed to the board of directors of Seasons and relates only to the fairness from a financial point of view of the consideration to the holders of Seasons common stock. SunTrust Robinson Humphrey's opinion does not address any other aspect of the merger and does not constitute a recommendation to any stockholder as to how such stockholder should vote at the Seasons shareholders special meeting. It addresses the aggregate consideration to be received by the holders of Seasons common stock as a whole, without regard to size of holdings by individual shareholders, and does not address the particular situations of specific shareholders.

Material and Information Considered with Respect to the Merger

In arriving at its opinion, SunTrust Robinson Humphrey among other things:

reviewed the March 21, 2006 draft of the merger agreement;

reviewed certain publicly available business and historical financial information and other data relating to the business and financial prospects of Seasons and Cadence, including certain publicly available consensus financial forecasts and estimates relating to Seasons and Cadence that were reviewed and discussed with the management of Seasons and Cadence;

reviewed internal financial and operating information with respect to the business, operations and prospects of Seasons furnished to SunTrust Robinson Humphrey by Seasons;

reviewed the reported prices and trading activity of Cadence's common stock, and compared those prices and activity with other publicly-traded companies that SunTrust Robinson Humphrey deemed relevant;

compared the historical financial results, present financial condition and stock market data of Cadence with those of publicly traded companies that SunTrust Robinson Humphrey deemed relevant;

reviewed certain pro forma effects of the merger on Cadence's financial statements and potential benefits of the merger and discussed these items with the management of Seasons and Cadence;

compared the financial terms of the merger with the publicly available financial terms of certain other recent transactions that SunTrust Robinson Humphrey deemed relevant;

conducted discussions with members of the management of Seasons and Cadence concerning their respective businesses, operations, assets, present condition and future prospects; and

undertook such other studies, analyses and investigations, and considered such information, as SunTrust Robinson Humphrey deemed appropriate.

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SunTrust Robinson Humphrey assumed and relied upon, without independent verification, the accuracy and completeness of all of the financial and other information discussed with or reviewed by it in arriving at its opinion. With respect to the financial forecasts, estimates, pro forma effects and estimates of synergies and other potential benefits of the merger provided to or discussed with it, SunTrust Robinson Humphrey assumed, at the direction of the management of Seasons and without independent verification or investigation, that they have been reasonably prepared on bases reflecting the best currently available information, estimates and judgments of the management of Seasons and Cadence and are otherwise reasonable. SunTrust Robinson Humphrey also assumed with the approval of Seasons that the future financial results referred to in its opinion that were provided to it by Seasons and Cadence will be achieved, and that the synergies and other potential benefits of the merger will be realized, at the times and in the amounts estimated by the management of Seasons and Cadence.

In arriving at its opinion, SunTrust Robinson Humphrey did not conduct a physical inspection of the properties and facilities of Seasons. SunTrust Robinson Humphrey did not review individual credit files nor did it

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make any independent evaluation or appraisal of any of the assets or liabilities (including any contingent, derivative or off-balance-sheet assets or liabilities) of Seasons or Cadence or any of their respective subsidiaries, and SunTrust Robinson Humphrey was not furnished with any such evaluation or appraisal. SunTrust Robinson Humphrey is not an expert in the evaluation of loan and lease portfolios for purposes of assessing the adequacy of the allowances for losses with respect to such portfolios and, accordingly, SunTrust Robinson Humphrey assumed that Seasons' and Cadence's allowances for losses are in the aggregate adequate to cover those losses.

The SunTrust Robinson Humphrey opinion is necessarily based upon market, economic and other conditions as they existed on and could be evaluated as of, the date of its opinion. SunTrust Robinson Humphrey's opinion does not address the relative merits of the merger as compared to other business strategies or transactions that might be available to Seasons or Season's underlying business decision to effect the merger. SunTrust Robinson Humphrey was not asked to, nor did it, offer any opinion as to any terms or conditions of the merger agreement or the form of the merger. SunTrust Robinson Humphrey was not asked to solicit, nor did it solicit, any indications of interest from any third party with respect to the purchase of all or a part of Seasons' business. The financial markets in general and the market for the common stock of Cadence, in particular, are subject to volatility, and SunTrust Robinson Humphrey's opinion did not address potential developments in the financial markets or what the value of Cadence common stock will be when issued pursuant to the merger agreement or the prices at which it will trade or otherwise be transferable at any time.

For purposes of its opinion, SunTrust Robinson Humphrey assumed that:

the merger agreement does not differ in any respect from the draft it examined and that Cadence and Seasons will comply in all material respects with the terms of the merger agreement and the transaction will be consummated in accordance with its terms without waiver, modification or amendment of any material term, condition or agreement;

the merger will be treated as a tax-free reorganization for federal income tax purposes; and

all material governmental, regulatory or other consents and approvals necessary for the consummation of the merger will be obtained without any adverse effect on Seasons or Cadence or on the expected benefits of the merger.

SunTrust Robinson Humphrey relied as to all legal matters relevant to rendering its opinion upon the advice of counsel. Subsequent developments may affect SunTrust Robinson Humphrey's opinion and SunTrust Robinson Humphrey does not have any obligation to update or revise its opinion.

In preparing its opinion, SunTrust Robinson Humphrey performed a variety of financial and comparative analyses, a summary of which is described below. The summary is not a complete description of the analyses underlying SunTrust Robinson Humphrey's opinion or the presentation made to Seasons' board of directors, but summarizes the material analyses performed and presented in connection with its opinion. The preparation of a fairness opinion is a complex analytic process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, is not readily susceptible to summary description. Accordingly, SunTrust Robinson Humphrey believes that its analyses must be considered as an integrated whole and that selecting portions of its analyses and factors, without considering all analyses and factors, or focusing on information in tabular format, could create a misleading or incomplete view of the processes underlying such analyses and SunTrust Robinson Humphrey's opinion.

In performing its analyses, SunTrust Robinson Humphrey made numerous assumptions with respect to Seasons, Cadence, industry performance and general business, economic, market and financial conditions, many of which are beyond the control of Seasons and Cadence. The estimates contained in these analyses and the valuation ranges resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by

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such analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty.

SunTrust Robinson Humphrey's opinion and analyses were only one of many factors considered by the Seasons board of directors in its evaluation of the merger and should not be viewed as determinative of the views of the Seasons board of directors or management of Seasons with respect to the merger or the consideration to be received by Seasons in the merger. The merger consideration was determined on the basis of negotiations between Seasons and Cadence. In arriving at its opinion, SunTrust Robinson Humphrey did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative) supported or failed to support its opinion. Rather, SunTrust Robinson Humphrey arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole and believes that the totality of the factors considered and analysis it performed in connection with its opinion operated collectively to support its determination as to the fairness of the merger consideration from a financial point of view. Seasons' decision to enter into the merger was made solely by the Seasons board of directors and not as a result of a recommendation by SunTrust Robinson Humphrey.

The following is a summary of the material financial and comparative analyses presented by SunTrust Robinson Humphrey in connection with its opinion to the Seasons board of directors. The summary includes information presented in a tabular format. In order to understand fully the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.

Summary of Proposal

SunTrust Robinson Humphrey reviewed the financial terms of the proposed transaction. Based upon the total consideration equal to \$9,900,000 in cash and 508,190 shares of Cadence common stock and upon 1,032,890 shares of Seasons common stock outstanding as of March 17, 2006 and 298,002 options and warrants outstanding with a weighted average strike price of \$10.17 per option and warrant and the 10-day average for the closing stock price of Cadence common stock of \$23.81 as of March 14, 2006, SunTrust Robinson Humphrey calculated a per share transaction value of \$18.83 (excluding merger expenses and capitalized transaction costs).

Analysis of Seasons

Analysis of Selected Publicly-Traded Reference Companies

SunTrust Robinson Humphrey reviewed and compared publicly available financial data, market information and trading multiples for Seasons with other selected publicly-traded reference companies that SunTrust Robinson Humphrey deemed relevant to Seasons. These companies selected consisted of banks located in the state of Georgia with less than \$1 billion in total assets.

Companies Included:

Appalachian Bancshares, Inc.

CCF Holding Company

Community Capital Bancshares, Inc.

Crescent Banking Company

Habersham Bancorp

Savannah Bancorp, Inc.

Southwest Georgia Financial Corporation

Summit Bank Corporation

WGNB Corp.

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For the selected publicly-traded reference companies, SunTrust Robinson Humphrey analyzed, among other things, stock price as a multiple of latest twelve months earnings per share, projected calendar year 2006 and 2007 earnings per share, book value, tangible book value; assets as a percentage of total market capitalization; and franchise premium. All multiples were based on closing stock prices as of March 14, 2006. Projected earnings per share for the reference companies were based on First Call consensus estimates. First Call is an information provider that publishes a compilation of estimates of projected financial performance for publicly-traded companies produced by equity research analysts at leading investment banking firms. The following tables set forth the average and median multiples indicated by this analysis compared to multiples based upon the merger consideration.

	Reference Companies Average	Reference Companies Median	Merger
Market Price to:			
LTM EPS	17.37x	17.87x	NMx
Calendar 2006E EPS	18.30	15.76	31.58
Calendar 2007E EPS	15.72	13.99	17.16
Book Value	2.01	2.03	2.80
Tangible Book Value	2.09	2.12	2.80
Assets/Market Capitalization	18.00%	15.93%	28.77%
Franchise Premium	14.89%	10.98%	26.72%

SunTrust Robinson Humphrey noted that none of the companies used in the market analysis of selected publicly-traded companies was identical to Seasons and that, accordingly, the analysis necessarily involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies reviewed and other factors that would affect the market values of the selected publicly-traded companies.

Analysis of Selected Merger and Acquisition Transactions

SunTrust Robinson Humphrey reviewed and analyzed the financial terms, to the extent publicly available and deemed relevant by SunTrust Robinson Humphrey, in 15 selected completed and pending mergers and acquisitions involving banks in the state of Georgia that were announced between January 1, 2002 and March 14, 2006, excluding those located in the Atlanta Metropolitan Statistical Area.

Acquiror

Liberty Shares, Incorporated
 Security Bank Corporation
 ABC Bancorp
 Omni Financial Services
 Capitol Bancorp Ltd.
 Habersham Bancorp
 Capital City Bank Group, Inc.
 Upson Bankshares, Incorporated
 Southwest Georgia Financial Corporation
 GB&T Bancshares, Inc.
 Liberty Shares, Incorporated
 GB&T Bancshares, Inc.
 United Community Banks Inc.
 SNB Bancshares Inc.
 First Security Group Inc.

Target

Peoples Banking Corporation
 Rivoli Bancorp, Inc.
 First National Banc, Inc.
 Georgia Community Bancshares, Inc.
 Peoples State Bank
 Liberty Bank & Trust
 Farmers & Merchants Bank
 First Polk Bankshares, Inc.
 First Bank Holding Company
 Southern Heritage Bancorp, Inc.
 Cumberland National Bank
 Baldwin Bancshares, Inc.
 First Georgia Holding Inc.
 Bank of Gray
 Premier National Bank

For the selected transactions, SunTrust Robinson Humphrey analyzed, among other things, acquisition price as a multiple of latest twelve months earnings per share, book value, tangible book value, total assets and

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franchise premium. All multiples for the selected transactions were based on publicly available information at the time of announcement of the relevant transaction. The following tables set forth the average and median multiples indicated by this analysis compared to multiples based upon the merger consideration.

	Reference Transactions Average	Reference Transactions Median	Merger
Market Price to:			
LTM EPS	24.01x	26.28x	NMx
Book Value	1.91	1.82	2.80
Tangible Book Value	1.96	1.91	2.80
Total Assets	16.23%	17.67%	28.77%
Premium / Deposits	12.38%	12.79%	26.72%

SunTrust Robinson Humphrey noted that no transaction considered in the analysis of selected merger and acquisition transactions is identical to the merger and may differ significantly from the merger based on, among other things, the size of the transactions, the structure of the transactions and the dates that the transactions were announced and consummated. All multiples for the selected transactions were based on public information available at the time of announcement of such transaction, without taking into account differing market and other conditions during the period during which the selected transactions occurred.

Dividend Discount Analysis

SunTrust Robinson Humphrey performed a dividend discount analysis based upon projections provided by Seasons management for the fiscal years ending December 31, 2006 through 2011 to estimate the net present equity value per share of Seasons SunTrust Robinson Humphrey discounted five years of estimated cash flows for Seasons, assuming a dividend rate sufficient to maintain a tangible equity capital ratio (defined as tangible equity divided by tangible assets) of 6.00% and using a range of discount rates from 11.34% to 13.34%. In order to derive the terminal value of Seasons earnings stream beyond 2010, SunTrust Robinson Humphrey assumed terminal value multiples of fiscal year 2011 earnings ranging from 14.0x to 16.0x. The present value of this terminal amount was then calculated based on the range of discount rates mentioned above. These rates and values were chosen to reflect different assumptions regarding the required rates of return of holders or prospective buyers of Seasons common stock. This analysis yielded a range of stand-alone values for Seasons common stock of between \$14.56 and \$17.38 per share, with an average value of \$15.92 per share.

*Analysis of Cadence**Analysis of Selected Publicly-Traded Reference Companies*

SunTrust Robinson Humphrey reviewed and compared publicly available financial data, market information and trading multiples for Cadence with other selected publicly-traded reference companies that SunTrust Robinson Humphrey deemed relevant to Cadence. These companies are:

Companies Included:

Alabama National Bancorporation

BancTrust Financial Group, Inc.

Bank of the Ozarks, Inc.

First M & F Corporation

Hancock Holding Company

IBERIABANK Corporation

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Renasant Corporation

Simmons First National Corporation

For the selected publicly-traded reference companies, SunTrust Robinson Humphrey analyzed, among other things, stock price as a multiple of the latest twelve months earnings per share, projected calendar year 2006 and

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2007 earnings per share, book value, tangible book value and assets as a percentage of total market capitalization. All multiples were based on closing stock prices as of March 14, 2006. Projected earnings per share for the reference companies were based on First Call consensus estimates. The following table sets forth the average and median multiples indicated by the market analysis of selected publicly-traded reference companies:

	NBC Capital	Reference Companies	
	Corporation	Average	Median
Market Price to:			
LTM EPS	13.90x	18.55x	16.77x
Calendar 2006E EPS	13.98	15.50	15.65
Calendar 2007E EPS	12.76	13.69	13.51
Book Value	1.63	2.18	1.90
Tangible Book Value	2.47	2.90	2.79
Assets/Market Capitalization	13.36	18.88	18.16

SunTrust Robinson Humphrey noted that none of the companies used in the market analysis of selected publicly-traded companies was identical to Cadence and that, accordingly, the analysis necessarily involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies reviewed and other factors that would affect the market values of the selected publicly-traded companies.

Dividend Discount Analysis

SunTrust Robinson Humphrey performed a dividend discount analysis based upon projections provided by First Call for the fiscal year ending December 31, 2006 and based upon net income growth and tangible asset growth of 8% for the fiscal years ending December 31, 2007, 2008, 2009, 2010 and 2011 to estimate the net present equity value per share of Cadence. Net income growth for the years ending December 31, 2007, 2008, 2009, 2010 and 2011 was based upon consensus five year projected growth estimates for Cadence provided by First Call. SunTrust Robinson Humphrey discounted five years of estimated cash flows for Cadence, assuming a dividend payout rate of 60% on net income and using a range of discount rates from 10.28% to 11.28%. In order to derive the terminal value of Cadence's earnings stream beyond 2010, SunTrust Robinson Humphrey assumed terminal value multiples of fiscal year 2011 earnings ranging from 14.0x to 16.0x. The present value of this terminal amount was then calculated based on the range of discount rates mentioned above. These rates and values were chosen to reflect different assumptions regarding the required rates of return of holders or prospective buyers of Cadence common stock. This analysis yielded a range of stand-alone values for Cadence common stock of between \$24.09 and \$28.24 per share, with an average value of \$26.12 per share. SunTrust Robinson Humphrey noted as part of its analysis that Cadence's closing stock price on March 14, 2006 was \$23.35.

Other Factors and Analyses

SunTrust Robinson Humphrey took into consideration various other factors and analyses, including: historical market prices and trading volumes for Cadence's common stock; movements in the common stock of selected publicly-traded companies; movements in the S&P Bank Index; and analyses of the costs of equity of each of Seasons and Cadence.

Information Regarding SunTrust Robinson Humphrey

The Seasons board of directors selected SunTrust Robinson Humphrey to act as its financial advisor and render a fairness opinion regarding the merger because SunTrust Robinson Humphrey is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger and because it is familiar with Seasons, its business and its industry. SunTrust Robinson Humphrey is continually engaged in the

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valuation of businesses and their securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, secondary distributions of listed and unlisted securities and private placements.

Pursuant to a letter agreement dated February 22, 2006, Seasons paid SunTrust Robinson Humphrey a fee of \$25,000 upon the signing of the merger agreement. In addition, Seasons has agreed to pay SunTrust Robinson Humphrey a financial advisory fee at closing of the merger equal to 1.65% of the aggregate consideration to be received pursuant to the merger. Based on the current market price of Cadence's common stock as of the date of this document, the additional fee payable to SunTrust Robinson Humphrey under the preceding formula would be \$363,000. In addition, Seasons has agreed to reimburse SunTrust Robinson Humphrey for its reasonable out-of-pocket expenses and to indemnify SunTrust Robinson Humphrey and certain related persons against certain liabilities arising out of or in conjunction with its rendering of services under its engagement, including certain liabilities under the federal securities laws. In the ordinary course of its business, SunTrust Robinson Humphrey and its affiliates may actively trade in the debt and equity securities of Cadence for its own account and the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities. In addition, SunTrust Robinson Humphrey and its affiliates (including SunTrust Banks, Inc.) have other financing and business relationships with Seasons and Cadence in the ordinary course of business. SunTrust Robinson Humphrey and its affiliates (including SunTrust Banks, Inc.) have provided certain investment banking and lending services to Cadence from time to time, including having acted as an underwriter in connection with its public offering of common stock on May 4, 2006.

Cadence's Reasons For The Merger

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

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

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

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

Its understanding of the business, operations, financial condition, earnings and prospects of Cadence and Seasons.

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

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.

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

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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 Cadence's legal advisors.

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This discussion of factors considered by Cadence'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, Cadence's board did not identify any factor or group of factors as more significant than any other in the decision making process. Cadence's board of directors based its decision on the totality of information.

Cadence's board of directors also considered potential risks associated with the merger, including (1) the challenges of integrating Seasons businesses, operations and workforce with those of Cadence, (2) the conversion of Seasons systems into Cadence's systems, (3) the need to obtain Seasons 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 Seasons common stock that you hold at the time of the merger will automatically be converted into the right to receive cash or shares of Cadence 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 Seasons common stock, either:

\$18.83 in cash; or

Cadence common stock equal to the number of Seasons shares you hold multiplied by the ratio of \$18.83 divided by the average closing market price of Cadence common stock for the full ten trading days ending on the third full trading day 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 Cadence common stock, or some of your shares for cash and the rest of your shares for Cadence common stock.

Under the terms of the merger agreement, the aggregate consideration to be paid by Cadence to Seasons shareholders will be \$22 million, subject to the limitation that \$9,900,000 will be in the form of cash consideration (including cash paid to holders of options to acquire Seasons common stock). In the event that the holders of the outstanding shares of Seasons common stock elect to receive cash or stock that would exceed 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 Cadence common stock you will receive in exchange for your shares of Seasons common stock will be based on the average closing market price of Cadence common stock for the full ten trading days ending on the third full trading day preceding the closing of the merger. However, the merger agreement also provides that the average closing market price of Cadence common stock for the full ten trading days preceding the closing cannot be less than \$20.05 or greater than \$27.13 per share. Therefore, if the average market closing price of Cadence common stock for the full ten trading days ending on the third full trading day preceding the closing date of the merger is less than \$20.05, the consideration received by Seasons shareholders who receive Cadence common stock in exchange for their shares of Seasons common stock would be less than \$18.83 per share of Seasons common stock. If, however, the average closing market price of Cadence common stock for the full ten trading days ending on the third full trading day prior to the closing of the merger is greater than \$27.13 per share, the consideration received by Seasons shareholders who receive Cadence common stock in exchange for their shares of Seasons common stock would be greater than \$18.83 per share.

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

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You may receive significantly more or less cash or more or fewer shares of Cadence 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 Cadence Common Stock and Cash*, on pages 64 and 65, respectively.

Election and Exchange Procedures

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

Stock Election Shares. Seasons shareholders who elect to receive Cadence 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 Seasons 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. Seasons shareholders who elect to receive cash for some or all of their shares will receive \$18.83 in cash per share for that portion of the shareholder's shares of Seasons 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 Seasons shareholders who have made cash elections as cash election shares.

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

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

Election Form. Each record holder of shares of Seasons common stock shall submit an election form specifying the number of shares of Seasons common stock that such record holder desires to be stock election shares and the number of shares of Seasons 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 October 18, 2006, in accordance with the procedures set forth below, or who has acquired shares of Seasons 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 dissenter's shares shall be deemed to be cash election shares, and, with respect to such shares, the holders thereof shall not receive consideration comprised of Cadence common stock. Any election to receive Cadence 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, Cadence's exchange agent shall mail the election form to each holder of record of Seasons common stock as of three 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

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holder accompanied by such holder's Seasons 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 Seasons 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 Seasons common stock may at any time prior the election deadline revoke such holder's election and withdraw such holder's Seasons 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 Seasons 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 Seasons Common Stock another election form. If you become a holder of record of Seasons 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 Cadence common stock.

Certificates representing shares of Cadence 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 Cadence shareholder from the effective date. Until the certificates representing Seasons 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 Cadence common stock into which such shares have been converted. When the certificates are surrendered to Cadence's exchange agent, any unpaid dividends or other distributions will be paid without interest. Cadence has the right to withhold dividends or any other distributions on its shares until the Seasons stock certificates are surrendered for exchange.

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

Cadence will not issue any fractions of a share of common stock. Rather, Cadence will pay cash for any fractional share interest that any Seasons shareholder would otherwise be entitled to receive in the merger. For each fractional share that would otherwise be issued, Cadence 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 Cadence common stock for the ten full trading days ending on the third full trading day preceding the closing of the merger. Shares of Seasons common stock issued and held by Seasons as treasury shares as of the effective date of the merger, if any, will be canceled.

Any options to purchase Seasons common stock, vested or unvested, will be paid the difference between \$18.83 and the exercise price. For purposes of determining the aggregate merger consideration paid to shareholders of Seasons common stock, any cash paid to holders of options or warrants to acquire Seasons common stock will be included as cash consideration and calculated as part of the \$9,900,000 limitation on cash consideration.

Allocation of Cadence Common Stock and Cash

Notwithstanding the election of Seasons shareholders to receive cash, Cadence common stock or a combination of stock and cash in the merger, the aggregate purchase price to be paid by Cadence to shareholders and holders of options to acquire Seasons common stock shall be \$22 million, of which \$9,900,000 shall be in the form of cash consideration.

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Over-election of the Cash Consideration. If the aggregate number of cash election shares multiplied by \$18.83, and when added to the amount to be paid to holders of options to acquire shares of Seasons common stock, exceeds \$9,900,000, then:

All stock election shares shall be converted into the right to receive Cadence common stock;

The exchange agent will select from among the holders of cash election shares, on a pro rata basis, a sufficient number of such shares that shall be deemed to be stock election shares (Stock Designated Shares) such that the number of cash election shares (less the Stock Designated Shares), when multiplied by \$18.83, and added to the aggregate amount to be paid to holders of options to acquire Seasons common stock, is approximately equal \$9,900,000.

All such Stock Designated Shares shall be converted into the right to receive Cadence common stock.

All cash election shares not deemed Stock Designated Shares shall be converted to the right to receive cash consideration in the amount of \$18.83 per share.

Under-election of the cash consideration. If the aggregate number of cash election shares, multiplied by \$18.83, and when added to the aggregate amount to be paid to holders of options to acquire shares of Seasons common stock, is less than \$9,900,000, then:

All cash election shares shall be converted into the right to receive cash consideration in the amount of \$18.83 per share.

The exchange agent will select from among the holders of stock election shares, on a pro rata basis, a sufficient number of such shares, which shall be deemed to be cash election shares (Cash Designated Shares) such that the number of Cash Designated Shares will, when added to the number of cash election shares, multiplied by \$18.83, and added to the aggregate amount to be paid to holders of options to acquire Seasons shares, results in cash consideration approximately equal to \$9,900,000.

All such Cash Designated Shares shall be converted into the right to receive \$18.83 per share.

All stock election shares not deemed to be Cash Designated Shares shall be converted into the right to receive Cadence common stock. *No Election Shares.* Shares held by Seasons shareholders (i) who indicate that they have no preference as to whether they receive Cadence common stock or cash or (ii) who do not make a valid election will be deemed to be stock election shares.

Effective Date

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 Cadence and Seasons may mutually select. Regulatory approval cannot be waived. We presently expect closing on the merger to occur during the fourth quarter of 2006. See *The Merger Conditions to the Merger* and *The Merger Regulatory Approvals*, beginning on pages 70 and 71, respectively.

Statutory Provisions For Dissenter s 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 Georgia law and is qualified in its entirety by reference to the full text of Sections 1301-1332 of the Georgia Business Corporation Code.

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A copy of the dissenter's rights provided in Sections 1301-1332 of the Georgia Business Corporation Code is attached as Appendix B to this proxy statement/prospectus. If you desire to exercise dissenter's rights, you

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should review carefully Sections 1301-1332 and are urged to consult a legal advisor before electing or attempting to exercise these rights.

Any holder of record of Seasons common stock who objects to the merger, and who fully complies with all of the provisions of Sections 1301-1332 of the Georgia Business Corporation Code (but not otherwise), will be entitled to seek appraisal for, and obtain payment of, the fair value of shares of Seasons common stock if the merger is consummated.

A shareholder of record may assert dissenter's rights as to fewer than all of the Seasons 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 Seasons in writing of the name and address of each person on whose behalf he asserts dissenter's rights. The rights of a shareholder asserting partial dissenter's 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 Seasons who objects to the merger and desires to receive payment of the fair value of his or her Seasons common stock:

must deliver to Seasons, 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 dissenter's notice sent to the shareholder by Seasons 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 dissenter's rights must separately comply with all three conditions.

All written notices should be sent to:

Seasons Bancshares, Inc.
336 Blue Ridge Street
Blairsville, Georgia 30512
Attention: Nita Elliot

If the merger agreement is approved and adopted by Seasons' shareholders, Seasons will mail, no later than 10 days thereafter, by certified mail to each shareholder who has properly demanded payment for his or her shares and not voted in favor of the merger, a written dissenter's notice, addressed to the shareholder at such address as the shareholder has furnished Seasons in writing or, if none, at the shareholder's address as it appears on the records of Seasons. After receiving the dissenter's notice, any dissenter must file with Seasons a written demand for payment before the deadline set by the dissenter's notice, which shall be no fewer than 30 days nor more than 60 days after the date the dissenter's notice was delivered by Seasons.

If all three conditions above are satisfied in full, Seasons is required to make a written offer within 10 days of the later of the receipt of the demand for payment or the date the merger is effected, to each shareholder asserting dissenter's rights to purchase all of such shareholder's shares of Seasons stock at a specific price. If Seasons and any shareholder asserting dissenter's rights are unable to agree on the fair value of the shares within 60 days, then Seasons will commence a proceeding in a court of competent jurisdiction in the county where the registered office of Seasons is located to determine the rights of the shareholders asserting dissenter's rights and the fair value of his or her shares. If Seasons does not commence the proceeding within the 60-day period, then Seasons must pay any shareholder asserting dissenter's rights the amount demanded.

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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

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of attorneys and experts for the respective parties. The court will assess these costs against Seasons, except that the court may assess these costs against all or some of the shareholders asserting dissenter's 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.

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

Seasons shareholders should note that cash paid to shareholders asserting dissenter's 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 Seasons shareholder to follow the steps required by the Georgia Business Corporation Code for perfecting dissenter's rights will 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 Seasons common stock and are considering objecting to the approval and adoption of the merger agreement and exercising your dissenter's rights under the Georgia Business Corporation Code, 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 Seasons and Cadence.

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 Cadence and Seasons for inclusion in this proxy statement/prospectus, filed under the Securities Act of 1933, in connection with the issuance of Cadence common stock in the merger.

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

Validity and legality of interest rate risk management instruments.

Conduct of Business Pending the Merger

In the merger agreement, Seasons 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, Seasons 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

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agreement or consented to by Cadence. Seasons also agreed in the merger agreement that, among other things, it will not, without the prior written consent of Cadence:

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

Modify or amend any material contracts.

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 \$25,000 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 \$500,000 in the aggregate or compromise, extend, renew or modify any such loan or commitment in excess of \$500,000.

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. Cadence and Seasons 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.

No Solicitation of Other Transactions

Seasons 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 Seasons or its subsidiaries, or any purchase or sale of 5% or more of Seasons consolidated assets or acquisition of voting power of 5% or more of the total voting power of Seasons 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, Seasons 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, Seasons 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.

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

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For a discussion of circumstances under which certain actions relating to a possible acquisition involving Seasons could result in Seasons being required to pay to Cadence a termination fee of \$1 million, see *The Merger Termination Fee*, beginning on page 73.

Dividends

The merger agreement generally prohibits Seasons from paying any cash dividend or making any other distribution with respect to its capital stock, except that Seasons may cause Seasons Bank to pay dividends so long as such dividends are only paid to Seasons and that no such dividend shall cause Seasons Bank to cease to qualify as well capitalized.

Cadence 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:

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

The shares of Cadence common stock to be issued to the holders of Seasons 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 Cadence determines would cause a material adverse effect as to Cadence or otherwise reduce the contemplated benefits of the merger to Cadence. See *The Merger Regulatory Approvals*, at page 71.

The Form S-4, which includes this proxy statement/prospectus shall have become effective under the Securities Act, no stop order suspending the effectiveness of the 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.

Seasons and Cadence shall have received legal opinions from Powell Goldstein 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 75.

The representations and warranties are accurate, as of March 21, 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.

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Except for the requirements of Seasons shareholder approval, regulatory approvals, the listing of Cadence common stock on the American Stock Exchange, the effectiveness of the Form S-4, the opinion of SunTrust Robinson Humphrey, and the absence of any order, decree, or injunction preventing the transactions contemplated by the merger agreement, Cadence or Seasons may waive each of the conditions described above in the manner and to the extent described in *The Merger Amendment; Waiver*, at page 72.

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Subsidiary Bank Merger

As contemplated by the merger agreement, Seasons 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, Seasons Bank will merge with and into Cadence Bank, with Cadence Bank as the surviving bank. All shares of Seasons Bank will be canceled and will cease to exist and no consideration will be paid for these shares. Cadence and Seasons expect to complete the merger of Cadence Bank and Seasons 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 Seasons with Cadence, and the expiration of all applicable waiting periods.

Cadence and Seasons 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) 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. By letter dated July 27, 2006, the Federal Reserve Board waived its jurisdiction over the merger.

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. The Federal Reserve Board has waived its approval. Therefore, because the Federal Reserve Board waived its jurisdiction, the Office of the Comptroller of the Currency will review the merger, including both the merger of Seasons into Cadence and Seasons Bank into Cadence Bank. 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

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 Cadence, Seasons 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 Cadence and Seasons 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 Cadence and Seasons 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 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

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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. Cadence and Seasons have filed the necessary application with 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 were provided to the U.S. Department of Justice and other governmental agencies.

On August 8, 2006, the OCC approved the application and provided that the merger would be approved upon receipt of several additional documents. Both Cadence and Seasons intend to provide these documents to the OCC prior to the consummation of the merger.

Amendment; Waiver

Cadence 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 Seasons 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 Seasons; provided, however, that after any Seasons shareholder approval, no amendment shall be made which by law requires further approval by Seasons 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 Cadence or Seasons at any time prior to the closing of the merger:

By mutual consent, if the board of directors of each of Cadence and Seasons 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.

If the conditions precedent to the merger are not satisfied.

If Seasons shareholder approval of the merger agreement is not obtained.
Cadence may terminate the merger agreement at any time prior to the closing of the merger if:

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

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

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Subject to the exception discussed in the section *The Merger No Solicitation of Other Transactions*, Seasons approves or recommends, or proposes publicly to approve or recommend, any acquisition 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 5% or more of the outstanding shares of Seasons common stock is commenced (other than by Cadence or a Subsidiary thereof), and the board of directors of Seasons recommends that the shareholders of Seasons 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;

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

Prior to the date of the Seasons special meeting, Seasons receives an unsolicited bona fide acquisition proposal and Seasons board of directors concludes in good faith that such proposal constitutes or is reasonably likely to result in a superior proposal, Seasons 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.

Through a resolution adopted by a majority of the entire Seasons board of directors, if both of (a) the average trading price of Cadence common stock for the full ten trading days ending on the third full trading day preceding the closing of the merger is less than \$18.87, and (b) the quotient obtained by dividing the average closing market price of Cadence common stock for the full ten trading days preceding the closing of the merger by \$23.59 shall be less than the quotient obtained by dividing the index price on the closing date by the index price on the execution date 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 Seasons elects to exercise this termination right, Seasons must give prompt written notice to Cadence 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 Cadence receives such notice, Cadence shall have the option of adjusting the merger consideration within certain parameters described in the merger agreement.

Termination Fee

Seasons will pay Cadence a termination fee of \$1 million if:

Cadence terminates the merger agreement because of the commencement of a tender offer or exchange offer for 5% or more of the outstanding shares of Seasons common stock and the board of directors of Seasons recommends that the Seasons 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.

Cadence terminates the merger agreement because the board of directors of Seasons failed to unanimously recommend adoption of the merger 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 Cadence. See *The Merger No Solicitation of Other Transactions* on page 69.

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Seasons terminates the merger agreement because Seasons has entered into a definitive agreement for the acquisition or merger of Seasons with another entity, subject to the terms of the merger agreement.

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Expenses

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

Management and Operations After the Merger

The board of directors and management of Cadence will remain the same both before and after the merger.

Employment; Severance

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

Any employee of Seasons or Seasons Bank as of March 21, 2006 (other than those employees covered by either a written employment or severance agreement) whose employment is discontinued by Cadence 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 Cadence or its subsidiary equal in amount to two weeks' base pay for each full year the employee was employed by Seasons or Seasons 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 Seasons' written severance policy.

Upon completion of the merger, Nita Elliot, Chief Financial Officer of Seasons will have an employment agreement with Cadence Bank, a subsidiary of Cadence, as the successor entity to Seasons Bank.

Employee Benefit Plans

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

Immediately prior to the closing of the merger, the Seasons Simple IRA Plan shall be terminated and the Seasons employees who are then participating in the Seasons Simple IRA plan shall be eligible to become participants in the Cadence 401(k) Plan.

Options

Seasons, from time to time, issued options to purchase Seasons 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 \$18.83 less the exercise price.

Interests of Management and Others in the Merger

Share Ownership

As of August 25, 2006, the record date for the special meeting of Seasons shareholders, the directors and executive officers of Seasons may be deemed to be the beneficial owners of approximately 236,242 shares, representing 22.8% of the outstanding shares of Seasons common stock.

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As of August 25, 2006, there were 298,002 options and warrants outstanding to acquire Seasons common stock. Pursuant to the terms of the merger agreement, these officers and directors are entitled to receive \$18.83 less the exercise price of the options and warrants.

Indemnification and Insurance

Cadence has agreed to indemnify the directors and officers of Seasons or Seasons 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 Seasons' articles of incorporation, bylaws and applicable law.

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

Accounting Treatment

Cadence will account for the merger under the purchase method of accounting. Cadence will record, at fair value, the acquired tangible and identifiable intangible assets and assumed liabilities of Seasons. To the extent that the total purchase price exceeds the fair value of the assets acquired and liabilities assumed, Cadence 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. Cadence will include in its results of operations the results of Seasons' operations only after completion of the merger.

Federal Income Tax Consequences

In the opinion of Adams and Reese LLP, Cadence's legal counsel, and Powell Goldstein LLP, Seasons' legal counsel, the following discussion addresses the material United States federal income tax consequences of the merger to a Seasons shareholder who holds shares of Seasons common stock as a capital asset. This discussion is based upon the Internal Revenue Code of 1986, as amended, which is referred to in 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 Seasons shareholders in light of their particular circumstances and does not address aspects of United States federal income taxation that may be applicable to Seasons 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, Seasons shareholders who hold their shares of Seasons common stock as part of a hedge, straddle or conversion transaction, Seasons shareholders who acquired their shares as compensation, and Seasons 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.

Seasons 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 Cadence and Seasons of the opinions of Adams and Reese LLP, counsel to Cadence, and Powell Goldstein LLP, counsel to Seasons, dated as of the effective date

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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 Seasons and Cadence) 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 Seasons nor Cadence 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 Powell Goldstein LLP, in their respective opinions as to the material United States federal income tax consequences of the merger to Seasons shareholders.

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

A shareholder who receives in the merger solely cash in exchange for shares of Seasons 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 Seasons common stock exchanged.

A shareholder who receives in the merger a combination of cash and shares of Cadence common stock in exchange for shares of Seasons 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 Cadence common stock received pursuant to the merger over such shareholder's adjusted tax basis in the shares of Seasons 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 Seasons shareholder's holding period with respect to the Seasons 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 Seasons 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 Cadence common stock received by a Seasons 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 Seasons common stock surrendered, reduced by the amount of cash, if any, received by the Seasons shareholder pursuant to the merger (other than cash received in lieu of a fractional share of Cadence common stock), and increased by the amount of gain (including any portion of the gain that is treated as a dividend as described below), if any, recognized by the Seasons shareholder on the exchange. The holding period of the Cadence common stock will include the holding period of the shares of Seasons common stock surrendered. If a Seasons shareholder has differing bases or holding periods in respect of his or her shares of Seasons 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 Cadence 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

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the exchange reduces the Seasons shareholder's deemed percentage stock ownership of Cadence. For purposes of this determination, Seasons shareholders will be treated as if they first exchanged all of their shares of Seasons common stock solely for Cadence common stock and then Cadence immediately redeemed (the "deemed redemption") a portion of the Cadence 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 Seasons shareholder (and the shareholder actually or constructively owns after the deemed redemption less than 50% of voting power of the outstanding Cadence 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 Seasons accumulated earnings and profits.

The deemed redemption generally will be "substantially disproportionate" with respect to a Seasons 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 Seasons 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 Cadence. In general, the determination requires a comparison of (1) the percentage of the outstanding stock of Cadence 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 Cadence that is actually and constructively owned by the shareholder immediately after the deemed redemption. In applying the above tests, a Seasons 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 Seasons 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" even if the shareholder has only a relatively minor reduction in such shareholder's percentage stock ownership under the above analysis. Currently, the maximum rate of federal income tax imposed on long-term capital gains and dividend income is the same, 15%.

Cash received in lieu of a fractional share. Cash received by a Seasons shareholder in lieu of a fractional share of Cadence 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 Seasons 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 Seasons common stock is more than one year.

Backup Withholding. To the extent that a Seasons shareholder receives cash in exchange for surrendering shares of Seasons 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 Seasons shareholder's individual 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 Seasons shareholder will depend upon the facts of his or her particular situation. Accordingly, we strongly urge

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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 Cadence common stock received by you in the merger.

Resale of Cadence Common Stock

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

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

An affiliate of Cadence 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) Cadence or Seasons at the time of the Seasons special meeting, or (2) Cadence, at or after the effective date of the merger.

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

Seasons affiliates:

Generally, during the year following the effective date of the merger, those persons who are affiliates of Seasons at the time of the Seasons special meeting, provided they are not affiliates of Cadence at or following the effective date of the merger, may publicly resell any shares of Cadence common stock received by them in the merger, subject to certain limitations and requirements. These include the amount of Cadence 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 Cadence.

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 Cadence as required by Rule 144.

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

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

Material Contracts

On April 20, 2006, Seasons Bank issued a certificate of deposit to Cadence Bank for \$4.0 million at Seasons Bank's posted rate of interest of 5.0%, and which matures on October 20, 2006. Other than this transaction, there have been no material contacts or other transactions between Seasons and Cadence since the merger agreement, nor have there been any material contracts, arrangements, relationships or transactions between Seasons and Cadence 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 Cadence common stock shall be issued in the merger. Instead of fractional shares and subject to certain restrictions, Seasons shareholders will receive an amount of cash based on the average closing price of Cadence common stock for the ten full trading days ending on the third full trading day prior to the date the merger is completed.

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DESCRIPTION OF CADENCE FINANCIAL CORPORATION CAPITAL STOCK

*In this section, we describe the material features and rights of Cadence's capital stock. This summary does not purport to be complete and is qualified in its entirety by reference to applicable Mississippi law, Cadence's articles of incorporation, and Cadence's bylaws, as described below. See *Where You Can Find More Information* beginning on page 93.*

General

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

As of June 30, 2006, there were 10,946,724 shares of Cadence common stock outstanding, and 1,111,250 shares of Cadence common stock reserved for issuance pursuant to various employee incentive, compensation and option plans. After giving effect to the merger with Seasons and the merger with SunCoast, on a pro forma basis, approximately 12,406,375 million shares of Cadence common stock will be outstanding.

Common Stock

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

Voting Rights. The holders of common stock of Cadence possess exclusive voting rights in Cadence. They elect the Cadence 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 Cadence's articles of incorporation and bylaws or as are otherwise presented to them by the board of directors. Each holder of Cadence 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, Cadence, 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 Cadence, 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 Cadence available for distribution.

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

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

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COMPARISON OF SHAREHOLDERS RIGHTS

General

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

Authorized Capital

Cadence. The authorized capital stock of Cadence consists of:

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

Seasons. The authorized capital stock of Seasons consists of:

10,000,000 shares of Seasons common stock, par value \$1.00 per share; and

2,000,000 shares of Seasons preferred stock, no par value.

Number and Election of Directors

Cadence. The board of directors of Cadence currently has 19 members. Cadence's articles of incorporation provide that the Cadence board of directors will consist of no more than 25 directors. The board of directors may be expanded by Cadence with the affirmative vote of the holders of 75% of the outstanding common stock of Cadence. 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. The board of directors of Cadence before the merger will be the board of directors of Cadence after the merger.

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

Seasons. The board of directors of Seasons currently has 12 members. The Seasons bylaws provide that the Seasons board of directors will consist of not less than 5 nor more than 25 members to be fixed from time to time by the shareholders by the affirmative vote of two-thirds of the issued and outstanding shares of Seasons entitled to vote, or by the board of directors by the affirmative vote of two-thirds of all directors then in office.

The Seasons bylaws provide for three classes of directors, Class I, Class II and Class III. Each director in Class I is elected to an initial term of 1 year, each director in Class II is elected to an initial term of 2 years, and each director in Class 3 is elected to an initial term of 3 years. Upon the expiration of the initial term for each class of director, the directors of each class are elected to serve three-year terms.

Voting Rights

In the case of Seasons, the affirmative vote of two-thirds of the Seasons directors and the affirmative vote of a majority of the issued and outstanding shares of Seasons or the affirmative vote of a majority of the directors of Seasons and the affirmative vote of two-thirds of the issued and outstanding shares of Seasons is required to approve certain business transactions, including a merger. In the case of Cadence, the affirmative vote of 75% of the then outstanding shares of common stock entitled to vote is required for certain business combinations, certain liquidations or dissolutions, and certain reclassifications of securities. The vote of Cadence shareholders is not necessary to approve this merger

transaction.

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

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

Vacancies and Removal

In the case of both Cadence and Seasons, vacancies and newly created directorships are filled by a majority vote of the directors then in office. In the case of Cadence, the person who fills any vacancy holds office for the unexpired term of the director which that person succeeds, and, for Seasons, the term of a director elected by the board of directors lasts until the next annual shareholders meeting.

Cadence'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 Cadence representing the majority of the shares of outstanding Cadence common stock.

Seasons' bylaws provide that a director may be removed with cause upon the affirmative vote of holders of a majority of the issued and outstanding shares of the corporation or by the affirmative vote of at least two-thirds of the Seasons directors, excluding the director removed. A director may be removed without cause only upon the affirmative vote of at least two-thirds of the issued and outstanding shares of Seasons.

Indemnification of Directors and Officers

Under Georgia law, Seasons is required to indemnify a director, and may indemnify an officer, who was wholly successful, on the merits or otherwise, in defense of any proceeding to which he or she was a party because he or she was a director or officer of Seasons against reasonable expenses incurred by the director or officer in connection with the proceeding. Georgia law also contains detailed and comprehensive provisions regarding when Seasons is permitted, although not required, to indemnify its officers and directors against expenses, judgments, fines and other expenses in connection with litigation. Additionally, Seasons bylaws mandate that Seasons advance reasonable expenses to a director or officer who is a party to a proceeding if the director or officer fulfills certain requirements under the bylaws.

Under Mississippi law, Cadence 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 or officer of Cadence against reasonable expenses incurred by him in connection with the proceeding. Mississippi law also contains detailed and comprehensive provisions regarding when Cadence 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 Cadence and Seasons, the articles of incorporation and bylaws provide that Cadence and Seasons will indemnify their directors, officers, employees, and agents to the fullest extent authorized by Mississippi and Georgia law, respectively, against all expense, liability and loss reasonably incurred or suffered. Both Cadence's and Seasons' articles of incorporation and bylaws further permit Cadence and Seasons to maintain insurance on behalf of any director, officer, employee, or agent of Cadence or Seasons.

Ability to Call Special Meetings and Act by Written Consent

For Cadence, except as otherwise required by law, special meetings of shareholders may be called by a majority vote of the board of directors or by the holders of 20% of the outstanding common stock of Cadence. Under the bylaws of Seasons, special meetings of shareholders may be called by the board of directors, by

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Seasons president, or by Seasons at the request of any one or more shareholders owning an aggregate of not less than 25% of the outstanding Seasons capital stock.

Under the articles of incorporation and bylaws of Cadence and Seasons, 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 Georgia law, when read in conjunction with the Seasons articles of incorporation, the shareholders of Seasons may take action without a meeting if the action is taken by all the shareholders entitled to vote on the action and such action is evidenced by one or more signed written consents.

Under Mississippi law, the shareholders of Cadence 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.

Preemptive Rights

Neither Cadence's nor Seasons' articles of incorporation provides for preemptive rights for its shareholders.

CERTAIN ANTI-TAKEOVER PROVISIONS

General

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

Cadence's articles of incorporation and bylaws provide that the board of directors of Cadence is to be re-elected annually. Cadence's articles of incorporation also do not and will not, after the merger, authorize cumulative voting for the election of directors of Cadence. 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 Cadence's articles of incorporation and bylaws giving the Cadence 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 Cadence's articles of incorporation for a 75% shareholder vote for the amendment of certain provisions of Cadence's articles of incorporation are intended to prevent a shareholder who controls a majority of the Cadence common stock from avoiding the requirements of important provisions of Cadence's articles of incorporation simply by amending or repealing them. Thus, the holders of a minority of the shares of Cadence's common stock could block the future repeal or modification of Cadence'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 Cadence common stock.

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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, Cadence'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 Cadence's shareholders if Cadence would leave the corporation without a significant continuing business activity. If Cadence 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 Cadence and its subsidiaries on a consolidated basis, Cadence will conclusively be deemed to have retained a significant continuing business activity. The board of directors of Cadence must submit the 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 Cadence director, in determining what he reasonably believes to be in the best interests of Cadence, shall consider the interests of Cadence's shareholders and, in his discretion, may consider the interests of Cadence'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 Cadence and its shareholders, including the possibility that such interests may be best served by the continued independence of Cadence.

The articles of incorporation of Cadence also provide for certain super-majority requirements to approve a merger of Cadence. 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 Cadence is required to authorize (a) a merger or consolidation of Cadence with, or (b) a sale, exchange or lease of twenty-five percent (25%) or more of the assets of Cadence to, any person or entity unless approval of such proposed transaction is recommended by at least a majority of the entire board of directors of Cadence.

Additionally, Cadence'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 Cadence 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 Cadence 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 Cadence'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 Cadence 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 Cadence and Seasons may have appeared had the businesses actually been combined as of the date indicated. The unaudited pro forma combined balance sheets at December 31, 2005 and June 30, 2006 gives effect to Cadence's recent offering of 2.76 million shares of common stock and the mergers of SunCoast and Seasons, and assumes these transactions were completed on that date. The unaudited pro forma combined income statements for the year ended December 31, 2005 and the period ended June 30, 2006 gives effect to Cadence's recent offering of 2.76 million shares of common stock and the mergers of SunCoast and Seasons as if the transactions had been completed on January 1, 2005 and January 1, 2006, respectively. The unaudited pro forma combined financial information shows the impact of the merger on Cadence's and Seasons' combined financial position and results of operations under the purchase method of accounting with Cadence treated as the acquiror. Under this method of accounting, Cadence will be required to record the assets and liabilities of Seasons 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 Cadence that are incorporated into this document by reference and of Seasons that are included as a part of this document. See *Where You Can Find More Information* on page 93 and *Index to Seasons' 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.

Table of Contents**Index to Financial Statements****CADENCE FINANCIAL CORPORATION****PRO FORMA COMBINED CONDENSED CONSOLIDATED BALANCE SHEET****DECEMBER 31, 2005**

	Cadence Financial Corp. (8)	Offering Adjustments (1)(9)	Pro Forma Post Offering	SunCoast (10)	SunCoast Adjustments	Seasons	Seasons Adjustments	Combined (13)
<i>(In thousands, except per share data)</i>								
ASSETS:								
Cash and Cash Equivalents	\$ 43,122	\$ 50,291	\$ 93,413	\$ 4,623	\$ (16,528)(11)	\$ 1,729	\$ (9,900)(11)	\$ 73,337
Available-For-Sale Securities	418,685		418,685	9,603		6,176		434,464
Held-To-Maturity Securities and other	23,755		23,755	620		334		24,709
Total Securities	442,440		442,440	10,223		6,510		459,173
Loans	860,644		860,644	114,171	(113)(12)	64,494		1,039,196
Less: Reserve For Loan Losses	(9,312)		(9,312)	(1,194)		(900)		(11,406)
Net Loans	851,332		851,332	112,977	(113)	63,594		1,027,790
Bank Premises and Equipment (Net)	19,243		19,243	3,067		3,314		25,624
Goodwill	36,556		36,556		20,600(6)		14,727(6)	71,883
Core Deposit Premium	3,098		3,098		1,488(6)		714(6)	5,300
Other Assets	50,326		50,326	1,034		611		51,971
TOTAL ASSETS	\$ 1,446,117	\$ 50,291	\$ 1,496,408	\$ 131,924	\$ 5,447	\$ 75,758	\$ 5,541	\$ 1,715,078
LIABILITIES AND SHAREHOLDERS EQUITY								
Non-Interest Bearing Deposits	\$ 167,023	\$	\$ 167,023	\$ 11,880	\$	\$ 5,899	\$	\$ 184,802
Interest-Bearing Deposits	954,661		954,661	104,955		57,993		1,117,609
Total Deposits	1,121,684		1,121,684	116,835		63,892		1,302,411
Other Borrowed Funds	193,507		193,507			4,400		197,907
Other Liabilities	13,942		13,942	388	1,143	325	582	16,380
TOTAL LIABILITIES	\$ 1,329,133	\$	\$ 1,329,133	\$ 117,223	\$ 1,143	\$ 68,617	\$ 582	\$ 1,516,698
Preferred Stock				5	(5)			
Common Equity	9,616	1,331	10,947	11	(11)	973	(973)	
Surplus and Undivided Profits	143,265	21,223	164,488	14,870	892(5)	6,252	568(5)	12,407
Accumulated Other Comprehensive Income	(8,160)		(8,160)	(185)	185	(84)	84	(8,160)
Treasury Stock at Cost	(27,737)	27,737						
TOTAL SHAREHOLDERS EQUITY	116,984	50,291	167,275	14,701	4,304(7)	7,141	4,959(7)	198,380
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 1,446,117	\$ 50,291	\$ 1,496,408	\$ 131,924	\$ 5,447	\$ 75,758	\$ 5,541	\$ 1,715,078

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YEAR END NUMBER OF SHARES O/S	8,174	10,934	11,856	11,521	12,443			
BOOK VALUE PER SHARE	\$ 14.31	\$ 4.60	\$ 15.30	\$ 1.24	\$ 0.36	\$ 0.62	\$ 0.43	\$ 15.94

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CADENCE FINANCIAL CORPORATION

PRO FORMA COMBINED CONDENSED CONSOLIDATED STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 2005

	Cadence Financial Corp. (8)	Offering Adjustments (1)(9)	Cadence Post Offering	SunCoast (10)	SunCoast Adjustments	Seasons	Seasons Adjustments	Combined (13)
<i>(In thousands, except per share data)</i>								
INTEREST INCOME:								
Interest and fees on loans	\$ 53,035	\$	\$ 53,035	\$ 6,414	\$ 29(2)	\$ 4,222	\$ (2)	\$ 63,700
Interest and dividends on securities	19,480		19,480	376	46(2)	181	21(2)	20,104
Other	669		669	246		10		925
Total interest income	73,184		73,184	7,036	75	4,413		84,729
INTEREST EXPENSE:								
Interest on deposits	20,327		20,327	2,736		1,627		24,690
Interest on borrowed funds	7,643		7,643	5		140		7,788
Total interest expense	27,970		27,970					