SEACOAST BANKING CORP OF FLORIDA
Form S-4/A
May 19, 2015

As filed with the Securities and Exchange Commission on May 19, 2015

Registration No. 333-203848

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

Pre-Effective
Amendment No. 1
to
Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SEACOAST BANKING CORPORATION OF FLORIDA

(Exact name of registrant as specified in its charter)

Florida	6022	59-2260678
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	(I.R.S. Employer Identification No.)

815 Colorado Avenue
Stuart, Florida 34994
(772) 287-4000

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

Dennis S. Hudson, III
Chief Executive Officer
Seacoast Banking Corporation of Florida
815 Colorado Avenue
Stuart, Florida 34994
(772) 287-4000

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

Copies to:

Randolph A. Moore III
Alston & Bird LLP
One Atlantic Center
1201 W. Peachtree Street
Atlanta, Georgia 30309
Telephone: (404) 881-7000

J. Russell Greene
Grand Bankshares, Inc.
2055 Palm Beach Lakes Blvd.
West Palm Beach, Florida 33409
Telephone: (561) 615-5000

John P. Greeley
Smith Mackinnon, PA
255 South Orange Avenue, Suite 1200
Orlando, Florida 32801
Telephone: (407) 843-7300

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

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

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. o

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: o

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

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

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

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) o

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

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

SUBJECT TO COMPLETION, DATED MAY 19, 2015

PROXY STATEMENT/PROSPECTUS

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

To the Shareholders of Grand Bankshares, Inc.:

On March 25, 2015, Seacoast Banking Corporation of Florida, or Seacoast, Seacoast National Bank, or SNB, Grand Bankshares, Inc., or Grand, and Grand Bank & Trust of Florida, or Grand Bank, entered into an Agreement and Plan of Merger (which we refer to as the merger agreement) that provides for the combination of our two bank holding companies. Under the merger agreement, Grand will merge with and into Seacoast, with Seacoast as the surviving corporation (which we refer to as the merger). Immediately following the merger, Grand Bank will merge with and into SNB, with SNB as the surviving bank (which we refer to as the bank merger and collectively with the merger, the mergers). The acquisition will more than double Seacoast's existing position in Palm Beach County to create one of the largest local community banks in the market. The combined franchise will have approximately $2.8 billion of deposits and 45 branches.

In the merger, each share of Grand common and preferred A stock (except for specified shares of Grand common stock held by Grand and any dissenting shares) will be converted into the right to receive 0.3114 shares of Seacoast common stock (which we refer to as the exchange ratio or the stock consideration). In addition, Seacoast will pay approximately $1.48 million in cash for all of Grand s outstanding shares of preferred B stock, representing the par value of $1,000 per share of preferred B stock (which we refer to as the preferred B consideration, and collectively with the stock consideration, the aggregate merger consideration). Although the number of shares of Seacoast common stock that Grand shareholders will receive is fixed, the market value of the stock consideration will fluctuate with the market price of Seacoast common stock and will not be known at the time Grand shareholders vote on the merger agreement. Based on the closing price of Seacoast s common stock on the NASDAQ Global Select Market on May 21, 2015, the last practicable date before the date of this document, the value of the per share merger consideration payable to holders of Grand common stock and preferred A stock was approximately $. **We urge you to obtain current market quotations for Seacoast (trading symbol SBCF) because the value of the per share stock consideration will fluctuate.**

Based on the current number of shares of Grand common stock and preferred A stock outstanding and reserved for issuance under employee benefit plans, Seacoast expects to issue approximately 1.09 million shares of common stock to Grand shareholders in the aggregate upon completion of the merger. Based on these numbers, upon completion of the merger, current Grand shareholders would own approximately 3.2% of the common stock of Seacoast immediately following the merger. However, any increase or decrease in the number of shares of Grand common stock and

preferred A stock outstanding that occurs for any reason prior to the completion of the merger would cause the actual number of shares issued upon completion of the merger to change.

Grand will hold a special meeting of its shareholders in connection with the merger. Holders of Grand common stock and preferred A stock, voting together as a single class, and holders of Grand preferred B stock, voting as a separate class, will be asked to vote to approve the merger agreement and related matters as described in this proxy statement/prospectus. Grand shareholders will also be asked to approve the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the merger agreement and related matters, as described in proxy statement/prospectus.

The special meeting of Grand shareholders will be held on July 1, 2015 at Hawthorn Suites, 301 Lamberton Drive, West Palm Beach, Florida, at 4:00 P.M. local time.

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

This document, which serves as a proxy statement for the special meeting of Grand shareholders and as a prospectus for the shares of Seacoast common stock to be issued in the merger to Grand shareholders, describes the special meeting of Grand, the merger, the documents related to the merger and other related matters. **Please carefully read this entire proxy statement/prospectus, including Risk Factors, beginning on page 15, for a discussion of the risks relating to the proposed merger.** You also can obtain information about Seacoast from documents that Seacoast has filed with the Securities and Exchange Commission.

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If you have any questions concerning the merger, Grand shareholders should contact J. Russell Greene, President and Chief Executive Officer, 2055 Palm Beach Lakes Blvd, West Palm Beach, Florida 33409 at (561) 615-5000. We look forward to seeing you at the meeting.

J. Russell Greene
President and Chief Executive Officer
Grand Bankshares, Inc.

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

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

The date of this proxy statement/prospectus is May , 2015, and it is first being mailed or otherwise delivered to the shareholders of Grand on or about May 28, 2015.

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JULY 1, 2015

To the Shareholders of Grand Bankshares, Inc.:

Grand Bankshares, Inc. (Grand) will hold a special meeting of shareholders at 4:00 p.m. local time, on July 1, 2015, at Hawthorn Suites, 301 Lamberton Drive, West Palm Beach, Florida 33401, for the following purposes:

for holders of Grand common stock, preferred A stock and preferred B stock, to consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of March 25, 2015, by and among Seacoast Banking Corporation of Florida, Seacoast National Bank, Grand and Grand Bank & Trust of Florida, pursuant to which Grand will merge with and into Seacoast Banking Corporation of Florida, as more fully described in the attached proxy statement/prospectus; and

for holders of Grand common stock, to consider and vote upon a proposal to adjourn the Grand special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger agreement.

We have fixed the close of business on April 30, 2015 as the record date for the Grand special meeting. Only holders of record of Grand common stock, preferred A stock and preferred B stock at that time are entitled to notice of, and to vote at, the Grand special meeting, or any adjournment or postponement of the Grand special meeting. In order for the merger agreement to be approved, at least: (i) a majority of the outstanding shares of Grand common and preferred A stock, voting together as a single class, and (ii) 50% of the outstanding shares of Grand preferred B stock, voting as a separate class, must be voted in favor of the proposal to approve the merger agreement. The special meeting may be adjourned from time to time upon approval of holders of Grand common stock without notice other than by announcement at the meeting of the adjournment thereof, and any and all business for which notices hereby given may be transacted at such adjourned meeting.

Grand shareholders have appraisal rights under Florida state law entitling them to obtain payment in cash for the fair value of their shares, provided they comply with each of the requirements under Florida law, including not voting in favor of the merger agreement and providing notice to Grand. For more information regarding appraisal rights, please see The Merger Appraisal Rights for Grand Shareholders beginning on page 44.

Your vote is very important. We cannot complete the merger unless Grand s common and preferred A shareholders, voting together as a single class, and Grand s preferred B shareholders, voting as a separate class, approve the merger agreement.

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

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

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statement/prospectus or need help voting your shares of Grand common or preferred stock, please contact J. Russell Greene (President and Chief Executive Officer) or James R. Odza (Corporate Secretary and Treasurer), at (561) 615-5000.

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

By Order of the Board of Directors,

J. Russell Greene
President and Chief Executive Officer

West Palm Beach, Florida
May 28, 2015

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WHERE YOU CAN FIND MORE INFORMATION

Seacoast Banking Corporation of Florida

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

Seacoast Banking Corporation of Florida
815 Colorado Avenue
P.O. Box 9012
Stuart, Florida 34994
Attn: Investor Relations
Telephone: (772) 288-6085

Seacoast has filed a Registration Statement on Form S-4 to register with the SEC up to 1,090,492 shares of Seacoast common stock to be issued pursuant to the merger. This proxy statement/prospectus is a part of that Registration Statement on Form S-4. As permitted by SEC rules, this proxy statement/prospectus does not contain all of the information included in the Registration Statement on Form S-4 or in the exhibits or schedules to the Registration Statement on Form S-4. You may read and copy the Registration Statement on Form S-4, including any amendments, schedules and exhibits, at the SEC s public reference room at the address set forth above. The Registration Statement on Form S-4, including any amendments, schedules and exhibits, is also available, free of charge, by accessing the websites of the SEC and Seacoast or upon written request to Seacoast at the address set forth above.

Statements contained in this proxy statement/prospectus as to the contents of any contract or other documents referred to in this proxy statement/prospectus are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the Registration Statement on Form S-4. This proxy statement/prospectus incorporates important business and financial information about Seacoast that is not included in or delivered with this document, including incorporating by reference documents that Seacoast has previously filed with the SEC. These documents contain important information about Seacoast and its financial condition. See Documents Incorporated by Reference beginning on page 78. These documents are available free of charge upon written request to Seacoast at the address listed above.

To obtain timely delivery of these documents, you must request them no later than June 17, 2015 in order to receive them before the Grand special meeting of shareholders.

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

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Grand Bankshares, Inc.

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

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

Grand Bankshares, Inc.
2055 Palm Beach Lakes Blvd.
West Palm Beach, Florida 33409
Attention: J. Russell Greene (President and Chief Executive Officer)
or
James R. Odza (Corporate Secretary and Treasurer)
Telephone: (561) 615-5000

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

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

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

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

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

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

A: Seacoast, SNB, Grand, and Grand Bank have entered into an Agreement and Plan of Merger, dated as of March 25, 2015 (which we refer to as the merger agreement) pursuant to which Grand will be merged with and into Seacoast, with Seacoast continuing as the surviving company. Immediately following the merger, Grand Bank, a wholly owned bank subsidiary of Grand, will merge with and into Seacoast s wholly owned bank subsidiary, SNB, with SNB continuing as the surviving bank and using the name Seacoast National Bank (the bank merger). A copy of the merger agreement is included in this proxy statement/prospectus as Appendix A.

The merger cannot be completed unless, among other things (i) a majority of the outstanding shares of Grand common and preferred A stock, voting together as a single class, and (ii) 50% of the outstanding shares of Grand preferred B stock, voting as a separate class, vote in favor of the proposal to approve the merger agreement.

In addition, Grand is soliciting proxies from holders of Grand common stock with respect to a proposal to adjourn the Grand special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger agreement if there are insufficient votes at the time of such adjournment to approve such proposal.

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

Q: Why do Seacoast and Grand want to merge?

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

Q: What will I receive in the merger?

A: *Holders of Grand common and preferred A stock:* If the merger is completed, you will receive 0.3114 of a share of Seacoast common stock, which we refer to as the exchange ratio, for each share of Grand common and preferred A stock that you hold immediately prior to the merger. Seacoast will not issue any fractional shares of Seacoast common stock in the merger. Rather, Grand shareholders who would otherwise be entitled to a fractional share of Seacoast common stock upon the completion of the merger will instead receive an amount in cash equal to such fractional part of a share of Seacoast common stock multiplied by the average closing price per share of Seacoast

common stock on the Nasdaq Global Select Market for the 5 trading day period ending on the trading day preceding the date of the closing of the merger.

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Holders of Grand preferred B stock: If the merger is completed, you will receive a cash payment equal to $1,000 per share, which we refer to as the preferred B consideration.

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

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

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

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

Q: When and where is the special meeting?

A: The Grand special meeting will be held at Hawthorn Suites, 301 Lamberton Drive, West Palm Beach, Florida, on July 1, 2015, at 4:00 P.M. local time.

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

A: Holders of record of Grand common, preferred A and preferred B stock at the close of business on April 30, 2015, which is the date that the Grand board of directors has fixed as the record date for the special meeting, are entitled to vote at the special meeting.

Q: What do I need to do now?

A: After you have carefully read this proxy statement/prospectus and have decided how you wish to vote your shares, please vote your shares promptly so that your shares are represented and voted at the special meeting. If you hold your shares in your name as a shareholder of record, you must complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. If you hold your shares in street name through a bank or broker, you must direct your bank or broker how to vote in accordance with the instructions you have received from your bank or broker. Street name shareholders who wish to vote in person at the special meeting will need to obtain a proxy form from the institution that holds their shares.

Q: What constitutes a quorum for the special meeting?

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

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

A: Approval of the merger agreement requires the affirmative vote of (i) a majority of the outstanding shares of Grand common and preferred A stock, voting together as a single class, and (ii) 50% of the outstanding shares of Grand preferred B stock, voting as a separate class and entitled to vote on the merger agreement as of the close of business on April 30, 2015, the record date for the special meeting. If you (1) fail to submit a proxy or vote in person at the special meeting, (2) mark ABSTAIN on your proxy or (3) fail to instruct your bank or broker how to vote with respect to the proposal to approve the merger agreement, it will have the same effect as a vote AGAINST the proposal and no effect on the adjournment proposal. The adjournment proposal will be approved if the votes of Grand common stock cast in favor of the adjournment proposal exceed the vote cast against the adjournment proposal.

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Q: Why is my vote important?

A: If you do not submit a proxy or vote in person, it may be more difficult for Grand to obtain the necessary quorum to hold its special meeting. In addition, your failure to submit a proxy or vote in person, or failure to instruct your bank or broker how to vote, or abstention will have the same effect as a vote against approval of the merger agreement. The merger agreement must be approved by the affirmative vote of (i) a majority of the outstanding shares of Grand common and preferred A stock, voting together as a single class, and (ii) 50% of the outstanding shares of Grand preferred B stock, voting as a separate class and entitled to vote on the merger agreement. Grand s board of directors unanimously recommends that you vote FOR the proposal to approve the merger agreement.

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

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

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

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

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

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

Q: Can I change my vote?

A: Yes. If you are a holder of record of Grand common or preferred stock, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Grand s corporate secretary or (3) attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting. Attendance at the special meeting will not automatically revoke your proxy. A revocation or later-dated proxy received by Grand after the vote will not affect the vote. Grand s corporate secretary s mailing address is: 2055 Palm Beach Lakes Blvd., West Palm Beach, Florida 33409. If you hold your shares in street name through a bank or broker, you should contact your bank or broker to revoke your proxy.

Q: What are the U.S. federal income tax consequences of the merger to holders of Grand common and preferred A stock?

A: The merger is expected to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. Accordingly, to the extent that the holders of Grand common and/or preferred A stock receive only Seacoast common stock they are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Grand common and/or preferred A stock in the merger. However, holders of Grand common

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and/or preferred A stock will be subject to tax on any cash received in the merger in lieu of any fractional shares of Seacoast common stock, and holders of Grand preferred B stock generally will be subject to U.S. federal income tax on the exchange of shares of Grand preferred B stock for cash in the merger.

For further information, see The Merger Material U.S. Federal Income Tax Consequences of the Merger. ***The U.S. federal income tax consequences described above may not apply to all holders of Grand stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your own tax advisor to determine the particular tax consequences of the merger to you.***

Q: Are Grand shareholders entitled to appraisal rights?

A: Yes. If a Grand shareholder wants to exercise appraisal rights and receive the fair value of shares of Grand common and preferred stock in cash instead of the aggregate merger consideration, then you must file a written objection with Grand prior to the special meeting stating, among other things, that you will exercise your right to dissent if the merger is completed. Also, you may not vote in favor of the merger agreement and must follow other procedures, both before and after the special meeting, as described in Appendix C to this proxy statement/prospectus. Note that if you return a signed proxy card without voting instructions or with instructions to vote **FOR** the merger agreement, then your shares will automatically be voted in favor of the merger agreement and you will lose all appraisal rights available under Florida law. A summary of these provisions can be found under The Merger Appraisal Rights for Grand Shareholders beginning on page 44 and detailed information about the special meeting can be found under Information About the Grand Special Meeting on page 25. Due to the complexity of the procedures for exercising the right to seek appraisal, Grand shareholders who are considering exercising such rights are encouraged to seek the advice of legal counsel. Failure to strictly comply with the applicable Florida law provisions will result in the loss of the right of appraisal.

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

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

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

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

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

A: If you are unable to locate your original Grand stock certificate(s), you should contact ComputerShare, Inc., Attn: Lost Certificate Department at P.O. Box 30170, College Station, Texas 77842, or at (800) 368-5948. Following the merger, any inquiries should be directed to Seacoast s transfer agent, Continental Stock Transfer and Trust Company at 17 Battery Place, 8th Floor, New York, New York 10004, or at (800) 509-5586.

Q: When do you expect to complete the merger?

A: Seacoast and Grand expect to complete the merger in the third quarter of 2015. However, neither Seacoast nor Grand can assure you when or if the merger will occur. Grand must first obtain the approval of Grand shareholders for the merger and Seacoast must receive the necessary regulatory approvals.

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Q: Whom should I call with questions?

A: If you have any questions concerning the merger or this proxy statement/prospectus, would like additional copies of this proxy statement/prospectus or need help voting your shares of Grand common or preferred stock, please contact: J. Russell Greene (President and Chief Executive Officer) or James R. Odza (Corporate Secretary and Treasurer), 2055 Palm Beach Lakes Blvd., West Palm Beach, Florida 33409 (561) 615-5000.

Important Notice Regarding the Availability of Proxy Materials for the Special Shareholder Meeting to be Held on July 1, 2015.

The Notice of Special Meeting and this Proxy Statement/Prospectus are available at:
www.proxyvote.com

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SUMMARY

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

Unless the context otherwise requires, throughout this document, we, and our refer collectively to Seacoast and Grand. We refer to the proposed merger of Grand with and into Seacoast as the merger, the merger of Grand Bank with and into SNB as the bank merger, and the Agreement and Plan of Merger dated March 25, 2015 by and among Seacoast, SNB, Grand and Grand Bank as the merger agreement.

Information Regarding Seacoast and Grand

Seacoast Banking Corporation of Florida
815 Colorado Avenue
Stuart, Florida 34994
(772) 288-6085

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

Seacoast and its subsidiaries provide integrated financial services, including commercial and retail banking, wealth management, and mortgage services to customers through 42 traditional branches and five commercial banking centers. Offices stretch from Ft. Lauderdale, Boca Raton and West Palm Beach north through the Space Coast of Florida, into Orlando and Central Florida, and west to Okeechobee and surrounding counties.

Seacoast is one of the largest community banks headquartered in Florida with approximately $3.2 billion in assets and $2.6 billion in deposits as of March 31, 2015.

Grand Bankshares, Inc.
2055 Palm Beach Lakes Blvd.
West Palm Beach, Florida 33409
Telephone: (561) 615-5000

Grand, headquartered in West Palm Beach, Florida, is a bank holding company operating Grand Bank, which was founded in 1999 and focuses on executing a relationship-based business strategy. Grand Bank is a full service, state-chartered commercial banking institution which operates its main office in West Palm Beach, Florida, and also two banking offices in Lantana and Palm Beach Gardens, Florida. Grand Bank operated under the name Grand Bank of Florida until the formation of a trust division in August 2001 when it changed its name to Grand Bank & Trust of Florida. On July 31, 2013, Grand Bank sold its trust department to an unaffiliated party. At March 31, 2015, Grand had approximately $212 million in assets and $187.6 million in deposits.

Recent Developments

2015 First Quarter Results Seacoast

On April 28, 2015, Seacoast reported financial results for the quarter ended March 31, 2015, which included the following:

Pre-tax income Income before income taxes increased to $9.4 million for the first quarter of 2015, up 154% from $3.7 million in the first quarter of 2014, and up from a loss of $2.1 million in the fourth quarter of 2014.

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Net income Seacoast reported net income of $5.9 million for the first quarter of 2015, compared to net income of $2.3 million for common share for the first quarter of 2014 and a net loss of $1.5 million for the four quarter of 2014. Diluted net income per common share for the first quarter of 2015 was $0.18, compared to diluted net income per common share of $0.09 for the first quarter of 2014 and a loss per diluted share of $0.05 for the fourth quarter of 2014.

Loan and deposit growth, margin expansion and operating efficiency improvements fuel strong performance Revenues increased as Seacoast continued to grow its businesses. Revenues increased $11.2 million or 52% above first quarter 2014 levels and $1.1 million or 15%, annualized, linked quarter. Net interest margin improved to 3.62% compared with 3.56% in preceding quarter, and 3.07% in the first quarter a year ago due to loan growth, including purchased loan accretion income from the acquisition of The BANKshares, Inc. in 2014, and the investment of excess cash. Operating efficiencies improved significantly with fully implemented previously announced expense reductions. The efficiency ratio improved to 68.3% for the quarter, compared to 84.3% in the first quarter a year ago. Total loans increased $32.6 million or 7% (annualized) from the fourth quarter 2014, and increased 41.3% from a year ago. Deposits increased $193.3 million or 8.0% from the prior quarter and 43.4% from a year earlier.

Net interest income Net interest income for the first quarter of 2015 was $25.7 million, compared to $16.2 for the first quarter of 2014 and $24.7 million for the fourth quarter of 2014. The net interest margin in the first quarter of 2015 was 3.62%, up 55 basis points from the first quarter of 2014 and 6 basis points from the fourth quarter of 2014.

Balance sheet At March 31, 2015, total assets were $3.232 billion, total deposits were $2.610 billion and total shareholders equity was $321.8 million.

These results have not been audited or reviewed by Seacoast s independent registered public accounting firm, nor have any other review procedures been performed by them with respect to these results. Accordingly, no opinion or any other form of assurance can be provided with respect to this information.

The Merger (see page 29)

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

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

Closing and Effective Time of the Merger (see page 49)

The closing date is currently expected to occur in the third quarter of 2015. Simultaneously with the closing of the merger, Seacoast will file the articles of merger with the Secretary of State of the State of Florida. The merger will become effective at such time as the articles of merger are filed or such other time as may be specified in the articles of merger. Neither Seacoast nor Grand can predict, however, the actual date on which the merger will be completed because it is subject to factors beyond each company s control, including whether or when the required regulatory approvals and Grand s shareholder approval will be received.

Merger Consideration (see page 49)

Under the terms of the merger agreement, each share of Grand common and preferred A stock outstanding immediately prior to the effective time of the merger will be converted into the right to receive 0.3114 shares of Seacoast common stock. For each fractional share that would otherwise be issued, Seacoast will pay cash in an amount equal to such fractional part of a share of Seacoast common stock multiplied by the average closing price per share of Seacoast common stock on the Nasdaq Global Select Market for the 5 trading day period ending on the trading day preceding the date of the closing of the merger. No interest will be paid or accrue on cash payable to holders in lieu of fractional shares.

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The value of the shares of Seacoast common stock to be issued in the merger will fluctuate between now and the closing date of the merger. Based on the closing price of Seacoast common stock on March 25, 2015, the date of the signing of the merger agreement, the value of the per share stock consideration payable to holders of Grand common and preferred A stock was approximately $4.30. Based on the closing price of Seacoast common stock on May 21, 2015, the last practicable date before the date of this document, the value of the per share merger consideration payable to holders of Grand common and preferred A stock was approximately $[ ]. Grand shareholders should obtain current sale prices for Seacoast common stock, which is traded on the Nasdaq Global Select Market under the symbol SBCF.

In addition, each share of Grand preferred B stock outstanding immediately prior to the effective time of the merger will be converted into the right to receive a total cash payment of $1,000 per share.

Equivalent Grand Common and Preferred A Per Share Value

Seacoast common stock trades on the Nasdaq Global Select Market under the symbol SBCF. Neither Grand common stock nor preferred stock is listed or traded on any established securities exchange or quotation system. Accordingly, there is no established public trading market for the Grand common or preferred stock. The following table presents the closing price of Seacoast common stock on March 24, 2015, the last trading date prior to the public announcement of the merger agreement, and May 21, 2015, the last practicable trading day prior to the printing of this proxy statement/prospectus. The table also presents the equivalent value of the stock consideration per share of Grand common and preferred A stock on those dates, calculated by multiplying the closing sales price of Seacoast common stock on those dates by the exchange ratio of 0.3114.

Date	Seacoast closing sale price	Equivalent Grand per share value
March 24, 2015	$ 13.98	$ 4.35
May 21, 2015	$	$

The value of the shares of Seacoast common stock to be issued in the merger will fluctuate between now and the closing date of the merger. If Seacoast shares increase in value, so will the value of the consideration to be received by Grand shareholders. Similarly, if Seacoast shares decline in value, so will the value of the consideration to be received by Grand shareholders. Grand shareholders should obtain current sale prices for the Seacoast common stock.

Exchange of Stock Certificates (see page 50)

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

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

Material U.S. Federal Income Tax Consequences of the Merger (see page 41)

The merger is expected to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. Accordingly, to the extent that the holders of Grand common and/or preferred A stock receive only Seacoast common stock they are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Grand common and/or preferred A stock in the merger. However, holders of Grand common and/or preferred A stock will be subject to tax on any cash received in the merger in lieu of any fractional shares of Seacoast common stock, and holders of Grand preferred B stock generally will be subject to U.S. federal income tax on the exchange of shares of Grand preferred B stock for cash in the merger.

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

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

Appraisal Rights (see page 44 and Appendix C)

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

Opinion of Grand s Financial Advisor (see page 34 and Appendix B)

Austin Associates, LLC (Austin) has delivered a written opinion to the board of directors of Grand that, as of the date of the merger agreement, based upon and subject to certain matters stated in the opinion, the terms of the merger agreement are fair, from a financial point of view, to Grand and its shareholders. We have attached this opinion to this proxy statement/prospectus as Appendix B. The opinion of Austin is not a recommendation to any Grand shareholder as to how to vote on the proposal to approve the merger agreement. You should read this opinion completely to understand the procedures followed, matters considered and limitations and qualifications on the reviews undertaken by Austin in providing its opinion.

For further information, please see the section entitled The Merger Opinion of Grand s Financial Advisor beginning on page 34.

Recommendation of the Grand Board of Directors (see page 25)

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

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

For a more complete description of Grand s reasons for the merger and the recommendations of the Grand board of directors, please see the section entitled The Merger Grand s Reasons for the Merger and Recommendation of the Grand Board of Directors beginning on page 32.

Interests of Grand Directors and Executive Officers in the Merger (see page 47)

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

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

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

These interests are discussed in more detail in the section entitled The Merger Interests of Grand Directors and Executive Officers in the Merger beginning on page 47. The Grand board of directors was

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aware of the different or additional interests set forth herein and considered such interests along with other matters in adopting and approving the merger agreement and the transactions contemplated thereby, including the merger.

Treatment of Grand Equity Awards (see page 48)

The merger agreement provides that, immediately prior to the effective time, each then-outstanding award, grant, unit, option to purchase or other right to purchase shares of Grand common stock under a Grand equity plan, will (i) vest in accordance with its terms, (ii) be exercised in accordance with its terms or (iii) terminate. Any Grand common stock acquired upon the exercise of the equity awards will be converted into the right to receive, at the effective time, the number of shares of Seacoast common stock equal to the exchange ratio.

Regulatory Approvals (see page 44)

Completion of the merger and the bank merger are subject to various regulatory approvals, including approvals from the Federal Reserve and the OCC. Notifications and/or applications requesting approvals for the merger or for the bank merger may also be submitted to other federal and state regulatory authorities and self-regulatory organizations. The parties have filed notices and applications to obtain the necessary regulatory approvals of the Federal Reserve and the OCC. Although the parties currently believe they should be able to obtain all regulatory approvals in a timely manner, they cannot be certain when or if they will obtain them or, if obtained, whether they will contain terms, conditions or restrictions not currently contemplated that will be detrimental to or have a material adverse effect on the combined company after the completion of the merger. The regulatory approvals to which the completion of the merger and bank merger are subject are described in more detail under the section entitled The Merger Regulatory Approvals, beginning on page 44.

Conditions to Completion of the Merger (see page 58)

The completion of the merger depends on a number of conditions being satisfied or, where permitted, waived, including but not limited to:

the approval of the merger agreement by Grand shareholders;

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

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

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

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

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

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

the receipt of corporate authorizations and other certificates;

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

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the absence of any material adverse effect on the other party;
receipt by each party of an opinion of its counsel or accounting advisor to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code;
the maintenance by Grand of certain minimum consolidated tangible shareholders equity amounts and general allowance for loan and lease losses; and
in the case of Seacoast, the vesting, exercise or termination of Grand s equity awards.

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

Third Party Proposals (see page 55)

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

Termination (see page 59)

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

by mutual consent of Seacoast and Grand; or
by either Seacoast or Grand, if there is a breach by the other party of any representation, warranty, covenant or other agreement set forth in the merger agreement, that would, if occurring or continuing on the closing date, result in the failure to satisfy the closing conditions of the party seeking termination and such breach cannot be or is not cured within 30 days following written notice to the breaching party; or
by either Seacoast or Grand, if a requisite regulatory consent has been denied and such denial has become final and non-appealable; or
by either Seacoast or Grand, if the Grand shareholders fail to approve the merger agreement at a duly held meeting of such shareholders or any adjournment or postponement thereof; or
by either Seacoast or Grand, if the merger has not been completed by October 31, 2015, unless the failure to complete the merger by such date is due to a breach of the merger agreement by the party seeking to terminate the merger agreement; or
by Seacoast, if (i) the Grand board of directors withdraws, qualifies or modifies their recommendation that the Grand shareholders approve the merger agreement in a manner adverse to Seacoast, (ii) Grand fails to substantially comply with any of the provisions of the merger agreement relating to third party acquisition proposals, or (iii) Grand s board of directors recommends, endorses, accepts or agrees to a third party acquisition proposal; or
by Grand, in order to enter into an agreement relating to a superior proposal in accordance with the provisions of the merger agreement relating to third party acquisition proposals (provided that Grand has not materially breached any such provisions and pays Seacoast the required termination fee); or
by Seacoast, if holders of more than 5% in the aggregate of Grand common stock have voted such shares against the merger agreement or the merger at the Grand special meeting and have given notice of their intent to exercise their dissenters rights.

Termination Fee (see page 60)

Grand must pay Seacoast a termination fee of $725,000 if:

(i) either Seacoast or Grand terminates the merger agreement as a result of the failure of Grand s shareholders to approve the merger agreement at a duly held meeting of such shareholders or any

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adjournment or postponement thereof; or (ii) Seacoast terminates the merger agreement (a) as a result of a willful breach of a covenant, or agreement by Grand; (b) because Grand has withdrawn, qualified or modified its recommendation to shareholders in a manner adverse to Seacoast; or (c) because Grand has failed to substantially comply with the no-shop covenant or its obligations under the merger agreement by failing to hold a special meeting of Grand shareholders; and

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

within 12 months of the termination of the merger agreement, Grand either consummates a third party acquisition proposal or enters into a definitive agreement or letter of intent with respect to a third party acquisition proposal; or Seacoast terminates the merger agreement as a result of the board of directors of Grand recommending, endorsing, accepting or agreeing to a third party acquisition proposal; or

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

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

NASDAQ Listing (see page 54)

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

Accounting Treatment (see page 44)

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

Grand Special Meeting (see page 1)

The special meeting of Grand shareholders will be held on July 1, 2015, at 4:00 P.M., local time, at Hawthorn Suites, 301 Lamberton Drive, West Palm Beach, Florida. At the special meeting, Grand shareholders will be asked to vote on:

the proposal to approve the merger agreement;

the adjournment proposal; and

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

Holders of Grand common and preferred stock as of the close of business on April 30, 2015, the record date, will be entitled to vote at the special meeting. As of the record date, there were outstanding and entitled to notice and to vote an aggregate of 3,266,481 shares of Grand common stock held by approximately 270 shareholders of record, 235,421 shares of preferred A stock held by approximately 232 shareholders of record and 1,481 shares of preferred B held by approximately 28 shareholders of record. Each Grand shareholder can cast one vote for each share of Grand voting common or preferred stock owned on the record date.

As of the record date, directors of Grand and their affiliates owned and were entitled to vote 748,231 shares of Grand common stock, representing approximately 22.91% of the outstanding shares of Grand common stock, 4,280 shares of

Grand preferred A stock, representing approximately 1.82% of the outstanding shares of Grand preferred A stock, and 475 shares of Grand preferred B stock, representing approximately 32.07% of the outstanding shares of Grand preferred B stock, each entitled to vote on that date.

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Pursuant to his or her respective shareholder support agreement, each director has agreed at any meeting of Grand shareholders, however called, or any adjournment or postponement thereof (and subject to certain exceptions) to vote the shares owned in favor of the merger agreement and the adjournment proposal. As of the record date, Seacoast did not own or have the right to vote any of the outstanding shares of Grand common or preferred stock.

Required Shareholder Votes (see page 2)

In order to approve the merger agreement, (i) a majority of the outstanding shares of Grand common and preferred A stock, voting together as a single class, and (ii) 50% of the outstanding shares of Grand preferred B stock, voting as a separate class and entitled to vote at the Grand special meeting, must vote in favor of the merger agreement.

No Restrictions on Resale

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

Market Prices and Dividend Information (see page 23)

Seacoast common stock is listed and trades on The NASDAQ Global Select Market under the symbol SBCF. As of March 31, 2015, there were 33,136,152 shares of Seacoast common stock outstanding. Approximately 52.2% of these shares are owned by institutional investors, as reported by NASDAQ. Seacoast s top two institutional investors own approximately 33.9% of its outstanding stock. Seacoast has approximately 6,898 shareholders of record.

To Seacoast s knowledge, the only shareholders who owned more than 5% of the outstanding shares of Seacoast common stock on March 31, 2015 were: CapGen Capital Group III LP (24.0%), 120 West 45th Street, Suite 1010, New York, New York 10036; and Wellington Management Group LLP (9.8%), 280 Congress Street, Boston, Massachusetts 02210.

Neither Grand common nor preferred stock is listed or traded on any established securities exchange or quotation system. Accordingly, there is no established public trading market for the Grand common stock or preferred stock. Grand is not aware of any sales of shares of Grand s common stock or preferred stock by shareholders that have occurred after January 1, 2013, except for the sale of 1,000 shares of preferred A stock in 2013. Transactions in the shares are privately negotiated directly between the purchaser and sales, if they do occur, are not subject to any reporting system. The shares of Grand are not traded frequently. As of March 31, 2015, there were 3,266,481 shares of Grand common stock outstanding held by approximately 270 shareholders of record. In addition, there were 235,421 shares and 1,481 shares of preferred A stock and preferred B stock outstanding as of March 31, 2015, respectively, held by 232 and 28 shareholders of record, respectively.

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

Seacoast Common Stock

	High	Low	Dividends
2015			
First Quarter	$ 14.46	$ 12.02	$ 0.00
Second Quarter (through May 21, 2015)	$	$	$ 0.00
2014			
First Quarter	$ 12.51	$ 10.55	$ 0.00
Second Quarter	$ 11.28	$ 10.00	$ 0.00
Third Quarter	$ 11.27	$ 10.03	$ 0.00
Fourth Quarter	$ 14.24	$ 10.80	$ 0.00

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	Seacoast Common Stock		
	High	Low	Dividends
2013			
First Quarter	$ 11.25	$ 7.75	$ 0.00
Second Quarter	$ 11.00	$ 8.50	$ 0.00
Third Quarter	$ 12.30	$ 10.10	$ 0.00
Fourth Quarter	$ 12.49	$ 10.10	$ 0.00

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

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

Grand has not paid any dividends on the shares of Grand common stock or preferred A stock, and paid quarterly dividends on the preferred B stock in October 2009 and January and April 2010.

Comparison of Shareholders Rights (see page 61)

The rights of Grand shareholders who continue as Seacoast shareholders after the merger will be governed by the articles of incorporation and bylaws of Seacoast rather than the articles of incorporation and bylaws of Grand. For more information, please see the section entitled Comparison of Shareholders Rights beginning on page 61.

Risk Factors (see page 15)

Before voting at the Grand special meeting, you should carefully consider all of the information contained or incorporated by reference into this proxy statement/prospectus, including the risk factors set forth in the section entitled Risk Factors beginning on page 15 or described in Seacoast s reports filed with the SEC, which are incorporated by reference into this proxy statement/prospectus. Please see Documents Incorporated by Reference beginning on page 78.

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RISK FACTORS

An investment in Seacoast common stock in connection with the merger involves risks. Seacoast describes below the material risks and uncertainties that it believes affect its business and an investment in the Seacoast common stock. In addition to the other information contained in, or incorporated by reference into, this proxy statement/prospectus, including Seacoast s Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and Seacoast s Quarterly Report on Form 10-Q for the three-months ended March 31, 2015 and the matters addressed under Forward-Looking Statements, you should carefully read and consider all of the risks and all other information contained in this proxy statement/prospectus in deciding whether to vote to approve the merger agreement. Additional Risk Factors included in Item 1A in Seacoast s Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and Seacoast s Quarterly Report on Form 10-Q for the three-months ended March 31, 2015 are incorporated herein by reference. You should read and consider those Risk Factors in addition to the Risk Factors listed below. If any of the risks described in this proxy statement/prospectus occur, Seacoast s financial condition, results of operations and cash flows could be materially and adversely affected. If this were to happen, the value of the Seacoast common stock could decline significantly, and you could lose all or part of your investment.

Risks Associated with the Merger

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

The businesses of Seacoast and Grand differ in some respects and, accordingly, the results of operations of the combined company and the market price of Seacoast s shares of common stock after the merger may be affected by factors different from those currently affecting the independent results of operations of each of Seacoast and Grand. For a discussion of the business of Seacoast and of certain factors to consider in connection with that business, see the documents incorporated by reference into this proxy statement/prospectus and referred to under Documents Incorporated by Reference.

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

Under the terms of the merger agreement, each share of Grand common and preferred A stock outstanding immediately prior to the effective time of the merger (excluding dissenting shares) will be converted into the right to receive 0.3114 shares of Seacoast common stock (plus cash in lieu of fractional shares). The value of the shares of Seacoast common stock to be issued to Grand shareholders in the merger will fluctuate between now and the closing date of the merger due to a variety of factors, including general market and economic conditions, changes in the parties respective businesses, operations and prospects and regulatory considerations, among other things. Many of these factors are beyond the control of Seacoast and Grand. We make no assurances as to whether or when the merger will be completed. Grand shareholders should obtain current sale prices for shares of Seacoast common stock before voting their shares of Grand common or preferred A stock at the special meeting.

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

Upon completion of the merger, the rights of former Grand shareholders will be governed by the articles of incorporation, as amended, and bylaws of Seacoast. The rights associated with Grand common and preferred stock are different from the rights associated with Seacoast common stock, although both companies are organized under Florida law. Please see the section entitled Comparison of Shareholders Rights beginning on page 61 for a discussion of the different rights associated with Seacoast common stock.

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

Grand shareholders currently have the right to vote in the election of the board of directors of Grand and on other matters affecting Grand. Upon the completion of the merger, Grand s shareholders will be shareholders of Seacoast with a percentage ownership in Seacoast that is smaller than such shareholder s

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current percentage ownership of Grand. It is currently expected that the former shareholders of Grand as a group will receive shares in the merger constituting approximately 3.2% of the outstanding shares of the combined company s common stock immediately after the merger. Because of this, Grand shareholders will have less influence on the management and policies of the combined company than they now have on the management and policies of Grand.

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

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

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

In addition, the merger agreement restricts Grand from taking certain actions without Seacoast s consent while the merger is pending. These restrictions may, among other matters, prevent Grand from pursuing otherwise attractive business opportunities, selling assets, incurring indebtedness, engaging in significant capital expenditures in excess of certain limits set forth in the merger agreement, entering into other transactions or making other changes to Grand s business prior to consummation of the merger or termination of the merger agreement. These restrictions could have a material adverse effect on Grand s business, financial condition and results of operations. Please see the section entitled The Merger Agreement Conduct of Business Pending the Merger beginning on page 51 for a description of the covenants applicable to Grand and Seacoast.

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

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

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

The combined company expects to incur substantial expenses in connection with completing the merger and combining the business, operations, networks, systems, technologies, policies and procedures of Seacoast and Grand. Although Seacoast and Grand have assumed that a certain level of transaction and combination expenses would be incurred, there are a number of factors beyond their control that could affect the total amount or the timing of their combination expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. Due to these factors, the transaction and combination expenses associated with the merger could, particularly in the near term, exceed the savings that the combined company expects to achieve from the elimination of duplicative expenses and the realization of

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economies of scale and cost savings related to the combination of the businesses following the completion of the merger. In addition, prior to completion of the merger, each of Grand and Seacoast will incur or have incurred substantial expenses in connection with the negotiation and completion of the transactions contemplated by the merger agreement. If the merger is not completed, Seacoast and Grand would have to recognize these expenses without realizing the anticipated benefits of the merger.

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

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

The merger is expected to qualify as a reorganization within the meaning of Section 368(a) of the Code.

It is expected that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. If the merger does not qualify as a tax-free reorganization, then the holders of shares of Grand common stock and/or preferred A stock will recognize any gain with respect to the entire consideration received in the merger, including the per share stock consideration received. The consequences of the merger to any particular Grand shareholder will depend on that shareholder s individual situation. **We strongly urge you to consult your own tax advisor to determine the particular tax consequences of the merger to you**.

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

Before the transactions contemplated by the merger agreement, including the merger and the bank merger, may be completed, various approvals must be obtained from bank regulatory authorities. These governmental entities may impose conditions on the granting of such approvals. Such conditions or changes and the process of obtaining regulatory approvals could have the effect of delaying completion of the merger or of imposing additional costs or limitations on Seacoast following the merger. The regulatory approvals may not be received at all, may not be received in a timely fashion, and may contain conditions on the completion of the merger that are not anticipated or have a material adverse effect. If the consummation of the merger is delayed, including by a delay in receipt of necessary governmental approvals, the business, financial condition and results of operations of each company may also be materially adversely affected.

The fairness opinion of Grand s financial advisor will not reflect changes in circumstances between the date of the opinion and the completion of the merger.

Grand s board of directors received an opinion from its financial advisor to address the fairness of the terms of the merger agreement from a financial point of view as of the date of such opinion. Subsequent changes in the operation and prospects of Seacoast or Grand, general market and economic conditions and other factors that may be beyond the control of Seacoast or Grand, and on which Grand s financial advisor s opinion was based, may significantly alter the value of Seacoast or the price of the shares of Seacoast common stock by the time the merger is completed. Because Grand does not anticipate asking its advisor to update its opinion, the opinion will not address the fairness of the merger consideration from a financial point of view at the time the merger is completed, or as of any other date other than the date of such opinion. For a description of the opinion that Grand received from its financial advisor, please refer to the section entitled The Merger Opinion of Grand s Financial Advisor beginning on page 34.

The fairness opinion of Grand s financial advisor will not reflect changes incircumstances between the date of the o

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

Executive officers of Grand negotiated the terms of the merger agreement with Seacoast, and the Grand board of directors unanimously approved and recommended that Grand 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 certain Grand and Grand Bank executive officers and directors have financial interests in the merger that are different from, or in addition to, the interests of Grand shareholders generally. See The Merger Interests of Grand Directors and Executive Officers in the Merger on page 47 for information about these financial interests.

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

Until the completion of the merger, with some limited exceptions, Grand is prohibited from soliciting, initiating, encouraging or participating in any discussion concerning a proposal to acquire Grand, such as a merger or other business combination transaction, with any person other than Seacoast. In addition, Grand has agreed to pay to Seacoast in certain circumstances a termination fee equal to $725,000. These provisions could discourage other companies from trying to acquire Grand even though those other companies might be willing to offer greater value to Grand shareholders than Seacoast has offered in the merger. The payment of any termination fee could also have an adverse effect on Grand s financial condition. See The Merger Agreement Third Party Proposals beginning on page 55 and The Merger Agreement Termination Fee beginning on page 60.

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

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

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

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

2011, and in some markets began to increase in recent years, nonetheless like other financial services institutions, Grand s and Seacoast s loan portfolios have under collateralized loans that are still performing.

When it acquires another loan portfolio, Seacoast will place what is referred to as a fair market value adjustment on the acquired loan portfolio to address certain risks, including those relating to under collateralized loans. With respect to the Grand loan portfolio, Seacoast has placed a preliminary $9 million fair value adjustment which Seacoast believes is adequate to mitigate the risk of under collateralized performing loans. Seacoast has engaged a third party valuation firm that assisted in valuing the acquired loan portfolio as of the acquisition date. There is no assurance that the adjustment that Seacoast has placed on the Grand loan portfolio to mitigate against under collateralized performing loans will be adequate or that Seacoast will not incur losses that could be greater than this adjustment.

Some of the performing loans in the Grand loan portfolio being acquired bySeacoast may be under collateralized, w

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Risks Associated with Seacoast s Business

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

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

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

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

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CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

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

the failure to obtain the approval of Grand shareholders in connection with the merger;
the timing to consummate the proposed merger;
the risk that a condition to closing of the proposed merger may not be satisfied;
the risk that a regulatory approval that may be required for the proposed merger is not obtained or is obtained subject to conditions that are not anticipated;
the parties ability to achieve the synergies and value creation contemplated by the proposed merger;
the parties ability to promptly and effectively integrate the businesses of Seacoast and Grand;
the diversion of management time on issues related to the merger;
the failure to consummate or delay in consummating the merger for other reasons;
changes in laws or regulations; and
changes in general economic conditions.

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

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SEACOAST SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following selected historical consolidated financial data as of and for the twelve months ended December 31, 2014, 2013, 2012, 2011 and 2010 is derived from the audited consolidated financial statements of Seacoast. The following selected historical consolidated financial data as of and for the three months ended March 31, 2015 and 2014, is derived from the unaudited consolidated financial statements of Seacoast and has been prepared on the same basis as the selected historical consolidated financial data derived from the audited consolidated financial statements and, in the opinion of Seacoast s management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data for those dates.

The results of operations as of and for the three months ended March 31, 2015, are not necessarily indicative of the results that may be expected for the twelve months ending December 31, 2015 or any future period. You should read the following selected historical consolidated financial data in conjunction with: (i) the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations and Seacoast s audited consolidated financial statements and accompanying notes included in Seacoast s Annual Report on Form 10-K for the twelve months ended December 31, 2014; and (ii) the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations and Seacoast s unaudited consolidated financial statements and accompanying notes included in Seacoast s Quarterly Report on Form 10-Q for the three months ended March 31, 2015, both of which are incorporated by reference into this proxy statement/prospectus. See Documents Incorporated by Reference.

	(unaudited) Three Months ended March 31,		Year ended December 31,				
	2015	2014	2014	2013	2012	2011	2010
Net interest income	$25,710	$16,221	$74,907	$65,206	$64,809	$66,839	$66,212
Provision for loan losses	433	(735)	(3,486)	3,188	10,796	1,974	31,680
Noninterest income:							
Other	7,308	5,558	24,744	24,319	21,444	18,345	18,134
Loss on sale of commercial loan					(1,238)		
Securities gains, net		17	469	419	7,619	1,220	3,687
Noninterest expenses	23,186	18,783	93,366	75,152	82,548	77,763	89,556
Income (loss) before income taxes	9,399	3,748	10,240	11,604	(710)	6,667	(33,203)
Provision (benefit) for income taxes	3,540	1,449	4,544	(40,385)			
Net income (loss)	$5,859	$2,299	$5,696	$51,989	$(710)	$6,667	$(33,203)
Per Share Data							
Net income (loss) available to common shareholders:							
Diluted	0.18	0.09	0.21	2.44	(0.24)	0.16	2.41
Basic	0.18	0.09	0.21	2.46	(0.24)	0.16	2.41

Cash dividends declared	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Book value per share common	9.71	8.79	9.44	8.40	6.16	6.46	6.42
Dividends to net income (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assets	$3,231,956	$2,315,992	$3,093,335	$2,268,940	$2,173,929	$2,137,375	$2,016,381
Securities	953,293	658,512	949,279	641,611	656,868	668,339	462,001
Net loans	1,836,766	1,292,984	1,804,814	1,284,139	1,203,977	1,182,509	1,202,864
Deposits	2,609,825	1,819,795	2,416,534	1,806,045	1,758,961	1,718,741	1,637,228
Shareholders equity	321,844	228,382	312,651	198,604	165,546	170,077	166,299

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	(unaudited) Three Months ended March 31,		Year ended December 31,				
	2015	2014	2014	2013	2012	2011	2010
Performance ratios:							
Return on average assets	0.75	0.41	0.23	2.38	(0.03)	0.32	(1.60)
Return on average equity	7.42	4.02	2.57	28.36	(0.43)	4.03	(19.30)
Net interest margin[(1)]	3.62	3.07	3.25	3.15	3.22	3.42	3.37
Average equity to average assets	10.17	10.13	10.34	8.38	7.81	8.01	8.27

(1) *On a fully taxable equivalent basis*

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MARKET PRICES AND DIVIDEND INFORMATION

Seacoast common stock is listed and trades on The NASDAQ Global Select Market under the symbol SBCF. As of March 31, 2015, there were 33,136,152 shares of Seacoast common stock outstanding. Approximately 52.2% of these shares are owned by institutional investors, as reported by NASDAQ. Seacoast s top two institutional investors own approximately 33.9% of its outstanding stock. Seacoast has approximately 6,898 shareholders of record.

To Seacoast s knowledge, the only shareholders who owned more than 5% of the outstanding shares of Seacoast common stock on March 31, 2015 were: CapGen Capital Group III LP (24.0%), 120 West 45th Street, Suite 1010, New York, New York 10036; and Wellington Management Group LLP (9.8%), 280 Congress Street, Boston, Massachusetts 02210.

Neither Grand common stock nor preferred stock is listed or traded on any established securities exchange or quotation system. Accordingly, there is no established public trading market for the Grand common stock or preferred stock. Grand is not aware of any sales of shares of Grand s common stock or preferred stock that have occurred after January 1, 2013, except for the sale of 1,000 shares of preferred A stock in 2013 at $2.00 per share. Transactions in the shares are privately negotiated directly between the purchaser and the seller and sales, if they do occur, are not subject to any reporting system. The shares of Grand are not traded frequently. As of March 31, 2015, there were 3,266,481 shares of Grand common stock outstanding, which were held by 270 holders of record. In addition, there were 235,421 shares of preferred A stock, which were held by 232 holders, and 1,481 shares of preferred B stock outstanding, which were held by 28 holders, respectively.

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

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

	Seacoast Common Stock[1]			Grand Common and Preferred Stock		
	High	Low	Dividend	High	Low	Volume[2]
2013						
First Quarter	$ 11.25	$ 7.75	$	$	$	
Second Quarter	$ 11.00	$ 8.50	$	$ 2.00	$	500
Third Quarter	$ 12.30	$ 10.10	$	$	$	
Fourth Quarter	$ 12.49	$ 10.10	$	$ 2.00	$	500
2014						
First Quarter	$ 12.51	$ 10.55	$	$	$	
Second Quarter	$ 11.28	$ 10.00	$	$	$	
Third Quarter	$ 11.27	$ 10.03	$	$	$	
Fourth Quarter	$ 14.24	$ 10.80	$	$	$	
2015						
First Quarter	$ 14.46	$ 12.02	$	$	$	
Second Quarter (through May 21, 2015)	$	$	$	$	$	

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(1) Seacoast common stock prices have been adjusted to reflect the 1 for 5 reverse stock split effective as of December 13, 2013.

(2) There have been little or no trades in Grand stock during the periods shown and no reports to management on the prices of shares traded. The only sales of shares of Grand common stock or preferred stock by shareholders that Grand is aware of after January 1, 2013 is the sale of 1,000 shares of preferred A stock in 2013 at $2.00 per share as indicated in the table above.

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

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

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INFORMATION ABOUT THE GRAND SPECIAL MEETING

This section contains information about the special meeting that Grand has called to allow Grand shareholders to vote on the approval of the merger agreement. The Grand board of directors is mailing this proxy statement/prospectus to you, as a Grand shareholder, on or about May 28, 2015. Together with this proxy statement/prospectus, the Grand board of directors is also sending you a notice of the special meeting of Grand shareholders and a form of proxy that the Grand board of directors is soliciting for use at the special meeting and at any adjournments or postponements of the special meeting.

Time, Date, and Place

The special meeting is scheduled to be held on July 1, 2015 at 4:00 P.M., local time, at Hawthorn Suites, 301 Lamberton Drive, West Palm Beach, Florida.

Matters to be Considered at the Meeting

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

as to holders of Grand common and preferred stock, a proposal to approve the merger agreement, which we refer to as the merger proposal;
as to holders of Grand common stock, a proposal of the Grand board of directors to adjourn or postpone the special meeting, if necessary or appropriate, including to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger agreement; and
any other matters as may properly be brought before the special meeting or any adjournment or postponement of the special meeting.

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

Recommendation of the Grand Board of Directors

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

Record Date and Quorum

April 30, 2015 has been fixed as the record date for the determination of Grand shareholders entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. At the close of business on the record date, there were 3,266,481 shares of Grand common stock outstanding and entitled to vote at the special meeting, held by approximately 270 holders of record, 235,421 shares of Grand preferred A stock outstanding and entitled to vote at

the special meeting held by approximately 232 holders of record and 1,481 shares of Grand preferred B stock outstanding and entitled to vote at the special meeting held by approximately 28 holders of record.

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

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Required Vote

The affirmative vote of (i) a majority of the outstanding shares of Grand common and preferred A stock, voting together as a single class, and (ii) 50% of the outstanding shares of Grand preferred B stock, voting as a separate class, must vote in favor of the proposal to approve the merger agreement. If you vote to **ABSTAIN** with respect to the merger proposal or if you fail to vote on the merger proposal, or fail to instruct your bank or broker how to vote with respect to the merger proposal, this will have the same effect as voting **AGAINST** the merger proposal.

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

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

How to Vote Shareholders of Record

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

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

How to Vote Shares Held in Street Name

If you are a Grand shareholder and your shares are held in street name through a bank, broker or other holder of record, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by the bank or broker. You may not vote shares held in street name by returning a proxy card directly to Grand or by voting in person at the Grand special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee. Further, brokers, banks or other nominees who hold shares of Grand common or preferred stock on behalf of their customers may not give a proxy to Grand to vote those shares with respect to any of the proposals without specific instructions from their customers, as brokers, banks and other nominees do not have discretionary voting power on these matters. Therefore, if you are a Grand shareholder and you do not instruct your broker, bank or other nominee on how to vote your shares:

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

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

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

Revocation of Proxies

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

submitting another valid proxy card bearing a later date;
attending the special meeting and voting your shares in person; or
delivering prior to the special meeting a written notice of revocation to Grand s Corporate Secretary at the following address: 2055 Palm Beach Lakes Blvd., West Palm Beach, Florida 33409.

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

Shares Subject to Support Agreements; Shares Held by Directors

A total of 748,321 shares of Grand common stock, representing approximately 22.91% of the outstanding shares of Grand common stock entitled to vote at the special meeting, 4,280 shares of Grand preferred A stock, representing approximately 1.82% of the outstanding shares of Grand preferred A stock entitled to vote at the special meeting, and 475 shares of Grand preferred B stock, representing approximately 32.07% of the outstanding shares of Grand preferred B stock entitled to vote at the special meeting, are subject to shareholder support agreements between Seacoast and each of Grand s directors. Pursuant to his or her respective shareholder support agreement, each director has agreed to, at any meeting of Grand shareholders, however called, or any adjournment or postponement thereof (and subject to certain exceptions):

vote (or cause to be voted) all shares of Grand s common and/or preferred stock beneficially owned by such director and which such director has the right to vote in favor of the approval of the merger agreement, the merger and each of the transactions contemplated by the merger agreement;
not vote or grant any proxies to any third party, except where such proxies are directed to vote in favor of the merger agreement, the merger and the transactions contemplated by the merger agreement; and
vote (or cause to be voted) his shares against any competing transaction.

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

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

Solicitation of Proxies

The proxy for the special meeting is being solicited on behalf of the Grand board of directors. Grand will bear the entire cost of soliciting proxies from you. Grand will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of Grand stock. Proxies will be solicited principally by mail, but may also be solicited by the directors, officers, and other employees of Grand in person or by telephone, facsimile or other means of

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electronic communication. Directors, officers and employees will receive no compensation for these activities in addition to their regular compensation, but may be reimbursed for out-of-pocket expenses in connection with such solicitation.

Attending the Meeting

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

Questions and Additional Information

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

Grand Bankshares, Inc.
2055 Palm Beach Lakes Blvd.
West Palm Beach, Florida 33409
Telephone: (561) 615-5000
Attn: J. Russell Greene, President and Chief Executive Officer
or
James R. Odza, Corporate Secretary and Treasurer

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THE MERGER

Background of the Merger

As part of its ongoing consideration and evaluation of its long-term prospects and strategies, Seacoast s board of directors and senior management have regularly reviewed and assessed its business strategies and objectives, including strategic opportunities and challenges, and have considered various strategic opportunities, including mergers and acquisitions, all with the goal of enhancing long term value for its shareholders and other stakeholders. During planning meetings in 2014, Seacoast s board of directors discussed the Florida banking market and acquisition opportunities generally and identified potential acquisition opportunities in the near term, based on conversations between Seacoast s CEO Dennis Hudson and other bank CEOs in the state.

From time to time, the board of directors of Grand similarly engaged in reviews and discussions of Grand s long-term strategies and objectives, considering ways in which the company might enhance shareholder value and performance in light of competitive and other relevant factors. Generally, these reviews centered on strategies to improve Grand s financial condition, asset quality, existing operations or to pursue opportunities in new markets or lines of business. On occasion, these discussions centered on merging with another banking organization as a means to enhance or improve shareholder value.

On September 16, 2014, during its annual strategic planning meeting, the board of directors of Grand determined that it would be appropriate to consider merging with a suitable merger partner as a possible means of enhancing long-term shareholder value. This decision was made known to Hovde Group LLC, Grand s exclusive financial advisor since December 2009. Although there had been casual conversations from time to time over a period of years between Messrs. Hudson and Greene regarding the general merits of a potential combination of the two organizations, a merger of the organizations was not advisable at those earlier times. On September 17, 2014, Hovde suggested that it be authorized to approach Seacoast regarding a merger.

On September 18, 2014, the parties executed a confidentiality and non-disclosure agreement and Grand provided more detailed information concerning Grand to Seacoast and Sandler O Neil & Partners, L.P. (Sandler), Seacoast s financial advisor, to facilitate a potential non-binding indication of interest. In late October 2014, Seacoast asked Sandler to assist Seacoast as it considered the merits of a potential transaction with Grand. On October 28, 2014, Seacoast formally engaged Sandler as its financial advisor in connection with the potential Grand transaction.

Seacoast conducted due diligence through in-person meetings with a limited number of Grand executives and began its loan portfolio review of Grand on October 18, 2014. On November 12, 2014, Mr. Hudson met with Mr. Greene and discussed the general merits of a potential combination of the two organizations. On November 20, 2014, Seacoast issued a non-binding indication of interest to purchase the common shares of Grand, which was rejected by Grand s directors on November 24, 2014, as insufficient. Grand s outside counsel, Smith Mackinnon, P.A., discussed with members of the board the legal standards applicable to the board s decisions and actions with respect to a potential business combination transaction. Based on discussions with certain members of the senior management team of Grand and Grand Bank, and representatives of Hovde and Smith Mackinnon, P.A., the Grand board of directors concluded that Seacoast was an appropriate merger partner and authorized Mr. Greene, management and Hovde to continue the process of seeking out an improved proposal for a potential strategic business combination transaction with Seacoast.

Additional due diligence was carried out by Seacoast and on January 7, 2015, Seacoast submitted a revised proposal

based on a fixed exchange ratio of its stock. Discussions between senior management of Seacoast and Grand regarding Grand Bank s asset quality and near-term probable recoveries of loans previously charged off by Grand ensued.

In early January 2015, Seacoast provided Grand a revised preliminary non-binding indication of interest with respect to a proposed merger transaction. After an evaluation of the proposal by the board of directors of Grand and following discussions with certain members of the senior management team of Grand and Grand Bank, and representatives of Hovde and Smith Mackinnon, P.A., and based on the board s determination that Seacoast s preliminary proposal offered substantial value to Grand and its shareholders and was attractive for

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strategic reasons, the Grand board of directors authorized Grand to enter into a limited exclusivity agreement with Seacoast. The parties negotiated the preliminary terms for a potential agreement in a non-binding indication of interest during early January 2015. On January 7, 2015, Seacoast and Grand executed a non-binding letter of intent for the acquisition of Grand, along with an exclusivity agreement which ended on March 21, 2015.

On January 13, 2015, Mr. Hudson convened a meeting of Seacoast s M&A Committee and representatives of Sandler to review a preliminary analysis of the proposed merger transaction, a preliminary due diligence report from Seacoast s Chief Credit Officer and the non-binding letter of intent. The Committee discussed the impact of the merger based on the limited information provided by Grand and preliminary assumptions utilized in the analysis, and also reviewed and discussed concerns related to potential diligence issues and the various potential impacts these concerns could have on the pricing assumptions. The Committee agreed with the terms of the non-binding letter of intent and authorized Mr. Hudson to proceed forward with due diligence.

Seacoast began its credit due diligence review of Grand in mid-January 2015. Based on discussions between the parties, Grand opened an electronic data room for Seacoast to review its due diligence requests and Grand s responses during this period. Upon the conclusion of its preliminary review of Grand s loan portfolio, representatives of Seacoast s financial advisor, Sandler, communicated to representatives of Hovde Seacoast s continued interest in a strategic business combination and gave additional detail on the terms of Seacoast s proposal.

Over the course of the following eight weeks, Seacoast and its representatives continued negotiations with Grand and its representatives on the terms of the transaction and worked to reconcile differing views with respect to various aspects of the merger agreement. These issues included the exchange ratio, the respective covenants of the parties pending closing of the transaction, the rights and obligations of the parties in the event the merger agreement is terminated prior to the consummation of the merger and matters relating to the payment of deferred interest on certain of Grand s outstanding trust preferred securities. Seacoast continued to conduct its due diligence in the first several weeks of February. During this period, Grand s management engaged Steve H. Powell & Company (Due Diligence Assist Firm) to assist Grand s management with its due diligence review of Seacoast s loan portfolio.

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

During the week of January 15, 2015, representatives of Grand met with representatives of Seacoast at Seacoast s offices to discuss the transaction and continue their due diligence review of the other party. During these meetings, Seacoast s representatives answered questions from Grand s representatives regarding Seacoast s business and certain financial, legal and regulatory matters. During the following week, the parties continued to negotiate the terms of a transaction.

On January 26, 2015, the board of directors and management of Grand met with its legal and financial advisors to review the changes that had been made to the proposed agreements. Grand s senior management presented the report summarizing the findings of its due diligence review of Seacoast prepared by the Due Diligence Assist Firm. Mr. Hudson and other Seacoast executive officers were then invited to discuss Seacoast s strategic plan, the prospects for the merger with Grand and the remaining unresolved issues.

On January 29, 2015, counsel to Seacoast circulated an initial draft of the merger agreement, based on the terms outlined in the letter of intent, to Grand s counsel and financial advisor and the parties began negotiations of the terms

of the agreement during this period. On February 2, 2015, Seacoast s M&A Committee reviewed an initial draft of the merger agreement.

In mid-February, the parties reached an impasse on certain terms of the transaction, including the payment of deferred interest on the trust preferred securities, and the parties agreed to suspend negotiations.

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On February 23, 2015, Mr. Hudson informed the M&A Committee as to the impasse and the committee reviewed and discussed further the issues that remained between the parties.

The parties resumed discussions of a transaction during the first week of March 2015. Over the next two weeks, Seacoast conducted additional due diligence and the parties further negotiated the principal terms of the transaction.

Representatives of Seacoast and Alston & Bird, LLP, counsel to Seacoast, had multiple telephonic conference calls with representatives of Grand and Smith Mackinnon, P.A. to negotiate the terms of the draft merger agreement. On February 27, 2015, the board of directors and management of Grand met with its legal and financial advisors to review the revised principal terms of the proposed definitive agreement and agreed to continue proceeding forward with discussions with Seacoast. Over the next several weeks the parties worked to finalize the definitive agreement and the ancillary agreements, complete the disclosure schedules and address the roles for Grand management in a potentially combined business. The parties resumed their due diligence processes and had subsequent communications and negotiations relating to the merger agreement and the ancillary transaction documents. Grand engaged Austin Associates LLC, on March 13, 2015, to evaluate the Seacoast proposal and to issue its independent fairness opinion.

On March 17, 2015, Seacoast s M&A Committee reviewed the merger agreement and its Chief Credit Officer presented a comprehensive credit diligence update to the committee members. The M&A Committee discussed the diligence issues and the impacts, including changes to the previous pricing assumptions, and recommended the merger agreement and the transactions and agreements contemplated by it to Seacoast s board of directors for approval.

On March 19, 2015, Seacoast s board of directors met in special session to review and consider the merger agreement and the transactions and agreements contemplated by it. At the meeting, Alston & Bird reviewed for the directors the terms and conditions of the merger agreement, the merger and the various agreements to be signed in connection with the merger agreement, along with the fiduciary duties of the board members, and engaged in discussions with the board members on such matters. As a part of the meeting, a representative of Sandler reviewed the principal terms of the proposed transaction and the financial impacts of the merger. After additional discussion, the Seacoast board of directors adopted and approved the draft merger agreement and the transactions and agreements contemplated by it (subject to no material terms or conditions being revised) and determined that the merger agreement and the transactions contemplated by it were in the best interests of Seacoast and its shareholders.

On March 24, 2015, Seacoast s M&A Committee chairman Thomas Rossin and Mr. Hudson had a telephonic meeting during which Mr. Hudson updated Mr. Rossin on the status of the definitive merger agreement and other transaction documents, and confirmed there had been no material changes to the terms and conditions discussed with the full board on March 19, 2015.

On March 25, 2015, Grand s board of directors held a meeting to consider, based on presentations from Grand s outside legal and financial advisors and discussions with senior management, the status of the proposed transaction with Seacoast. Mr. Greene further reviewed for the board of directors the background of discussions with Seacoast and the progress of negotiations. Representatives of Austin reviewed the financial aspects of the proposed merger and rendered an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Austin as set forth in such opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the shareholders of Grand. In addition, representatives of Smith Mackinnon, P.A. reviewed with the directors the most recent draft of the proposed merger agreement and related transaction documents as well as the legal standards applicable to the board s decisions and actions with respect to the proposed transaction, as they had previously done. Following further discussion, the board of directors of Grand unanimously approved the merger agreement and recommended that it be submitted to the Grand shareholders for approval at a special meeting of shareholders.

Later in the day on March 25, 2015, Seacoast and Grand executed the merger agreement and the other transaction documents. A press release announcing the transaction was released that afternoon following the close of trading in Seacoast common stock.

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Grand s Reasons for the Merger and Recommendation of the Grand Board of Directors

After careful consideration, Grand s board of directors, at a meeting held on March 25, 2015, determined that the merger agreement is in the best interests of Grand and its shareholders. Accordingly, Grand s board of directors adopted and approved the merger agreement and the merger and the other transactions contemplated by the merger agreement and recommends that Grand shareholders vote **FOR** the approval of the merger agreement. In reaching its decision to adopt and approve the merger agreement and the merger and the other transactions contemplated by the merger agreement, and to recommend that its shareholders approve the merger agreement, the Grand board of directors consulted with Grand management, as well as its financial and legal advisors, and considered a number of factors, including the following material factors:

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

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

the results that Grand could expect to achieve operating independently, and the likely risks and benefits to Grand shareholders of that course of action, as compared to the value of the merger consideration to be received from Seacoast;

its view that the size of the institution and related economies of scale was becoming increasingly important to continued success in the current financial services environment, including the increased expenses of regulatory compliance, and that a merger with a larger bank holding company could provide those economies of scale, increase efficiencies of operations and enhance customer products and services;

its belief that the number of potential acquirers interested in smaller institutions like Grand, with total assets less than $500 million and limited geographic markets, has diminished and may diminish even further over time;

following the sale of four banking offices to decrease Grand s assets to manage its capital ratio requirements, Grand has had limited success in resuming sufficient generation of new loan production;

the lack of Grand growth and profitability has reduced opportunities for employee advancement leaving Grand at risk of losing highly experienced personnel;

Grand owes interest-bearing debt of $7.2 million and, because of a lack of sufficient profitability, Grand Bank is unable to upstream dividends to Grand to pay the interest on the debt, and Grand also has preferred B stock outstanding on which it has only paid three quarterly dividends, and both the subordinated debt and preferred B stock have priority over common stock, and the transaction with Seacoast allows Grand to resolve both the subordinated debt and preferred B stock issues, which Grand might not otherwise be able to resolve except through a capital raising effort by Grand at a price per share likely less than the merger consideration to be received by Grand shareholders from Seacoast and with uncertain prospects for success;

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

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

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

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

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

the opinion of Austin, Grand s financial advisor, delivered to Grand s board of directors, to the effect that, as of the date of such opinion, and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Austin as set forth in such opinion, the terms of the merger agreement are fair, from a financial point of view, to Grand and its stockholders, as more fully described below in the section entitled The Merger Opinion of Grand s Financial Advisor ;

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

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

the greater liquidity in the trading market for Seacoast common stock relative to the market for Grand common stock due to the listing of Seacoast s shares on the Nasdaq Global Select Market;

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

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

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

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

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

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

Each of the directors of Grand has entered into a support agreement with Seacoast, pursuant to which they have agreed to vote in favor of the Grand merger proposal and the other proposals to be voted on at the

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Grand special meeting. For more information regarding the support agreements, please see the section entitled Information About the Grand Special Meeting Shares Subject to Support Agreements; Shares Held by Directors beginning on page 27.

Seacoast s Reasons for the Merger

As a part of Seacoast s growth strategy, Seacoast routinely evaluates opportunities to acquire financial institutions. The acquisition of Grand is consistent with Seacoast s expansion strategy. Seacoast s board of directors, senior management and certain lenders reviewed the business, financial condition, results of operation and prospects for Grand, the market condition of the market area in which Grand conducts business, the compatibility of the management and the proposed financial terms of the merger. In addition, management of Seacoast believes that the merger will expand Seacoast s presence in the attractive Palm Beach County market area, provide opportunities for future growth and provide the potential to realize cost savings. Seacoast s board of directors also considered the financial condition and valuation for both Grand and Seacoast as well as the financial and other effects the merger would have on Seacoast s shareholders and stakeholders. The board considered the fact that the acquisition would nearly double Seacoast s existing footprint in Palm Beach County, that market overlap would drive significant realistic cost savings, and that cultural similarities supported the probability of an efficient, low risk integration with minimal customer attritions. In addition, the board of directors also considered the analysis and presentations from its outside financial advisor, Sandler O Neill.

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

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

Opinion of Grand s Financial Advisor

On March 13, 2015, Grand engaged Austin to issue a fairness opinion to Grand in connection with the potential merger with Seacoast. Austin is an investment banking and consulting firm specializing in community bank mergers and acquisitions. Grand selected Austin on the basis of its experience and expertise in representing community banks in similar transactions and its familiarity with Grand.

As part of its engagement, Austin assessed the fairness, from a financial point of view, of the terms of the merger agreement to the shareholders of Grand. Austin did not serve as primary financial advisor to Grand and did not participate in negotiations of the financial terms of the letter of intent or merger agreement. Austin participated telephonically in the March 25, 2015 meeting at which Grand s board considered the merger agreement. At that meeting, Austin presented its financial analysis of the transaction and delivered to the board its oral opinion, subsequently confirmed in writing, that the terms of the merger agreement was fair to Grand, and its shareholders, from a financial point of view. The full text of Austin s opinion is attached as Appendix B to this proxy statement/prospectus. The description of the opinion set forth below is qualified in its entirety by reference to the opinion.

You should consider the following when reading the description of Austin s opinion:

the opinion letter describes the procedures followed, assumptions made, matters considered, and qualifications and limitations of the review undertaken by Austin in connection with its opinion, and should be read in its entirety;
Austin expressed no opinion as to the price at which Grand s or Seacoast s common stock would actually be trading at any given time;

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Austin s opinion does not address the relative merits of the merger and the other business strategies considered by Grand s board, nor does it address the Grand board s decision to proceed with the merger;
Austin s opinion rendered in connection with the merger does not constitute a recommendation to any Grand shareholder as to how he or she should vote at the Grand special meeting; and
Austin s opinion was based on market, economic and other relevant considerations as they existed and could be evaluated as of the date of the opinion. Events occurring after the date of Austin s opinion, including, but not limited to, changes affecting the securities markets, the results of operations or material changes in the financial condition of either Seacoast or Grand could materially affect the assumptions used by Austin in preparing its opinion.

The preparation of a fairness opinion involves various determinations as to the most appropriate methods of financial analysis and the application of those methods to the particular circumstances. It is, therefore, not readily susceptible to partial analysis or summary description. In performing its analyses, Austin made numerous assumptions with respect to industry performance, business and economic conditions, and other matters, many of which are beyond the control of Grand and Seacoast and may not be realized. Any estimates contained in Austin s analyses are not necessarily predictive of future results or values, which may be significantly more or less favorable than such estimates. Estimates of values of the companies do not purport to be appraisals or necessarily reflect the prices at which the companies or their securities may actually be sold. Unless specifically noted, none of the analyses performed by Austin was assigned a greater significance by Austin than any other. The relative importance or weight given to these analyses is not reflected in the order of either the analyses or their corresponding results in this proxy statement/prospectus.

Management of Grand and Seacoast, respectively, represented that there had been no material adverse change in their respective company s assets, financial condition, results of operations, business or prospects since the date of the most recent financial statements made available to Austin. Austin assumed in all respects material to its analysis that Grand and Seacoast would remain as going concerns for all periods relevant to Austin s analyses, that all of the representations and warranties contained in the merger agreement were true and correct, that each party to the merger agreement would perform all of the covenants required to be performed by such party under the merger agreement, and that the conditions precedent in the merger agreement would not be not waived. Finally, Austin relied upon the advice Grand received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the merger and the other transactions contemplated by the merger agreement.

In its review and analysis, Austin relied upon and assumed the accuracy and completeness of the information provided to it or publicly available, and did not attempt to verify such information. As part of the due diligence process Austin made no independent verification as to the status and value of Grand s or Seacoast s assets, including the value of the loan portfolio and allowance for loan and lease losses, and instead relied upon representations and information concerning the value of assets and the adequacy of reserves of both companies in the aggregate. In addition, Austin assumed that, in the course of obtaining the necessary approvals for the transaction, no condition would be imposed that would have a material adverse effect on the contemplated benefits of the transaction to Grand and its shareholders.

In connection with its opinion, Austin reviewed:

the merger agreement dated as of March 25, 2015;
certain publicly available financial statements and other historical financial information of Grand and Seacoast that Austin deemed relevant;
certain non-public internal financial and operating data of Grand and Seacoast that were prepared and provided to Austin by the respective management of Grand and Seacoast;
internal financial projections for Grand for the year ending December 31, 2014 prepared by and reviewed with management of Grand;

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internal financial projections for Seacoast for the year ending December 31, 2014 prepared by and reviewed with management of Seacoast;
financial analysis and presentation materials prepared by Hovde Group, LLC (Grand s financial advisor) to Grand s Board of Directors;
the pro forma financial impact of the merger on Seacoast, based on assumptions relating to transaction expenses, preliminary purchase accounting adjustments and cost savings as discussed with representatives of Seacoast;
publicly reported historical prices and trading activity for Seacoast s common stock, including an analysis of certain financial and stock market information of Seacoast compared to certain other publicly traded companies;
the financial terms of certain recent business combinations in the commercial banking industry, to the extent publicly available;
the current market environment generally and the banking environment in particular; and,
such other information, financial studies, analyses and investigations and financial, economic and market criteria as we considered relevant.

Austin also discussed with certain members of senior management of Grand the business, financial condition, results of operations and prospects of Grand, including certain operating, regulatory and other financial matters. Austin held similar discussions with certain members of senior management of Seacoast regarding the business, financial condition, results of operations and prospects of Seacoast.

The following is a summary of the material factors considered and analyses performed by Austin in connection with its opinion dated March 25, 2015. The summary does not purport to be a complete description of the analyses performed by Austin.

Summary of Financial Terms of Merger Agreement. Austin reviewed the financial terms of the merger agreement, including the form of consideration, the pricing formula of the exchange ratio for the stock portion of the consideration, and the resulting implied value per share to be received by Grand common shareholders pursuant to the proposed merger. Based on the fixed exchange ratio of 0.3114 shares of Seacoast common stock for each share of Grand common and preferred A stock and Seacoast s 15-day average closing price ending March 24, 2015 of $13.48, Austin calculated an implied value for each share of Grand common and preferred A stock of $4.20. Based on 3,266,481 shares of Grand common stock outstanding and 235,421 shares of preferred A stock outstanding, Austin determined that 1,090,492 shares of Seacoast common stock would be issued representing an aggregate implied value of approximately $14.7 million. Austin calculated that the implied value of $14.7 million as of March 24, 2015 represented a:

115 percent of Grand s tangible common book value;
1.2 percent premium above Grand s tangible common equity as a percent of core deposits; and
110 percent premium to Grand s last reported market transaction[1]

Austin also noted that in addition to the above consideration, each share of Grand s preferred B stock would be converted into the right to receive a total cash payment of $1,000 per share. Based on 1,481 outstanding shares of preferred B stock, total cash consideration would be $1,481,000.

Grand Bank & Trust of Florida (Grand Bank) Financial Performance and Peer Analysis. Austin compared selected results of Grand Bank s operating performance to those of 11 selected Florida banks with total assets between $150 million and $400 million and headquartered in one of the following counties in Florida: Broward, Martin or Palm Beach. Austin considered this group of financial institutions comparable to Grand Bank on the basis of asset size and geographic location.

(1) Based on $2.00 per share which represents Grand s stock price for transactions reported in 2014.

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This peer group consisted of the following banks:

Bank Name	City/State	Bank Name	City/State
Regent Bank	Davie, FL	American National Bank	Oakland Park, FL
Floridian Community Bank	Davie, FL	Desjardins Bank, NA	Hallandale, FL
Landmark Bank, NA	Ft. Lauderdale, FL	TransCapital Bank	Sunrise, FL
Paradise Bank	Boca Raton, FL	Flagler Bank	W. Palm Beach, FL
Legacy Bank of Florida	Boca Raton, FL	Natbank, NA	Hollywood, FL
Palm Beach Community Bank	W. Palm Beach, FL		

Austin noted the following selected financial measures for the peer group as compared to Grand Bank:

Peer Financial Performance(1)

	25th Pct	Median	75th Pct	Grand Bank(1)
PTPP/Average Assets	0.45 %	1.19 %	1.51 %	0.06 %
Pre-Tax Net Income/Average Assets	0.48 %	1.20 %	1.54 %	0.50 %
NPLs/Total Loans	3.56 %	1.70 %	1.21 %	0.86 %
Restructured Loans/Total Loans	3.46 %	1.98 %	0.44 %	9.78 %
NPAs/Total Assets	4.44 %	2.02 %	1.43 %	4.49 %
Tier 1 Leverage Ratio	9.78 %	10.79 %	12.45 %	10.23 %
Total Risk-Based Ratio	15.17 %	16.64 %	19.18 %	15.40 %

PTPP = Pre-Tax Pre-Provision = Net Interest Income + Noninterest Income - Noninterest Expense

NPLs = Loans 90+ day PD and nonaccrual loans. Restructured loans are not included in NPLs.

NPAs = Loans 90+ day PD, nonaccrual loans, OREO, nonperforming debt securities & other assets. Restructured loans are not included.

(1) Peer and Grand Bank financial performance as of December 31, 2014.

After adjusting for several nonrecurring items, including a negative loan loss provision, Austin estimated that Grand Bank would have reported a net loss of $16,000. As a result, Austin did not consider as applicable traditional measures of profitability such as ROAA and ROAE.

Taking into the account its peer analysis of Grand Bank, Austin concluded that Grand Bank s overall core profitability and asset quality were significantly below the peer median results. Austin noted that core profitability is often best measured by pre-tax pre-provision earnings (PTPP) and that Grand Bank s ratio of PTPP earnings to assets of 0.06% was below the 25th percentile for the selected peer group. Austin also noted that Grand Bank s nonperforming assets approximated the 25th percentile of the peer group when measured as a percent of total assets; however, restructured loan balances were significantly higher than the peer when measured relative to total loans. In addition, Austin noted that Grand Bank s tier 1 leverage ratio and total risk-based ratio was between the 25th percentile and the median of the peer group.

Comparable Transaction Analysis. Austin compared the financial performance of certain selling institutions and the prices paid in selected transactions to Grand s financial performance and the transaction multiples being paid by

Seacoast for Grand. Specifically, Austin reviewed certain information relating to selected Florida bank and thrift transactions from January 1, 2014 to March 24, 2015 involving sellers with total assets less than $1.0 billion. Twelve transactions met the selected criterion. Of these 12 transactions, three transactions involved sellers with NPAs/Assets of greater than 4.0 percent. The following lists the transactions reviewed by Austin:

Buyer Name	State	Seller Name	City	State
Sunshine Bancorp, Inc.	FL	Community Southern Hldgs	Lakeland	FL
Ameris Bancorp	GA	Merchants & Southern Banks	Gainesville	FL
HCBF Holding Co.	FL	First America Hldgs	Bradenton	FL
IBERIABANK Corp.	LA	Florida Bank Group Inc.	Tampa	FL

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Buyer Name	State	Seller Name	City	State
Stonegate Bank	FL	Community Bank of Broward	Dania Beach	FL
Home BancShares Inc.	AR	Broward Financial Holdings	Ft. Lauderdale	FL
Charles Inv. Group LLC	AL	United Group Banking Co.	Longwood	FL
HCBF Holding Co.	FL	Highlands Independent Bncshrs	Sebring	FL
First American Bank Corp.	IL	Bank of Coral Gables	Coral Gables	FL
Seacoast Banking Corp. of FL	FL	BANKshares Inc.	Winter Park	FL
Heritage Financial Group Inc.	GA	Alarion Financial Services	Ocala	FL
Home BancShares Inc.	AR	Florida Traditions Bank	Dade City	FL

The following table highlights the median results of the Florida comparable transaction analysis:

Seller s Financial Performance	Florida Deals		Deals w/Seller NPAs/Assets >4%		Grand[1]	
Number of Transactions	12		3			
Total Assets ($mils)	$ 272.8		$ 247.9		$ 208.0	
Tangible Equity/Tangible Assets	9.36	%	6.28	%	6.72	%
LTM Return on Average Assets	0.45	%	0.26	%	-0.10	%
LTM Return on Average Equity	4.12	%	4.33	%	-1.57	%
LTM Efficiency Ratio	80.1	%	99.3	%	102.8	%
Nonperforming Assets/Assets[2]	1.94	%	6.34	%	10.46	%
Deal Transaction Multiples						
Price/Tangible Book Value Ratio	139	%	116	%	115	%
Price/LTM Earnings	21.8		24.1		NM	
Premium/Core Deposits	5.9	%	1.9	%	1.2	%

(1) Grand s consolidated financial performance based on core net loss of $208,000 in 2014.

(2) Nonperforming assets include nonaccrual loans and leases, restructured loans and leases, and other real estate owned.

Austin noted that Grand Bank incurred certain nonrecurring income and expense items in 2014 which materially increased stated net income. In the table above, Grand s consolidated stated net income for 2014 was adjusted for negative loan loss provision expense ($905,000), recapture of nonaccrual interest paid on loan ($461,000), securities gains ($39,000) and loss on the sale of OREO ($325,000). As a result, Austin estimated that without these items Grand would have reported a net loss of $208,000. All of the above ratios are based on this restated net loss estimate.

Taking into account the results of its comparable transactions analysis, Austin noted Grand s core profitability was significantly lower than the selling banks in the deals reviewed and Grand s level of NPAs was significantly higher. Austin determined that the median last twelve month (LTM) ROAA for all Florida selling banks was 0.45 percent, the median nonperforming assets (NPA) to assets ratio measured 1.94 percent, the median LTM ROAA for Florida selling banks with NPAs greater than 4 percent was 0.26 percent, and the median NPAs to assets ratio measured 6.34 percent. Austin also determined that Grand s restated consolidated earnings would have resulted in a LTM ROAA of -0.10 percent and noted that Grand s level of NPAs when including restructured loans was 10.46 percent of assets.

Based on Austin s review of the comparable transactions, Austin concluded that the deal pricing indicated that the multiples paid for the three select Florida transactions with higher levels of NPAs were materially lower than all Florida deals. Austin noted that the indicated price to tangible book ratio being paid by Seacoast for Grand of 115

percent, while lower than the median for all Florida deals, approximated the median for selling banks with NPAs greater than 4 percent. Austin concluded that based on negative restated earnings for 2014, the price-to-earnings multiple for Grand was not meaningful. Austin determined that the implied core deposit premium being paid by Seacoast for Grand of 1.2 percent indicated by Austin s analysis

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was lower than the median premium paid for all Florida deals and slightly lower than the median premium paid for selling banks with NPAs greater than 4 percent.

Seacoast Financial Performance and Market Trading Data versus Peer. Austin compared selected results of Seacoast s operating performance to that of 25 selected Southeast Region publicly traded banking companies with assets between $2 and $6 billion. Austin considered this group of financial institutions comparable to Seacoast on the basis of asset size and geographic location.

This peer group consisted of the following companies:

Company Name	Symbol	Company Name	Symbol
FCB Financial Holdings	FCB	Fidelity Southern Corp.	LION
Renasant Corp.	RNST	USAmeriBancorp Inc.	USAB
TowneBank	TWON	State Bank Financial Corp.	STBZ
Simmons First National Corp.	SFNC	HomeTrust Bancshares	HTBI
Carter Bank & Trust	CARE	Capital City Bank Group	CCBG
Yadkin Financial Corp.	YDKN	Burke & Herbert Bank & Trust	BHRB
ServisFirst Bancshares	SFBS	First Community Bancshares	FCBC
BNC Bancorp	BNCN	NewBridge Bancorp	NBBC
Ameris Bancorp	ABCB	Park Sterling Corporation	PSTB
CenterState Banks	CSFL	Southern BancShares	SBNC
City Holding Co.	CHCO	CommunityOne Bancorp	COB
Cardinal Financial Corp.	CFNL	Hampton Roads Bankshares	HMPR
First Bancorp	FBNC		

Austin noted the following selected financial measures for the peer group as compared to Seacoast:

Peer Financial Performance(1)

	25th Pct	Median	75th Pct	Seacoast(1)
Total Assets ($bils)	$ 2.6	$ 3.2	$ 4.1	$ 3.1
Tangible Equity/Tangible Assets	8.09 %	9.77 %	10.13 %	9.14 %
LTM PTPP/Average Assets	1.00 %	1.56 %	1.75 %	0.70 %
LTM Core Return on Average Assets	0.69 %	0.96 %	1.13 %	0.52 %
LTM Core Return on Average Equity	6.06 %	8.72 %	11.53 %	5.07 %
NPAs/Total Assets	1.51 %	1.03 %	0.66 %	0.93 %
NPAs/(Tangible Equity + ALLL)	16.3 %	10.0 %	6.5 %	9.7 %

PTPP = Pre-Tax Pre-Provision = Net Interest Income + Noninterest Income - Noninterest Expense

NPAs = Loans 90+ day PD, nonaccrual loans and OREO. Restructured loans are not included in NPAs.

(1) Peer and Seacoast s financial performance as of December 31, 2014.

Austin noted that the comparison indicated that Seacoast was below the 25th percentile of the peer group in profitability (core ROAA and ROAE). In addition Austin noted that Seacoast ranked between the median and 75th percentile in nonperforming assets (NPAs/Total Assets and NPAs/Tangible Equity + ALLL). Austin reviewed the

following summary of the market trading data of Seacoast compared to the peer group, as of March 24, 2015:

Peer Market Trading Data

As of 03/24/2015	25th Pct	Median	75th Pct	Seacoast
Price/Tangible Book Value per Share	136 %	149 %	190 %	165 %
Price/LTM Core EPS	13.3	15.4	21.3	29.1
Dividend Yield	0.0 %	0.7 %	2.0 %	0.0 %
Average Monthly Share Volume (000)	615	1,207	1,780	1,878

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Austin noted that Seacoast traded between the median and 75th percentile of the peer group as measured by price to tangible book and above the 75th percentile as measured by price to LTM Core EPS. Seacoast does not currently pay dividends. Austin also noted that Seacoast was above the 75th percentile average monthly share volume.

Stand-Alone Net Present Value Analysis. Austin performed an analysis that estimated the stand-alone net present value of Grand through December 31, 2017. Austin based the analysis on Grand s projected earnings stream as derived from the internal projections provided by Grand management for the years ending December 31, 2015 through 2017. In determining the terminal value of Grand s common stock at December 31, 2017, Austin applied price to forward earnings multiples of 11.0x to 15.0x. The dividend stream and terminal values were then discounted to present values using different discount rates ranging from 10.0% to 14.0%. The following table illustrates the net present value of Grand based on the above assumptions:

	2017 Terminal EPS Multiples				
Discount Rate Range	11.0	12.0	13.0	14.0	15.0
10.0%	$ 2.24	$ 2.37	$ 2.50	$ 2.63	$ 2.76
11.0%	$ 2.20	$ 2.33	$ 2.46	$ 2.58	$ 2.71
12.0%	$ 2.17	$ 2.29	$ 2.41	$ 2.54	$ 2.66
13.0%	$ 2.13	$ 2.25	$ 2.37	$ 2.49	$ 2.61
14.0%	$ 2.10	$ 2.21	$ 2.33	$ 2.45	$ 2.57

Based on this analysis, Austin calculated the implied net present value reference range of a share of Grand of $2.10 to $2.76.

Austin also considered the impact to the net present value results from changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Austin performed a similar analysis assuming Grand s net income varied +/- 20% from the baseline projections. This analysis resulted in the following per share value range using a discount rate of 12.0%.

	Implied	2017 Terminal EPS Multiples				
% Change	2017 EPS	11.0	12.0	13.0	14.0	15.0
20.0%	$ 0.21	$ 2.44	$ 2.59	$ 2.73	$ 2.88	$ 3.03
10.0%	$ 0.19	$ 2.30	$ 2.44	$ 2.57	$ 2.71	$ 2.85
0.0%	$ 0.17	$ 2.17	$ 2.29	$ 2.41	$ 2.54	$ 2.66
-10.0%	$ 0.16	$ 2.03	$ 2.14	$ 2.25	$ 2.36	$ 2.48
-20.0%	$ 0.14	$ 1.90	$ 2.00	$ 2.09	$ 2.19	$ 2.29

Based on this analysis, Austin calculated the implied net present value reference range of a share of Grand of $1.90 to $3.03.

Austin s Compensation and Relationships with Grand and Seacoast. Grand paid Austin a cash fee of $15,000 upon execution of the engagement letter. Grand paid Austin a cash fee of $25,000 upon the issuance of Austin s fairness opinion. Grand agreed to reimburse Austin for its out-of-pocket expenses, and to indemnify Austin against certain liabilities, including liabilities under securities laws. Austin has provided various consulting services to Grand in the past, the fees for which Austin determined were not material to Austin s overall business. Austin does not have any prior, existing or pending engagements with Seacoast.

Conclusion. Based on the preceding summary discussion and analysis, and subject to the assumptions set forth in its opinion, Austin determined the terms of the merger agreement to be fair, from a financial point of view, to Grand and

its shareholders. **Each shareholder is encouraged to read Austin s fairness opinion in its entirety. The full text of this fairness opinion is included as Appendix B to this proxy statement/prospectus.**

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

The following discussion describes the material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of Grand stock that exchange their shares of Grand stock for shares of Seacoast common stock, cash, or a combination of shares of Seacoast common stock and cash in the merger. This discussion is based on the Code, its legislative history, existing and proposed regulations thereunder and published rulings and decisions, all as currently in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. Any such change could affect the accuracy of the statements and conclusions set forth in this discussion.

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

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

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

a financial institution;
a tax-exempt organization;
an S corporation or other pass-through entity (or an investor in an S corporation or other pass-through entity);
an insurance company;
a regulated investment company;
a real estate investment trust;
a dealer or broker in stocks and securities, commodities or currencies;
a trader in securities that elects the mark-to-market method of accounting;
a holder of Grand stock that received such stock through the exercise of an employee stock option, through a tax qualified retirement plan or otherwise as compensation;
a person that is not a U.S. holder (as defined above);
a person that has a functional currency other than the U.S. dollar;
a holder of Grand stock that holds such stock as part of a hedge, straddle, constructive sale, conversion or other integrated transaction; or
a U.S. expatriate.

In addition, the discussion does not address any alternative minimum tax or any state, local or foreign tax consequences of the merger, nor does it address any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010.

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The actual tax consequences of the merger to you may be complex. These consequences will depend on your individual situation. You should consult with your own tax advisor to determine the tax consequences of the merger to you.

Tax Consequences of the Merger Generally

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

U.S. Holders that Receive Solely Seacoast Common Stock

If you hold Grand common and/or preferred A stock, but do not hold any Grand preferred B stock, you will receive solely Seacoast common stock in the merger (except with respect to any cash received in lieu of fractional shares of Seacoast common stock, as described below). Provided that the merger qualifies as a reorganization within the meaning of Section 368(a) of the Code, upon exchanging your Grand common and/or preferred A stock for Seacoast common stock, you generally will not recognize gain or loss (except with respect to any cash received in lieu of fractional shares of Seacoast common stock, as described below.)

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

U.S. Holders that Receive Solely Cash

If you hold Grand preferred B stock, but do not hold any Grand common and/or preferred A stock, you will receive solely cash in the merger. The receipt of cash will be a taxable transaction. Assuming that the cash you receive is not treated as a dividend, as described below, you will recognize gain or loss equal to the difference, if any, between your tax basis in your Grand preferred B stock and the cash received in the merger. Any recognized gain or loss generally will be treated as capital gain or loss and generally will be long-term capital gain or loss if your holding period for your Grand preferred B stock exceeds one year as of the date of the merger.

U.S. Holders that Receive a Combination of Seacoast Common Stock and Cash

If you hold a combination of Grand preferred B stock and Grand common and/or preferred A stock, you will receive a combination of Seacoast common stock and cash in the merger (in addition to any cash you receive in lieu of

fractional shares of Seacoast common stock). Assuming that the cash you receive is not treated as a dividend, as described below, you will recognize gain (but not loss) in an amount equal to the difference between your tax basis in the Grand preferred B shares and the cash you receive. Any recognized gain generally will be treated as capital gain and generally will be long-term capital gain or loss if, as of the effective date of the merger, your holding period for your Grand preferred B exceeds one year. Any disallowed loss would increase your tax basis in the Seacoast common stock received in the merger. To the extent you receive Seacoast common stock in the merger, your treatment will be the same as described above with respect to U.S. Holders that Receive Solely Seacoast Common Stock.

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The aggregate tax basis of the Seacoast common stock you receive in the merger (including any fractional shares deemed received and redeemed for cash as described below), if you exchange your Grand shares for a combination of Seacoast common stock and cash in the merger (in addition to any cash you receive in lieu of fractional shares of Seacoast common stock) will be the same as the aggregate tax basis of the Grand common and/or preferred A stock surrendered in exchange therefor, increased by the amount of any disallowed loss. The holding period of the Seacoast common stock received (including any fractional shares deemed received and sold for cash as described below) will include the holding period of the Grand shares surrendered.

Possible Dividend Treatment

In some cases, if the holder of Grand preferred B stock actually or constructively owns Seacoast stock other than Seacoast common stock received pursuant to the merger, the holder s recognized gain could be treated as having the effect of a distribution of a dividend, in which case such gain would be treated as dividend income. Because the possibility of dividend treatment depends primarily on each holder's particular circumstances, including the application of the constructive ownership rules, holders of Grand preferred B stock should consult their own tax advisors regarding the application of the foregoing rules to their particular circumstances

Cash Instead of Fractional Shares

If you receive cash instead of a fractional share of Seacoast common stock, you will be treated as having received the fractional share of Seacoast common stock pursuant to the merger and then as having sold that fractional share of Seacoast common stock for cash. As a result, assuming that the cash received is not treated as a dividend (as described above), you generally will recognize gain or loss equal to the difference between the amount of cash received and the tax basis allocated to such fractional share. This gain or loss generally will be capital gain or loss and generally will be long-term capital gain or loss if, as of the effective date of the merger, your holding period for the Grand common and/or preferred A stock deemed surrendered in exchange for a fractional share of Seacoast common stock is greater than one year. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

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

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

provide proof that you are otherwise exempt from backup withholding.

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

Exercise of Dissenters Rights

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

The preceding discussion does not purport to be a complete analysis or discussion of all the potential tax consequences of the merger. It is for general information purposes and is not tax advice. You are urged to consult your own tax advisor with respect to the tax consequences to you, in light of your particular circumstances, of the merger (or exercise of dissenters rights), including tax return reporting requirements and the applicability and effect of federal, state, local, and foreign tax laws.

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Accounting Treatment

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

Regulatory Approvals

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

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

Appraisal Rights for Grand Shareholders

Holders of Grand common and/or preferred stock as of the record date are entitled to appraisal rights under the FBCA. Pursuant to Section 607.1302 of the FBCA, a Grand shareholder who does not wish to accept the consideration to be received pursuant to the terms of the merger agreement may dissent from the merger and elect to receive the fair value of his or her shares of Grand common and/or preferred stock immediately prior to the date of the special meeting to vote on the proposal to approve the merger agreement, excluding any appreciation or depreciation in anticipation of the merger unless exclusion would be inequitable. Under the terms of the merger agreement, if 5% or more of the outstanding shares of Grand stock validly exercise their appraisal rights, then Seacoast will not be obligated to complete the merger.

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

Procedures for Exercising Dissenters Rights of Appraisal. The following summary of Florida law is qualified in its entirety by reference to the full text of the applicable provisions of the FBCA, a copy of which is included as

Appendix C to this proxy statement/prospectus.

A dissenting shareholder who desires to exercise his or her appraisal rights must file with Grand, prior to the taking of the vote on the merger agreement, a written notice of intent to demand payment for his or her shares if the merger is effectuated. A vote against the merger agreement will not alone be deemed to be the written notice of intent to demand payment and will not be deemed to satisfy the notice requirements under the FBCA. A dissenting shareholder need not vote against the merger agreement, but cannot vote, or allow any nominee who holds such shares for the dissenting shareholder to vote, any of his or her shares of Grand common and/or preferred stock in favor of the merger agreement. A vote in favor of the merger agreement will constitute a waiver of the shareholder s appraisal rights. A shareholder s failure to vote against the merger

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agreement will not constitute a waiver of such shareholder s dissenters rights. Such written notification should be delivered either in person or by mail (certified mail, return receipt requested, being the recommended form of transmittal) to:

Grand Bankshares, Inc.
2055 Palm Beach Lakes Blvd.
West Palm Beach, Florida 33409
Attn: J. Russell Greene, President and Chief Executive Officer

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

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

the date of the completion of the merger;

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

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

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

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

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

the shareholder s name and address;

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

that the shareholder did not vote for the merger;

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

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

A dissenting shareholder must execute and submit the certificate(s) representing his or her shares and the appraisal election form, and in the case of certificated shares deposit the shareholder s certificates, by the specified date. Any dissenting shareholder failing to return a properly completed appraisal election form and his or her stock certificates within the period stated in the form will lose his or her appraisal rights and be bound by the terms of the merger

agreement. Upon returning the appraisal election form, a dissenting shareholder will be entitled only to payment pursuant to the procedure set forth in the applicable sections of

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the FBCA and will not be entitled to vote or to exercise any other rights of a shareholder, unless the dissenting shareholder withdraws his or her demand for appraisal within the time period specified in the appraisal election form.

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

If the dissenting shareholder accepts the offer of Seacoast in the appraisal election form to pay Seacoast s estimate of the fair value of the shares of Grand common and/or preferred stock, payment for the shares of the dissenting shareholder is to be made within 90 days after the receipt of the appraisal election form by Seacoast or its agent. Upon payment of the agreed value, the dissenting shareholder will cease to have any interest in such shares.

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

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

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

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

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

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

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

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

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

Board of Directors and Management of Seacoast Following the Merger

The members of the board of directors and officers of Seacoast immediately prior to the effective time of the merger will be the directors and officers of the surviving company and will hold office until their respective successors are duly elected and qualified, or their earlier death, resignation or removal.

Information regarding the executive officers and directors of Seacoast is contained in documents filed by Seacoast with the SEC and incorporated by reference into this proxy statement/prospectus, including Seacoast s Annual Report on Form 10-K for the year ended December 31, 2014 and its definitive proxy statement on Schedule 14A for its 2015 annual meeting, filed with the SEC on March 16, 2015 and April 7, 2015, respectively. See Where You Can Find More Information and Documents Incorporated by Reference.

Interests of Grand Directors and Executive Officers in the Merger

In the merger, the directors and executive officers of Grand will receive the same merger consideration for their Grand shares as the other Grand shareholders. In considering the recommendation of the Grand board of directors that you vote to approve the merger agreement, you should be aware that some of the executive officers and directors of Grand may have interests in the merger and may have arrangements, as described below, that may be considered to be different from, or in addition to, those of Grand shareholders generally. The Grand board of directors was aware of these interests and considered them, among other matters, in reaching its decision to adopt and approve the merger agreement and to recommend that Grand shareholders vote in favor of approving the merger agreement. See The Merger Background of the Merger and The Merger Grand s Reasons for the Merger and Recommendations of the Grand Board of Directors. Grand s shareholders should take these interests into account in deciding whether to vote **FOR** the proposal to adopt the merger agreement. These interests are described in more detail below, and certain of them are quantified in the narrative below.

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Treatment of Grand Equity Awards

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

The table below follows reflects securities authorized for issuance under equity compensation plans as of December 31, 2014.

Securities Authorized For Issuance Under Equity Compensation Plans

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity Compensation plans approved by security holders	51,500	$ 28.50	112,165
Equity compensation plans not approved by security holders			
Total	51,500	$ 28.50	112,165

Director Restrictive Covenant Agreement; Claims Letters

Each non-employee member of the Grand and Grand Bank boards of directors have entered into a restrictive covenant agreement, covering a two year period commencing with the effective time of the merger, with Seacoast in the form attached as Exhibit D to the merger agreement attached as Appendix A to this document. In addition, each of the members of the Grand and Grand Bank boards of directors have entered into a claims letter in the form attached as Exhibit C to the merger agreement attached as Appendix A to this document, by which they have agreed to release certain claims against Grand, effective as of the effective time of the merger.

Indemnification and Insurance

As described under The Merger Agreement Indemnification and Directors and Officers Insurance, after the effective time of the merger, Seacoast will indemnify and defend the present and former directors, officers and employees of Grand and its subsidiaries against claims pertaining to matters occurring at or prior to the closing of the merger as permitted by Grand s articles of incorporation, bylaws and any existing indemnification agreement. Seacoast also has agreed, for a period of six years after the effective time of the merger, to provide coverage to present and former directors and officers of Grand pursuant to Grand s existing directors and officers liability insurance. This insurance policy may be substituted, but must contain at least the same coverage and amounts, and contain terms no less advantageous than the coverage currently provided by Grand. In no event shall Seacoast be required to expend for the tail insurance a premium amount in excess of 250% of the annual premiums paid by Grand for its directors and officers liability insurance in effect as of the date of the merger agreement.

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THE MERGER AGREEMENT

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

The Merger

The boards of directors of Seacoast and Grand have each unanimously approved and adopted the merger agreement, which provides for the merger of Grand with and into Seacoast, with Seacoast as the surviving company in the merger. Each share of Seacoast common stock outstanding immediately prior to the effective time of the merger will remain outstanding as one share of Seacoast common stock. Each share of Grand common and preferred A stock outstanding immediately prior to the effective time of the merger (excluding certain shares held by Grand, Seacoast and their wholly-owned subsidiaries and dissenting shares) will be converted into the right to receive 0.3114 shares of Seacoast common stock. In addition, each share of Grand preferred B stock outstanding immediately prior to the effective time of the merger will receive cash payment of $1,000 per share.

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

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

Closing and Effective Time of the Merger

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

We currently expect that the merger will be completed in the third quarter of 2015, subject to the approval of the merger agreement by Grand shareholders and other conditions. However, completion of the merger could be delayed if there is a delay in satisfying any other conditions to the merger. No assurance is made as to whether, or when, Seacoast and Grand will complete the merger. See The Merger Agreement Conditions to Completion of the Merger.

Merger Consideration

Under the terms of the merger agreement, each share of Grand common and preferred A stock outstanding immediately prior to the effective time of the merger (excluding certain shares held by Grand, Seacoast and their wholly-owned subsidiaries and dissenting shares described below) will be converted into the right to receive 0.3114 shares of Seacoast common stock, or the exchange ratio. In addition, each share of Grand preferred B stock outstanding immediately prior to the effective time of the merger will receive cash payment of $1,000 per share, which we refer to as the preferred B consideration.

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

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the merger. We refer to the stock consideration and cash in lieu of any fractional shares, as well as the preferred B consideration collectively, as the merger consideration.

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

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

Based upon the closing sale price of the Seacoast common stock on the NASDAQ Global Select Market of $ on May 21, 2015, the last practicable trading date prior to the printing of this proxy statement/prospectus, each common and preferred share of Grand will be entitled to be exchanged for total merger consideration with a value equal to approximately $ per share.

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

Exchange of Stock Certificates

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

Upon surrender to the exchange agent of the certificate(s) representing his or her shares of Grand common and/or preferred stock, accompanied by a properly completed letter of transmittal, a Grand shareholder will be entitled to receive after the effective time of the merger the merger consideration (including any cash in lieu of fractional shares). Until surrendered, each such certificate will represent after the effective time of the merger, for all purposes, only the right to receive, without interest, the merger consideration (including any cash in lieu of fractional shares) and any dividends or distributions to which such holder is entitled pursuant to the merger agreement. Any holder of book-entry shares will not be required to deliver a certificate or an executed letter of transmittal to receive the merger consideration. Instead, a holder of book-entry shares will automatically at the effective time of the merger be entitled to receive the merger consideration, which will be paid as soon as practicable by the exchange agent.

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

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certificate or book-entry shares; and (ii) at the appropriate payment date, the amount of dividends or other distributions payable with respect to shares of Seacoast common stock represented by that certificate or book-entry shares with a record date after the effective time of the merger (but before the date on which the certificate is surrendered) and with a payment date subsequent to the issuance of the shares of Seacoast common stock issuable in exchange for that certificate or book-entry shares.

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

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

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

Conduct of Business Pending the Merger

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

conduct its business in the ordinary course consistent with past practice;
use reasonable best efforts to maintain and preserve intact its business organization, employees and advantageous business relationships;
maintain its books, accounts and records in the usual manner on a basis consistent with that previously employed; and
take no action that would adversely affect or delay the receipt of regulatory or governmental approvals required for the transactions contemplated by the merger agreement or to perform their covenants and agreements or to consummate the transactions contemplated by the merger agreement.

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

amend its organizational documents or any resolution or agreement concerning indemnification of its directors or officers;
adjust, split, combine, subdivide or reclassify any capital stock;
make, declare, set aside or pay any dividend or make any other distribution on, or directly or indirectly redeem, purchase or otherwise acquire, any shares of its capital stock or any securities or obligations convertible into or exchangeable for any shares its capital stock;

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

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

make any change in any instrument or contract governing the terms of any of its securities;

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

charge off or sell (except in the ordinary course of business consistent with past practices) any of Grand s portfolio of loans, discounts or financing leases or sell any asset held as OREO or other foreclosed assets for an amount that exceeds 10% or $50,000, whichever is greater, less than its book value;

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

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

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

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

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

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

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

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

other than purchases of investment securities in the ordinary course of business or in consultation with Seacoast, restructure or change its investment securities portfolio or its gap position, through purchases, sales or otherwise, or the manner in which the portfolio is classified or reported;

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

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

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

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revalue any of its or its subsidiaries assets or change any method of accounting or accounting practice used by it or any of its subsidiaries, other than changes required by GAAP or the FDIC or any regulatory authority;
file or amend any tax return except in the ordinary course of business or settle or compromise any tax liability or make, change or revoke any tax election or change any method of tax accounting, except as required by applicable law;
knowingly take, or knowingly omit to take, any action that is reasonably likely to result in any of the conditions to the merger not being satisfied, except as may be required by applicable law;
merge or consolidate Grand or any of its subsidiaries with any other person;
acquire assets outside of the ordinary course of business consistent with past practices from any other person with a value or purchase price in the aggregate in excess of $50,000, other than purchase obligations pursuant to contracts in effect prior to the execution of the merger agreement and set forth in the merger agreement;
enter into any contract that is material and would have been material had it been entered into prior the execution of the merger agreement;
make any changes in the mix, rates, terms or maturities of Grand s deposits or other liabilities, except in a manner and pursuant to policies consistent with past practice and competitive factors in the market place;
open any new branch or deposit taking facility or close or relocate any existing branch or facility;
make any extension of credit that, when added to other extensions of credit to a borrower and its affiliates, would exceed its applicable regulatory limits or make any loans, or enter into any commitments to make loans, which vary other than in immaterial respects from its written loan policies (subject to certain exceptions and thresholds and provided that Grand may extend or renew credit or loans in the ordinary course of business consistent with past lending practices or in connection with the workout or renegotiation of current loans);
take any action that at the time of taking such action is reasonably likely to prevent, or would materially interfere with, the consummation of the merger;
knowingly take any action that would prevent or impede the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code; or
agree or commit to take any of the actions set forth above.

Regulatory Matters

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

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

Seacoast and Grand have agreed to use all respective reasonable best efforts to take, or cause to be taken, in good faith, all actions and to do, or cause to be done, all things necessary, proper or desirable, or advisable under applicable laws, to permit the consummation of the merger as promptly as practicable.

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

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

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

NASDAQ Listing

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

Employee Matters

Following the effective time of the merger, Seacoast has agreed to maintain employee benefit plans and compensation opportunities for full-time active employees of Grand and its subsidiaries on the closing date of the merger (referred to below as covered employees) that provide employee benefits and compensation opportunities which, in the aggregate, are substantially comparable to the employee benefits and compensation opportunities that are available on a uniform and non-discriminatory basis to similarly situated employees of Seacoast or its subsidiaries (provided that in no event are covered employees eligible to participate in any closed or frozen plan of Seacoast or its subsidiaries). Seacoast will give the covered employees full credit for their prior service with Grand and its subsidiaries for purposes of eligibility (including initial participation and eligibility for current benefits) and vesting under any qualified or non-qualified employee benefit plan maintained by Seacoast in which covered employees may be eligible to participate and for all purposes under any welfare benefit plans, vacation plans, and similar arrangements maintained by Seacoast.

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

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

Indemnification and Directors and Officers Insurance

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

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

Third Party Proposals

Grand has agreed that it will not, and will cause its directors, officers, employees and representatives and affiliates not to: initiate, solicit, encourage or knowingly facilitate inquiries or proposals with respect to, or engage or participate in any negotiations concerning, or provide to any person any confidential or nonpublic information or data or have or participate in any discussions with any person relating to, any tender or exchange offer, proposal for a merger or consolidation or other business combination involving Grand or any of its significant subsidiaries in which any third-party would acquire more than 15% of the voting power of Grand or any of its subsidiaries whose assets constitute more than 15% of the consolidated assets of Grand, or any proposal to acquire more than 15% of the voting power in or more than 15% of the consolidated assets of Grand or any of its subsidiaries whose assets constitute more than 15% of the consolidated assets of Grand, or any other transaction the consummation of which could reasonably be expected to impede, interfere with, prevent or materially delay the merger or the bank merger or that could reasonably be expected to dilute materially the benefits to Seacoast of the transactions contemplated by the merger agreement (referred to as an acquisition proposal).

However, the merger agreement provides that at any time prior to the approval of the merger agreement by the Grand shareholders, if Grand receives an unsolicited acquisition proposal that does not violate the no shop provisions in the merger agreement and Grand s board of directors concludes in good faith that there is a reasonable likelihood that such proposal constitutes or is reasonably likely to result in a superior proposal (as defined below), then Grand may: (i) enter into a confidentiality agreement with the third party making the acquisition proposal with terms and conditions no less favorable to Grand than the confidentiality agreement entered into by Grand and Seacoast prior to the execution of the merger agreement; (ii) furnish non-public information or data to the third party making the acquisition proposal pursuant to such confidentiality agreement; and (iii) participate in such negotiations or discussions with the third party making the acquisition proposal regarding such proposal, if the Grand board of directors determines in good faith (and based upon the written advice of its outside counsel) that failure to take such actions would or would be reasonably likely to result in a violation of its fiduciary duties under applicable law. Grand must promptly advise Seacoast within 2 business days following receipt of any acquisition proposal and the substance of such proposal and must keep Seacoast apprised of any related developments, discussions and negotiations on a current basis.

A superior proposal means any bona fide, unsolicited, written acquisition proposal for at least a majority of the outstanding shares of Grand capital stock on terms that the Grand board of directors concludes in good faith to be more favorable to the shareholders from a financial point of view than the merger and the other transactions contemplated by the merger agreement (including taking into account the terms, if any, proposed by Seacoast to amend or modify the terms of the transactions contemplated by the merger agreement in response to such proposal), (i) after receiving the written advice of its financial advisor, (ii) after taking into account the likelihood of

consummation of such transaction on the terms set forth therein and (iii) after taking into account all legal (with the written advice of outside counsel), financial (including the financing terms of any such proposal), regulatory and other aspects of the proposal and any other relevant factors permitted under applicable law.

The merger agreement generally prohibits Grand s board of directors from making a change in recommendation (*i.e.*, from withdrawing or modifying in a manner adverse to Seacoast the recommendation of the Grand board of directors set forth in this proxy statement/prospectus that the Grand shareholders vote to approve the merger agreement, or from making or causing to be made any third party or public

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communication proposing or announcing an intention to withdraw or modify in a manner adverse to Seacoast such recommendation). At any time prior to the approval of the merger agreement by the Grand shareholders, however, the Grand board of directors may effect a change in recommendation in response to a bona fide written unsolicited acquisition proposal that the Grand board of directors concludes in good faith (and based upon the written advice of its outside counsel and after consultation with its financial advisor) constitutes a superior proposal and if the board concludes that the failure to accept such superior proposal would result in a violation of its fiduciary obligations to shareholders then the board may terminate the merger agreement and enter into a definitive agreement with respect to such superior proposal.

The Grand board of directors may not make a change in recommendation, or terminate the merger agreement to pursue a superior proposal, unless: (i) Grand has not breached any of the provisions of the merger agreement relating to third party acquisition proposals in any respect; (ii) the Grand board of directors determines in good faith (after consultation with counsel and its financial advisors) that such superior proposal continues to be a superior proposal (after taking into account all adjustments to the terms of the merger agreement offered by Seacoast); (iii) Grand has given Seacoast at least 4 business days prior written notice of its intention to take such action and before making such change in recommendation contemporaneously provided an unredacted copy of the relevant proposed transaction agreements with the person making such superior proposal; and (iv) before effecting such change in recommendation, Grand has negotiated in good faith with Seacoast during the notice period (to the extent Seacoast wishes to negotiate) to enable Seacoast to revise the terms of the merger agreement so that such superior proposal no longer constitutes a superior proposal.

If the Grand board of directors makes a change in recommendation, or if Grand terminates the merger agreement to enter into an agreement with respect to a superior proposal, Grand could be required to pay Seacoast a termination fee of $725,000 in cash. See The Merger Agreement Termination, and The Merger Agreement Termination Fee.

Representations and Warranties

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

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

will not survive consummation of the merger;

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

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

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

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

corporate organization, existence, power and standing;

capitalization;

ownership of subsidiaries;

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

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

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regulatory approvals required in connection with the merger;
reports filed with governmental entities, including, in the case of Seacoast, the SEC;
financial statements;
compliance with laws and the absence of regulatory agreements;
accuracy of the information supplied by each party for inclusion or incorporation by reference in this proxy statement/prospectus;
fees paid to financial advisors;
litigation; and
Community Reinvestment Act compliance.

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

absence of a material adverse effect on Grand since December 31, 2013;
tax matters;
the inapplicability to the merger of state takeover laws;
employee benefit plans and labor matters;
absence of material contract defaults;
environmental matters;
intellectual property;
real and personal property;
loan matters;
adequacy of allowances for losses;
administration of fiduciary accounts;
maintenance of insurance policies;
liquidity of investment portfolio;
privacy of customer information;
technology systems;
transactions with affiliates;
accuracy of books and records; and
absence of actions or omissions by present or former directors, officers, employees or agents that would give rise to a claim for indemnification.

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

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to companies in the industry in which such party and its subsidiaries operate; and (C) changes in general economic or market conditions in the United States generally affecting other companies in the industry in which such party and its subsidiaries operate, except, with respect to (A) through (C), if the effects of such changes are disproportionately adverse to the business, assets, operations, prospects, condition (financial or otherwise) or results of operations of such party and its subsidiaries, as compared to other companies in the industry in which such party and its subsidiaries operate; or for purposes of (ii) above, the impact of actions and omissions of a party or any of its subsidiaries taken with the prior informed consent of the other party in contemplation of the transactions contemplated by the merger agreement.

Conditions to Completion of the Merger

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

the approval of the merger agreement by Grand shareholders;

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

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

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

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

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

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

the receipt of corporate authorizations and other certificates;

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

receipt by each party of an opinion of its counsel or accounting advisor to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

Additional Closing Conditions for the Benefit of Seacoast. In addition to the mutual closing conditions, Seacoast s obligation to complete the merger is subject to the satisfaction or waiver of the following conditions:

the receipt of certified resolutions of Grand s board of directors and shareholders authorizing the merger agreement and the bank merger agreement and the transactions contemplated thereby, certain incumbency and other officers certificates and a certificate of good standing;

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

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Grand s consolidated tangible shareholders equity as of the close of business on the 5th business day prior to the closing of the merger shall be an amount not less than $13.256 million and general allowance for loan and lease losses, subject to certain exclusions, shall be an amount not less than $3.46 million;

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

the completion of certain items set forth on the Seacoast disclosure schedule;

the receipt of executed claims letters and restrictive covenant agreements from certain executive officers and/or directors of Grand; and

the receipt of a FIRPTA certificate.

Termination

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

by the mutual consent of the board of directors of Grand and the board of directors or M&A committee of the board of directors of Seacoast; or

by the board of directors of either party in the event of the breach of any representation, warranty, covenant or agreement by the other party that would prevent any closing condition from being satisfied and such breach cannot be or has not been cured within 30 days of written notice of such breach (provided that the right to cure may not extend beyond October 31, 2015, which we refer to as the Outside Date); or

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

by the board of directors of either party if the merger is not consummated by the Outside Date; provided, that neither party has the right to terminate the merger agreement if such party was in breach of its obligations under the merger agreement and such breach was the cause of the failure of the merger to be consummated by the Outside Date; or

by the board of directors of Seacoast in the event that (i) Grand has withdrawn, qualified or modified its recommendation in a manner adverse to Seacoast or has resolved to do so, (ii) Grand has failed to substantially comply with the terms of the no-shop covenant or its obligations under the merger agreement by failing to call, give notice of, convene and hold a shareholders meeting, or (iii) the board of directors of Grand has recommended, endorsed, accepted or agreed to an acquisition proposal; or

by the board of directors of Grand in the event that (i) Grand s board of directors has determined, in accordance with the terms of the merger agreement, that a superior proposal has been made with respect to it and has not been withdrawn and the board of directors of Grand has accepted or agreed to an acquisition proposal, and (ii) neither Grand nor any of its representatives has failed to comply in all material respects with the terms of the no-shop covenant; or

by the board of directors of Seacoast if holders of more than 5% in the aggregate of the shares of Grand common and/or preferred stock shall have voted its shares against the merger agreement or the merger at any shareholder meeting and have given notice of their intention to exercise their dissenters right in accordance with Florida law.

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Termination Fee

Grand will owe Seacoast a $725,000 termination fee if:

(i) either party terminates the merger agreement in the event that approval by the shareholders of Grand is not obtained at a meeting at which a vote was taken; or (ii) Seacoast terminates the merger agreement (a) as a result of a willful breach of a covenant or agreement by Grand; (b) because Grand has withdrawn, qualified or modified its recommendation to shareholders in a manner adverse to Seacoast; or (c) because Grand has failed to substantially comply with the no-shop covenant or its obligations under the merger agreement by failing to hold a special meeting of Grand shareholders; and

(i) Grand receives or there is a publicly announced third party acquisition proposal that has not been formally withdrawn or abandoned prior to the termination of the merger agreement; and (ii) within 12 months of the termination of the merger agreement, Grand either consummates a third party acquisition proposal or enters into a definitive agreement or letter of intent with respect to a third party acquisition proposal; or

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

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

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

Waiver; Amendment

The merger agreement may be amended by the parties, by action taken or authorized by their respective boards of directors, at any time before or after approval of the matters presented in connection with the merger by Grand, in writing signed on behalf of each of the parties, provided that after any approval of the transactions contemplated by the merger agreement by the Grand shareholders, there may not be, without further approval of the Grand shareholders, any amendment of the merger agreement that requires further approval under applicable law.

At any time prior to the effective time of the merger, the parties, by action taken or authorized by their respective boards of directors, may, to the extent legally allowed: (i) waive any default in the performance of any term of the merger agreement by the other party; (ii) extend the time for the compliance or fulfillment of any of the obligations or other acts of the other party; and (iii) waive any or all of the conditions precedent to the obligations contained in the merger agreement on the part of the other party. Any agreement on the part of a party to any extension or waiver must be in writing signed on behalf of such party. Any such extension or waiver or failure to insist on strict compliance with an obligation, covenant, agreement or condition will not operate as a waiver of any subsequent or other failure.

Expenses

Regardless of whether the merger is completed, all expenses incurred in connection with the merger, the bank merger, the merger agreement and other transactions contemplated thereby will be paid by the party incurring the expenses, except that Seacoast has paid the filing fee for the Registration Statement on Form S-4 of which this proxy statement/prospectus is a part and will pay any other filings fees with the SEC in connection with the merger and Seacoast will pay one half of the costs and expenses of printing and mailing this proxy statement/prospectus.

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COMPARISON OF SHAREHOLDERS RIGHTS

Seacoast and Grand are each incorporated under the laws of the State of Florida and, accordingly, the rights of their shareholders are governed by Florida law and their respective articles of incorporation and bylaws. After the merger, the rights of former shareholders of Grand who receive shares of Seacoast common stock in the merger will be determined by reference to Seacoast s articles of incorporation and bylaws and Florida law. Set forth below is a description of the material differences between the rights of Grand shareholders and Seacoast shareholders.

	GRAND	SEACOAST
Capital Stock	Holders of Grand capital stock are entitled to all the rights and obligations provided to capital shareholders under the FBCA and Grand s articles of incorporation and bylaws.	Holders of Seacoast capital stock are entitled to all the rights and obligations provided to capital shareholders under the FBCA and Seacoast s articles of incorporation and bylaws.
Authorized	Grand s authorized capital stock consists of 15,000,000 shares of common stock, par value $0.01 per share, and 1,000,000 shares of preferred stock, par value $0.01 per share (300,000 of which are designated as Series A Non-Cumulative Perpetual Preferred Stock and 10,000 of which are designated as Noncumulative Perpetual Series B Preferred Stock).	Seacoast s authorized capital stock consists of 60,000,000 shares of common stock, par value $0.01 per share, and 4,000,000 shares of preferred stock, stated value $0.01 per share (2,000 of which are designated as Fixed Rate Cumulative Perpetual Preferred Stock, Series A and 50,000 of which are designated as Mandatorily Convertible Noncumulative Nonvoting Preferred Stock, Series B).
Outstanding	As of April 30, 2015, there were 3,266,481 shares of Grand common stock outstanding, 235,421 shares of Series A Preferred Stock outstanding, and 1,481 shares of Series B Preferred Stock outstanding.	As of April 30, 2015, there were 33,161,036 shares of Seacoast common stock outstanding and no shares of Seacoast preferred stock outstanding.
Voting Rights	Holders of Grand common stock generally are entitled to one vote per share in the election of directors and on all matters submitted to a vote at a meeting of shareholders.	Holders of Seacoast common stock generally are entitled to one vote per share in the election of directors and on all matters submitted to a vote at a meeting of shareholders.
Cumulative Voting	No shareholder has the right of cumulative voting in the election of directors.	No shareholder has the right of cumulative voting in the election of directors.
Stock Transfer Restrictions	None.	None.
Dividends	Under the FBCA, a corporation may make a distribution, unless after	Holders of Seacoast common stock are subject to the same provisions of

giving effect to the distribution:	the FBCA.
The corporation would not be able to pay its debts as they come due in the usual course of business; or	

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	GRAND	SEACOAST
	The corporation s assets would be less than the sum of its total liabilities plus the amount that would be needed, if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution. In addition, under Federal Reserve policy adopted in 2009, a bank holding company should consult with the Federal Reserve and eliminate, defer or significant reduce its dividends if: its net income available to shareholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends; its prospective rate of earnings retention is not consistent with its capital needs and overall current and prospective financial condition; or it will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy ratios. Grand s Articles of Incorporation provide that holders of Series B Preferred Stock are entitled to quarterly non-cumulative cash dividends at a coupon rate of 8.0% per annum.	
Number of Directors	Grand s bylaws provide that the number of directors serving on the Grand board of directors shall be	Seacoast s bylaws provide that the number of directors serving on the Seacoast board of directors shall be

such number as determined from time to time by the board of directors.	such number as determined from time to time by the board of directors, but in no event shall be fewer than three directors nor greater than fourteen directors.

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	GRAND	SEACOAST
	There are currently eight directors serving on the Grand board of directors. The Grand board of directors is divided into three classes as equal in number as feasible, with each class serving staggered three year terms and one class of directors being elected annually. Each director holds office for the term for which he or she is elected until his or her successor is elected and qualified or until there is a decrease in the number of director, subject to such director s death, resignation or removal.	There are currently fourteen directors serving on the Seacoast board of directors. The Seacoast board of directors is divided into three classes, with the members of each class of directors serving staggered three-year terms and with approximately one-third of the directors being elected annually. As a result, it would take a dissident shareholder or shareholder group at least two annual meeting of shareholders to replace a majority of the directors of Seacoast. Each director holds office for the term for which he or she is elected and until his or her successor is elected and qualified, subject to such directors death, resignation or removal.
Election of Directors	Under the FBCA, unless otherwise provided in the articles of incorporation, directors are elected by a plurality of the votes cast by the holders of the shares entitled to vote in an election of directors at a meeting at which a quorum is present. Grand s articles of incorporation do not otherwise provide for the vote required to elect directors.	Seacoast directors are similarly elected in accordance with FBCA and its articles of incorporation do not otherwise provide for the vote required to elect directors. However, notwithstanding the plurality standard, in an uncontested election for directors, our Corporate Governance Guidelines provide that if any director nominee receives a greater number of votes withheld from his or her election than votes for such election, then the director will promptly tender his or her resignation to the board of directors following certification of the shareholder vote, with such resignation to be effective upon acceptance by the board of directors. The Compensation and Governance Committee would then review and make a recommendation to the board of directors as to whether the board should accept the resignation, and the board of directors would ultimately decide whether to accept the

resignation.

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	GRAND	SEACOAST
Removal of Directors	Grand s bylaws provide that the shareholders may remove any director with or without cause at any meeting of the shareholders, provided the notice of the meeting states that the purpose of the meeting or one of the purposes of the meeting is the removal of the director.	Seacoast s bylaws provide that directors may be removed only for cause upon the affirmative vote of (1) 66 2/3% of all shares of common stock entitled to vote and (2) holders of a majority of the outstanding common stock that are not beneficially owned or controlled, directly or indirectly, by any person (1) who is the beneficial owner of 5% or more of the common stock or (2) who is an affiliate of Seacoast and at any time within the past five years was the beneficial owner of 5% or more the company s then outstanding common stock (Independent Majority of Shareholders).
Vacancies on the Board of Directors	Grand s bylaws provide that vacancies in the Grand board of directors may be filled by the affirmative vote of the majority of the remaining directors (even if less than a quorum). A director appointed to fill a vacancy shall hold office only until the next election of directors by the shareholders.	Seacoast s bylaws provide that vacancies in the Seacoast s board of directors may be filled by the affirmative vote of (1) 66 2/3% of all directors and (2) majority of the Continuing Directors (director who either (i) was first elected as a director of the company prior to February 28, 2003 or (ii) was designated as a Continuing Directors by a majority vote of the Continuing Directors), even if less than a quorum exists.
Action by Written Consent	Grand s bylaws provide that Grand shareholders may act by written consent if the holders of shares having not less than a minimum number of votes with respect to each voting group that would be necessary to take such action at a meeting at which all shares entitled to vote on the action were present and voted.	Seacoast s bylaws do not explicitly provide for shareholders to act by written consent. Therefore, FCBA provides that shareholders may act by written consent if the holders of shares having not less than a minimum number of votes with respect to each voting group that would be necessary to take such action at a meeting at which all shares entitled to vote on the action were present and voted.

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	GRAND	SEACOAST
Advance Notice requirements for Shareholder Nominations and Other Proposals	Neither Grand s articles of incorporation nor Grand s bylaws provide a means for shareholders to nominate candidates for election as Grand directors.	Any Company shareholder entitled to vote generally on the election of directors may recommend a candidate for nomination as a director. A shareholder may recommend a director nominee by submitting the name and qualifications of the candidate the shareholder wishes to recommend to the Company s Compensation and Governance Committee, c/o Seacoast Banking Corporation of Florida, 815 Colorado Avenue, P. O. Box 9012, Stuart, Florida 34995. To be considered, recommendations with respect to an election of directors to be held at an annual meeting must be received not less than 60 days nor more than 90 days prior to the anniversary of the Company s last annual meeting of shareholders (or, if the date of the annual meeting is changed by more than 20 days from such anniversary date, within 10 days after the date that the Company mails or otherwise gives notice of the date of the annual meeting to shareholders), and recommendations with respect to an election of directors to be held at a special meeting called for that purpose must be received by the 10th day following the date on which notice of the special meeting was first mailed to shareholders.
Notice of Shareholder Meeting	Notice of each shareholder meeting must be given to each shareholder to vote not less than 10, nor more than 60 days before the date of the meeting.	Seacoast s bylaws have similar notice provisions.

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	GRAND	SEACOAST
Amendments to Charter	Grand s articles of incorporation may be amended in accordance with the FBCA. Under the FBCA, amendments to a corporation s articles of incorporation must be approved by a corporation s board of directors and holders of a majority of the outstanding stock of a corporation entitled to vote thereon and, in cases in which class voting is required, by holders of a majority of the outstanding shares of such class. The board of directors must recommend the amendment to the shareholders, unless the board of directors determines that, because of a conflict of interest or other special circumstances, it should make no recommendation and communicates the basis for its determination to the shareholders with the amendment	Seacoast s articles of incorporation have similar amendment provisions, except that the affirmative vote of (1) 66 2/3% of all of shares outstanding and entitled to vote, voting as classes, if applicable, and (2) Independent Majority of Shareholders will be required to approve any change of Articles VI (Board of Directors), VII (Provisions Relating to Business Combinations), IX (Shareholder Proposals) and X (Amendment of Articles of Incorporation) of the articles of incorporation.
Amendments to Bylaws	Grand s bylaws may be amended by the directors. Under the FBCA, Grand s shareholders, by majority vote of all of the shares having voting power, may amend or repeal by the bylaws even though they may also be amended or repealed by the Grand board of directors.	Seacoast s bylaws may be amended by a vote of (1) 66 2/3% of all directors and (2) majority of the Continuing Directors. In addition, the shareholders may also amend the Bylaws by the affirmative vote of (1) 66 2/3% of all shares of common stock entitled to vote and (2) Independent Majority of Shareholders. Under the FBCA, Seacoast s shareholders, by majority vote of all of the shares having voting power, may amend or repeal the bylaws even though they may also be amended or repealed by the Seacoast board of directors.

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	GRAND	SEACOAST
Special Meeting of Shareholders	Grand s bylaws provide that special meetings of the shareholders may be called by the Grand board of directors, the Chairman or the President of Grand or when requested in writing by the holders of at least one-tenth of all the votes entitled to be cast at such meeting. A meeting requested by shareholders must be called for a date not less than 10 nor more than sixty 60 days after the shareholders request for such meeting. The call for a special meeting of shareholders shall be issued by the Secretary, unless the Chairman, the President, board of directors or the shareholders requesting the calling of the meeting designate another person to do so.	Seacoast s bylaws have similar provisions, except that special meetings may also be called and issued by the chief executive officer.
Quorum	A majority of the shares entitled to vote, represented in person or by proxy, constitutes a quorum at any shareholder meeting.	Seacoast bylaws have a similar provision.
Proxy	Under the FBCA and Grand s bylaws, a proxy is valid for 11 months unless a longer period in expressly provided in the appointment form.	Seacoast bylaws have a similar provision.
Preemptive Rights	Under the FBCA, shareholders do not have preemptive rights unless the corporation s articles of incorporation provide otherwise. Grand s articles of incorporation do not provide for preemptive rights.	Seacoast s shareholders do not have preemptive rights.
Shareholder Rights Plan/Shareholders Agreement	Grand does not have a rights plan. Neither Grand nor Grand stockholders are parties to a shareholders agreement with respect to Grand s capital stock.	Seacoast does not have a rights plan. Neither Seacoast nor Seacoast shareholders are parties to a shareholders agreement with respect to Seacoast s capital stock.
Indemnification of Directors and Officers	Grand s bylaws provide that Grand may indemnify its current and former directors, officers, employees and agents in accordance with that provided under the FBCA.	Seacoast s bylaws provide that Seacoast may indemnify its current and former directors, officers, employees and agents in accordance with that provided under the FBCA.
Certain Business Combination Restrictions	Grand s articles of incorporation do not contain any provision regarding	Seacoast s articles of incorporation do not contain any provision

business combinations between Grand and significant shareholders.	regarding business combinations between Seacoast and significant shareholders.

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	GRAND	SEACOAST
Prevention of Greenmail	Grand s articles of incorporation do not contain a provision designed to prevent greenmail.	Seacoast s articles of incorporation do not contain a provision designed to prevent greenmail.
Fundamental Business Transactions	Grand s articles of incorporation do not contain any provisions regarding shareholder approval of any merger, share exchange or sale, lease, exchange or other transfer of all or substantially all of the corporation s assets by holders of common stock. The FBCA provides that, unless a corporation s articles of incorporation require a greater vote or a vote by classes, a plan of merger or share exchange must be approved by each class entitled to vote on the plan by a majority of all the votes entitled to be cast on the plan by that class. Holders of Series A Preferred Stock, who generally do not have voting rights, are entitled to vote upon any merger, consolidation, sale of substantially all of Grand s assets or share exchange (in which event they will have one vote for each share of Series A Preferred) and will vote together with the holders of common stock. The affirmative vote of at least 50% of the shares of Series B Preferred Stock, voting as a separate class, is required for approval of a binding share exchange or of a merger or consolidation of Grand with another entity, unless, following such transaction, the Series B Preferred shares will remain outstanding and hold relative rights not less favorable than those they held prior to the transaction, or unless the Series B Preferred shares will be exchanged for equivalent preference securities.	Seacoast s articles of incorporation provides that Seacoast needs the affirmative vote of 66 2/3% of all shares of common stock entitled to vote for the approval of any merger, share exchange or sale, lease, exchange or other transfer of all or substantially all of the corporation s assets where Seacoast will not be the surviving entity.
Non-Shareholder Constituency Provision	Grand s articles of incorporation do not contain a provision that expressly permits the board of directors to consider constituencies	Seacoast s articles of incorporation do not contain a provision that expressly permits the board of directors to consider constituencies

other than the shareholders when evaluating certain offers.	other than the shareholders when evaluating certain offers.

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	GRAND	SEACOAST
Dissenters Rights	Under the FBCA, a shareholder generally has the right to dissent from any merger to which the corporation is a party, from any sale of all assets of the corporation, or from any plan of exchange and to receive fair value for his or her shares. See The Merger Appraisal Rights for Grand Shareholders and Appendix C.	Under the FBCA, dissenters rights are not available to holders of shares of any class or series of shares which is designated as a national market system security or listed on an interdealer quotation system by the National Association of Securities Dealers, Inc. Accordingly, holders of Seacoast common stock are not entitled to exercise dissenters rights under the FBCA.

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BUSINESS OF GRAND BANKSHARES, INC.

General

Grand is a bank holding company under the Bank Holding Company Act of 1956, as amended, for Grand Bank, and is subject to the supervision and regulation of the Board of Governors of the Federal Reserve System and Florida Office of Financial Regulation and is a corporation organized under the laws of the State of Florida. Its main office is located at 2055 Palm Beach Lakes Blvd., West Palm Beach, Florida 33402. Grand Bank is a Florida-chartered state nonmember bank, which commenced operations in 1999, and is subject to the supervision and regulation of the Florida Office of Financial Regulation and the Federal Deposit Insurance Corporation. Grand Bank is a full service commercial bank, providing a wide range of business and consumer financial services in its target marketplaces, and is headquartered in West Palm Beach, Florida.

At March 31, 2015, Grand had total assets of approximately $211.9 million, total deposits of approximately $187.6 million, total net loans of approximately $118.5 million, and shareholders equity of approximately $15.2 million.

Business

Historically, Grand Bank s market areas have been served both by large banks headquartered out of state as well as a number of community banks offering a higher level of personal attention, recognition and service. The large banks have generally applied a transactional business approach, based upon volume considerations, to the market while community banks have traditionally offered a more service relationship approach.

Grand Bank provides a range of consumer and commercial banking services to individuals, businesses and industries. The basic services offered by Grand Bank include: demand interest bearing and noninterest bearing accounts, money market deposit accounts, NOW accounts, time deposits, safe deposit services, credit cards, debit cards, direct deposits, notary services, money orders, night depository, travelers checks, cashier s checks, domestic collections, savings bonds, bank drafts, automated teller services, drive-in tellers, banking by mail and the full range of consumer loans, both collateralized and uncollateralized. In addition, Grand Bank makes secured and unsecured commercial and real estate loans and issues stand-by letters of credit. Grand Bank provides automated teller machine (ATM) cards and is a member of the Star ATM network thereby permitting customers to utilize the convenience of Grand Bank s ATM network and Star member machines both nationwide and internationally.

Grand Bank s target market is consumers, professionals, small businesses, developers and commercial real estate investors. The small business customer (typically a commercial entity with sales of $10 million or less) has the opportunity to generate significant revenue for Grand Bank yet is generally underserved by large bank competitors. These customers generally can afford Grand Bank more profitability opportunities than the average retail customer.

The revenues of Grand Bank are primarily derived from interest on, and fees received in connection with, real estate and other loans, from interest and dividends from investment securities, service charge income generated from demand accounts, gain on sale of residential loans, and ATM fees. The principal sources of funds for Grand Bank s lending activities are its deposits (primarily consumer deposits), loan repayments, and proceeds from investment securities. The principal expenses of Grand Bank are the interest paid on deposits, and operating and general administrative expenses.

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

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Banking Services

Commercial Banking. Grand Bank focuses its commercial loan originations on small and mid-sized business (generally up to $10 million in annual sales) and such loans are usually accompanied by significant related deposits. Commercial underwriting is driven by cash flow analysis supported by collateral analysis and review. Commercial loan products include commercial real estate construction and term loans; working capital loans and lines of credit; demand, term and time loans; and equipment, inventory and accounts receivable financing. Grand Bank offers a range of cash management services and deposit products to commercial customers. Online banking is currently available to commercial customers.

Retail Banking. Grand Bank s retail banking activities emphasize consumer deposit and checking accounts. An extensive range of these services is offered by Grand Bank to meet the varied needs of its customers from young persons to senior citizens. In addition to traditional products and services, Grand Bank offers contemporary products and services, such as debit cards, mutual funds and annuities, internet banking and electronic bill payment services. Consumer loan products offered by Grand Bank include home equity lines of credit, second mortgages, new and used auto loans, including indirect loans through auto dealers, new and used boat loans, overdraft protection, and unsecured personal credit lines.

Employees

As of March 31, 2015, Grand Bank employed 41 full-time employees and no part-time employees. The employees are not represented by a collective bargaining unit. Grand Bank considers relations with employees to be good.

Properties

The main office of Grand Bank is located at 2055 Palm Beach Lakes Blvd., West Palm Beach, Florida 33402. Grand Bank also has two branch offices located in Lantana and Palm Beach Gardens, Florida.

Legal Proceedings

Grand Bank is periodically a party to or otherwise involved in legal proceedings arising in the normal course of business, such as claims to enforce liens, claims involving the making and servicing of real property loans, and other issues incident to its business. At March 31, 2015, management does not believe that there is any pending or threatened proceeding against Grand Bank which, if determined adversely, would have a material adverse effect on Grand Bank s financial position, liquidity, or results of operations.

Competition

Grand Bank encounters strong competition both in making loans and in attracting deposits. The deregulation of banking industry and the widespread enactment of state laws which permit multi-bank holding companies as well as an increasing level of interstate banking have created a highly competitive environment for commercial banking. In one or more aspects of its business, Grand Bank competes with other commercial banks, savings and loan associations, credit unions, finance companies, mutual funds, insurance companies, brokerage and investment banking companies, and other financial intermediaries. Most of these competitors, some of which are affiliated with bank holding companies, have substantially greater resources and lending limits, and may offer certain services that Grand

Bank does not currently provide. In addition, many of Grand Bank s non-bank competitors are not subject to the same extensive federal regulations that govern bank holding companies and federally insured banks. Recent federal and state legislation has heightened the competitive environment in which financial institutions must conduct their business, and the potential for competition among financial institutions of all types has increased significantly. There is no assurance that increased competition from other financial institutions will not have an adverse effect on Grand Bank s operations.

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Management

Directors. The Board of Directors of Grand is comprised of eight individuals. Directors serve until the next annual meeting of shareholders, and until their respective successor has been duly elected and qualified. The following sets forth certain information regarding the directors of Grand Bank.

Name	Position Held with Grand	Principal Occupation or Employment
Gerard A. Arsenault	Director	Real Estate Investments
David H. Baker	Director	Attorney
Sandy L. Costello	Director	Doctor of Optometry
J. Russell Greene	Director; President and Chief Executive Officer	President and Chief Executive Officer of Grand and Grand Bank
Douglas J. Hackl	Director	Swimming Pool Contractor
Leighan R. Rinker	Director	Educator
Daniel J. Shepherd	Director	Attorney
Larry E. Wright	Director	Real Estate Developer

Executive Officers. The following sets forth information regarding the executive officers of Grand. The officers of Grand serve at the pleasure of the Board of Directors.

Name and Age	Principal Occupation and Business Experience During the Past Five Years
J. Russell Greene	President and Chief Executive Officer
Gerald F. Martens	Executive Vice President and Chief Operating Officer
James R. Odza	Executive Vice President and Chief Financial Officer

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BENEFICIAL OWNERSHIP OF GRAND COMMON STOCK BY MANAGEMENT AND PRINCIPAL SHAREHOLDERS OF GRAND

The following table sets forth the beneficial ownership of Grand common stock as of March 31, 2015 by: (i) each person or entity who is known by Grand to beneficially own more than 5% of the outstanding shares of Grand common stock; (ii) each director and executive officer of Grand; and (iii) all directors and executive officers of Grand as a group.

Beneficial ownership is determined in accordance with the rules of the SEC, based on factors including voting and investment power with respect to shares. The percentage of beneficial ownership is calculated in relation to the 3,266,481 shares of Grand common stock that were issued and outstanding as of March 31, 2015.

Unless otherwise indicated, to Grand s knowledge, the persons or entities identified in the table below have sole voting and investment power with respect to all shares shown as beneficially owned by them.

Name and Address of Beneficial Owner[a]	Number of shares of Grand Common Stock Beneficially Owned[b]	Percent of Outstanding Shares of Grand Common Stock
Directors:		
Gerard A. Arsenault	132,250 [c]	4.05 %
David H. Baker	35,863 [d]	1.10 %
Sandy L. Costello	105,675 [e]	3.24 %
J. Russell Greene	140,000 [f]	4.29 %
Douglas J. Hackl	120,000 [g]	3.67 %
Leighan R. Rinker	157,000 [h]	4.81 %
Daniel J. Shepherd	27,533 [i]	0.84 %
Larry E. Wright	30,000 [j]	0.92 %
Executive Officers:		
Gerald F. Martens	29,300	0.90 %
James R. Odza	16,750	0.51 %
All Directors and Executive Officers as a group (10 individuals)	748,231	22.91 %

(a) The address of each of Grand s executive officers and directors is c/o Grand Bankshares, Inc., 2055 Palm Beach Lakes Blvd, West Palm Beach, Florida 33409.

(b) Common shares owned do not include options for common stock granted as the exercise price exceeds the per share consideration to be received in the merger.

(c) Includes 131,550 shares held by his company s pension plan, 4,700 shares held in his IRA and 4,000 shares held

individually.

(d) Includes 18,244 shares held in a family trust, 15,000 shares held by his company s 401 (k) plan, and 2,669 shares held jointly with his spouse.

(e) Includes 66,525 shares held individually and 39,205 shares held by his company s profit sharing trust.

(f) Includes 88,715 shares held by his IRA, 51,325 shares held jointly with his spouse, and 800 shares held as custodian.

(g) Includes 80,050 shares held jointly with his spouse and 40,000 held by his IRA.

(h) Held in a revocable trust.

(i) Includes 24,753 shares held jointly with his spouse, 4,510 shares held in his IRA, and 800 shares as custodian for his children.

(j) Includes 11,700 shares held individually, 10,005 shares held jointly with his spouse, and 8,300 shares held by his IRA.

Other Principal Shareholders. No person has beneficial ownership of the Bank s outstanding shares of Common Stock by all persons (other than 10 directors and executive officers) owning 5% or more of such shares.

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DESCRIPTION OF SEACOAST CAPITAL STOCK

Common Stock

General

The following description of shares of Seacoast s common stock, par value $0.10 per share, is a summary only and is subject to applicable provisions of the FCBA and to Seacoast s amended and restated articles of incorporation and its amended and restated bylaws. Seacoast s articles of incorporation provide that it may issue up to 60 million shares of common stock, par value of $0.10 per share. Seacoast common stock is listed on the NASDAQ Global Select Market under the symbol SBCF.

Voting Rights

Each outstanding share of Seacoast s common stock entitles the holder to one vote on all matters submitted to a vote of shareholders, including the election of directors. The holders of Seacoast common stock possess exclusive voting power, except as otherwise provided by law or by articles of amendment establishing any series of Seacoast preferred stock.

There is no cumulative voting in the election of directors, which means that the holders of a plurality of Seacoast s outstanding shares of common stock can elect all of the directors then standing for election. Since the closing of the CapGen offering on December 17, 2009, which we refer to as the CapGen Offering, CapGen Capital Group III LP, or CapGen, has been entitled to appoint one director to Seacoast s board of directors, so long as CapGen retains ownership of all of the shares of common stock purchased in that offering, adjusted as applicable.

When a quorum is present at any meeting, questions brought before the meeting will be decided by the vote of the holders of a majority of the shares present and voting on such matter, whether in person or by proxy, except when the meeting concerns matters requiring the vote of the holders of a majority of all outstanding shares under applicable Florida law. Seacoast s articles of incorporation provide certain anti-takeover provisions that require super-majority votes, which may limit shareholders rights to effect a change in control as described under the section below entitled Anti-Takeover Effects of Certain Articles of Incorporation Provisions.

Registration Rights

On January 13, 2014, Seacoast completed the sale to CapGen of $25 million of its common stock pursuant to a Stock Purchase Agreement, dated November 6, 2013, entered into in connection with its $75 million offering of common stock in November 2013. In connection with such offering, Seacoast granted certain registration rights to CapGen pursuant to a Registration Rights Agreement, dated as of January 13, 2014.

Dividends, Liquidation and Other Rights

Holders of shares of common stock are entitled to receive dividends only when, as and if approved by Seacoast s board of directors from funds legally available for the payment of dividends. Seacoast s shareholders are entitled to share ratably in its assets legally available for distribution to its shareholders in the event of Seacoast s liquidation, dissolution or winding up, voluntarily or involuntarily, after payment of, or adequate provision for, all of our known debts and liabilities and of any preferences of any series of our preferred stock that may be outstanding in the future.

These rights are subject to the preferential rights of any series of Seacoast s preferred stock that may then be outstanding.

Holders of shares of Seacoast common stock have no preference, conversion, exchange, sinking fund or redemption rights and have no preemptive rights to subscribe for any of our securities. Seacoast s board of directors, under its articles of incorporation, may issue additional shares of its common stock or rights to purchase shares of its common stock without shareholder approval.

Restrictions on Ownership

The Bank Holding Company Act requires any bank holding company, as defined in the Bank Holding Company Act, to obtain the approval of the Federal Reserve prior to the acquisition of 5% or more of our common shares. Any person, other than a bank holding company, is required to obtain prior approval of the

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Federal Reserve to acquire 10% or more of our common shares under the Change in Bank Control Act. Any holder of 25% or more of our common shares, or a holder of 5% or more if such holder otherwise exercises a controlling influence over us, is subject to regulation as a bank holding company under the Bank Holding Company Act.

Certain provisions included in our amended and restated articles of incorporation and bylaws, as described further below, as well as certain provisions of the Florida Business Corporation Act and federal law, may discourage, delay or prevent potential acquisitions of control of us, particularly when attempted in a transaction that is not negotiated directly with, and approved by, our board of directors, despite possible benefits to our shareholders. These provisions are more fully described in the documents and reports filed with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference into this prospectus.

Preferred Stock

General

Seacoast is authorized to issue 4 million shares of preferred stock, 2,000 shares of which have been designated as Series A Preferred Stock, and 50,000 of which have been designated as Series B Preferred Stock. On December 31, 2013, Seacoast redeemed in full all 2,000 shares of Series A Preferred Stock then issued and outstanding. Such Series A Preferred Stock was originally issued to the U.S. Treasury Department under the Capital Purchase Program and subsequently auctioned to private investors. No shares of Series B Preferred Stock are issued and outstanding as of the date of this proxy statement/prospectus.

Under Seacoast s amended and restated articles of incorporation, its board of directors is authorized, without shareholder approval, to adopt resolutions providing for the issuance of up to 4 million shares of preferred stock, par value $0.10 per share, in one or more series. Seacoast s board of directors may fix the voting powers, designations, preferences, rights, qualifications, limitations and restrictions of each series of preferred stock. A series of preferred stock upon issuance will have preference over Seacoast common stock with respect to the payment of dividends and the distribution of assets in the event of the liquidation or dissolution of Seacoast. The relative rights, preferences and limitations that Seacoast s board of directors has the authority to determine as to any such series of such stock include, among other things, dividend rights, voting rights, conversion rights, redemption rights, and liquidation preferences. Because Seacoast s board of directors has the power to establish the relative rights, preferences and limitations of each series of such stock, it may afford to the holders of any such series, preferences and rights senior to the rights of the holders of the shares of common stock, as well as the shares of preferred stock to be issued in the reclassification transaction. Although Seacoast s board of directors has no intention at the present time of doing so, it could cause the issuance of any additional shares of preferred stock that could discourage an acquisition attempt or other transactions that some, or a majority of, the shareholders might believe to be in their best interests or in which the shareholders might receive a premium for their shares of common stock over the market price of such shares.

Transfer Agent and Registrar

The transfer agent and registrar for Seacoast common stock is Continental Stock Transfer and Trust Company.

Anti-Takeover Effects of Certain Articles of Incorporation Provisions

Seacoast s Articles of Incorporation contain certain provisions that make it more difficult to acquire control of it by means of a tender offer, open market purchase, a proxy fight or otherwise. These provisions are designed to encourage persons seeking to acquire control of Seacoast to negotiate with its directors. Seacoast believes that, as a general rule, the interests of its shareholders would be best served if any change in control results from negotiations with its directors.

Seacoast s Articles of Incorporation provide for a classified board to which approximately one-third of its board of directors is elected each year at its annual meeting of shareholders. Accordingly, Seacoast s directors serve three-year terms rather than one-year terms. The classification of Seacoast s board of directors has the effect of making it more difficult for shareholders to change the composition of its board of directors. At least

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two annual meetings of shareholders, instead of one, will generally be required to effect a change in a majority of Seacoast s board of directors. Such a delay may help ensure that its directors, if confronted by a shareholder attempting to force a proxy contest, a tender or exchange offer, or an extraordinary corporate transaction, would have sufficient time to review the proposal as well as any available alternatives to the proposal and to act in what they believe to be the best interests of Seacoast s shareholders. The classification provisions apply to every election of directors, however, regardless of whether a change in the composition of Seacoast s board of directors would be beneficial to Seacoast and its shareholders and whether or not a majority of its shareholders believe that such a change would be desirable.

The classification of Seacoast s board of directors could also have the effect of discouraging a third party from initiating a proxy contest, making a tender offer or otherwise attempting to obtain control of Seacoast, even though such an attempt might be beneficial to Seacoast and its shareholders. The classification of Seacoast s board of directors could thus increase the likelihood that incumbent directors will retain their positions. In addition, because the classification of Seacoast s board of directors may discourage accumulations of large blocks of its stock by purchasers whose objective is to take control of Seacoast and remove a majority of its board of directors, the classification of its board of directors could tend to reduce the likelihood of fluctuations in the market price of its common stock that might result from accumulations of large blocks of its common stock for such a purpose. Accordingly, Seacoast s shareholders could be deprived of certain opportunities to sell their shares at a higher market price than might otherwise be the case.

Seacoast s Articles of Incorporation require the affirmative vote of the holders of not less than two-thirds of all the shares of its stock outstanding and entitled to vote generally in the election of directors in addition to the votes required by law or elsewhere in the Articles of Incorporation, the bylaws or otherwise, to approve: (a) any sale, lease, transfer, purchase and assumption of all or substantially all of its consolidated assets and/or liabilities, (b) any merger, consolidation, share exchange or similar transaction, or any merger of any significant subsidiary, into or with another person, or (c) any reclassification of securities, recapitalization or similar transaction that has the effect of increasing other than pro rata with the other shareholders, the proportionate amount of shares that is beneficially owned by an Affiliate (as defined in Seacoast s Articles of Incorporation). Any business combination described above may instead be approved by the affirmative vote of a majority of all the votes entitled to be cast on the plan of merger if such business combination is approved and recommended to the shareholders by (x) the affirmative vote of two-thirds of Seacoast s board of directors, and (y) a majority of the Continuing Directors (as defined in Seacoast s Articles of Incorporation).

Seacoast s Articles of Incorporation also contain additional provisions that may make takeover attempts and other acquisitions of interests in it more difficult where the takeover attempt or other acquisition has not been approved by its board of directors. These provisions include:

A requirement that any change to Seacoast s Articles of Incorporation relating to the structure of its board of directors, certain anti-takeover provisions and shareholder proposals must be approved by the affirmative vote of holders of two-thirds of the shares outstanding and entitled to vote;
A requirement that any change to Seacoast s Bylaws, including any change relating to the number of directors, must be approved by the affirmative vote of either (a) (i) two-thirds of its board of directors, and (ii) a majority of the Continuing Directors (as defined in Seacoast s Articles of Incorporation) or (b) two-thirds of the shares entitled to vote generally in the election of directors;
A requirement that shareholders may call a meeting of shareholders on a proposed issue or issues only upon the receipt by Seacoast from the holders of 50% of all shares entitled to vote on the proposed issue or issues of signed and dated written demands for the meeting describing the purpose for which it is to be held; and

A requirement that a shareholder wishing to submit proposals for a shareholder vote or nominate directors for election comply with certain procedures, including advanced notice requirements.

Seacoast s Articles of Incorporation provide that, subject to the rights of any holders of its preferred stock to act by written consent instead of a meeting, shareholder action may be taken only at an annual meeting or special meeting of the shareholders and may not be taken by written consent. The Articles of Incorporation also include provisions that make it difficult to replace directors. Specifically, directors may be removed only

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for cause and only upon the affirmative vote at a meeting duly called and held for that purpose upon not less than 30 days prior written notice of two-thirds of the shares entitled to vote generally in the election of directors. In addition, any vacancies on the board of directors for any reason, and any newly created directorships resulting from any increase in the number of directors, may be filled only by the board of directors (except if no directors remain on the board, in which case the shareholders may act to fill the vacant board).

Seacoast believes that the power of its board of directors to issue additional authorized but unissued shares of its common stock or preferred stock without further action by its shareholders, unless required by applicable law or the rules of any stock exchange or automated quotation system on which its securities may be listed or traded, will provide Seacoast with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs that might arise. Seacoast s board of directors could authorize and issue a class or series of stock that could, depending upon the terms of such class or series, delay, defer or prevent a transaction or a change in control that might involve a premium price for holders of Seacoast s common stock or that its shareholders otherwise consider to be in their best interest.

EXPERTS

The consolidated financial statements of Seacoast Banking Corporation of Florida and subsidiaries as of and for the year ended December 31, 2014 and Seacoast s effectiveness of internal control over financial reporting as of December 31, 2014 have been audited by Crowe Horwath LLP, independent registered public accounting firm, as set forth in their report appearing in our Annual Report on Form 10-K for the year ended December 31, 2014 and incorporated in this registration statement by reference. Such consolidated financial statements have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of Seacoast Banking Corporation of Florida and subsidiaries as of December 31, 2013, and for each of the years in the two-year period ended December 31, 2013, have been incorporated by reference herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

LEGAL MATTERS

The validity of the shares of Seacoast common stock to be issued by Seacoast in connection with the merger will be passed upon by Alston & Bird LLP, Atlanta, Georgia.

OTHER MATTERS

No matters other than the matters described in this proxy statement/prospectus are anticipated to be presented for action at the special meeting, or at any adjournment or postponement of such meetings. If any procedural matters relating to the conduct of the meeting are presented, the persons named as proxies will vote the shares represented by properly executed proxies in accordance with their judgment with respect to those matters.

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DOCUMENTS INCORPORATED BY REFERENCE

The SEC allows Seacoast to incorporate by reference information in this proxy statement/prospectus. This means that Seacoast can disclose important business and financial information to you by referring you to another document filed separately with the SEC. The information that Seacoast incorporates by reference is considered to be part of this proxy statement/prospectus, and later information that Seacoast files with the SEC will automatically update and supersede the information Seacoast included in this proxy statement/prospectus. This document incorporates by reference the documents that are listed below that Seacoast has previously filed with the SEC, except to the extent that any information contained in such filings is deemed furnished in connection with SEC rules.

Annual Report on Form 10-K for the year ended December 31, 2014, filed on March 16, 2015;
Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, filed on May 11, 2015;
The information incorporated by reference into Part III of our Annual Report from our Proxy Statement for 2015 Annual Meeting, filed on April 7, 2015;
Current Reports on Form 8-K or Form 8-K/A, as applicable, filed on February 24, 2015, March 2, 2015, March 31, 2015 and May 1, 2015; and
The description of our common stock contained in our Registration Statement filed with the SEC pursuant to Section 12 of the Securities Exchange Act of 1934 (the Exchange Act), including any amendment or report filed for purposes of updating such description.

Seacoast also incorporates by reference any future filings it makes with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this proxy statement/prospectus and before the Grand shareholder meeting.

Any statement contained in this proxy statement/prospectus or in a document incorporated or deemed to be incorporated by reference in this proxy statement/prospectus is deemed to be modified or superseded to the extent that a statement contained herein or in any subsequently filed document that also is, or is deemed to be, incorporated by reference herein modified or superseded such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this proxy statement/prospectus.

Documents incorporated by reference are available from Seacoast without charge (except for exhibits to the documents unless the exhibits are specifically incorporated in the document by reference). You may obtain documents incorporated by following the instructions set forth under Where You Can Find More Information :

Seacoast Banking Corporation of Florida
815 Colorado Avenue
P.O. Box 9012
Stuart, Florida 34994
Attn: Investor Relations
Telephone: (772) 287-4000

To obtain timely delivery, you must make a written or oral request for a copy of such information by , 2015.

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APPENDIX A

THIS IS A DRAFT. NO AGREEMENT, ORAL OR WRITTEN, REGARDING OR RELATING TO ANY OF THE MATTERS COVERED BY THIS DRAFT HAS BEEN ENTERED INTO BETWEEN THE PARTIES. THIS DOCUMENT, IN ITS PRESENT FORM OR AS IT MAY BE HEREAFTER REVISED BY ANY PARTY, WILL NOT BECOME A BINDING AGREEMENT OF THE PARTIES UNLESS AND UNTIL ALL DILIGENCE IS COMPLETED, ALL SCHEDULES AND EXHIBITS ARE ATTACHED, AND IT HAS BEEN EXECUTED BY ALL PARTIES AND COMPLETE EXECUTED COPIES HAVE BEEN DELIVERED. SEACOAST RESERVES THE RIGHT TO REQUIRE ADDITIONAL REPRESENTATIONS, WARRANTIES, AGREEMENTS AND COVENANTS BASED ON ITS DUE DILIGENCE RESULTS WHICH IS ONGOING. THE EFFECT OF THIS LEGEND MAY NOT BE CHANGED BY ANY ACTION OF THE PARTIES.

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

SEACOAST BANKING CORPORATION OF FLORIDA

SEACOAST NATIONAL BANK

GRAND BANKSHARES, INC.

AND

GRAND BANK & TRUST OF FLORIDA

Dated as of March 25, 2015

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