

ALABAMA NATIONAL BANCORPORATION

Form 424B3

May 28, 2004

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FILED PURSUANT TO

RULE 424(B)(3)

REGISTRATION NO: 333-115603

MERGER PROPOSED YOUR VOTE IS

VERY IMPORTANT

Coquina Bank Shareholders:

The Board of Directors of Coquina Bank has agreed to a merger of Coquina Bank with a wholly owned subsidiary of Alabama National BanCorporation. Before we can complete this merger, the merger agreement must be approved by Coquina Bank's shareholders. We are sending you this proxy statement-prospectus to ask you to vote in favor of the merger.

If the merger is completed, for each share of Coquina Bank common stock that you own before the merger you will receive in exchange either (1) 0.6326 shares of common stock in Alabama National, subject to increase based on the average trading price of Alabama National common stock prior to the merger, or (2) at your option, but subject to certain limitations, an amount in cash in lieu of stock, determined based on the average trading price of Alabama National common stock prior to the merger. For a description of the possible increase in the exchange ratio of shares of Alabama National common stock to be received in exchange for your Coquina Bank common stock, refer to page 16. For a description of the calculation of optional cash consideration, the procedures for electing cash and the limitations on your ability to receive cash instead of Alabama National common stock in the merger, see APPROVAL OF THE MERGER AGREEMENT Merger Consideration Election to Receive Cash Consideration in Lieu of Common Stock and Procedures for Making a Cash Election on page 17. Shares of Alabama National common stock are quoted on the NASDAQ Stock Market under the symbol ALAB.

The merger cannot be completed unless holders of a majority of Coquina Bank's common stock approve it. We have scheduled a special shareholders' meeting for you to vote on the merger.

Your vote is very important. Whether or not you plan to attend our special shareholders' meeting, please take the time to vote by completing and mailing the enclosed proxy card. If you sign, date and mail your proxy card without indicating how you want to vote, we will vote your proxy in favor of the merger.

The date, time and place of the special meeting is:

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Date: June 29, 2004
Time: 10:00 a.m.
Place: Oceanside Country Club

75 North Halifax Avenue

Ormond Beach, Florida 32176

This proxy statement-prospectus provides you with detailed information about the proposed merger. You can also get information about Alabama National from documents Alabama National has filed with the Securities and Exchange Commission. We encourage you to read this entire document carefully.

In particular, please see the section entitled Risk Factors beginning on page 10.

We are very enthusiastic about this merger and the strength and capabilities we expect to achieve from it.

Sincerely,

Joe P. Epton, Jr.

President and Chief Executive Officer

Coquina Bank

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this proxy statement-prospectus or determined if this proxy statement-prospectus is accurate or adequate. Any representation to the contrary is a criminal offense. These securities are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of any of the parties, and they are not insured by the Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other governmental agency.

This proxy statement-prospectus is dated May 26, 2004

and was first mailed to shareholders on or about May 28, 2004

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We have not been authorized to give any information or make any representation about the merger or Coquina Bank or Alabama National that differs from, or adds to, the information in this proxy statement-prospectus or in documents that are publicly filed with the Securities and Exchange Commission. Therefore, if anyone does give you different or additional information, you should not rely on it.

REFERENCES TO ADDITIONAL INFORMATION

This proxy statement-prospectus incorporates important business and financial information about Alabama National that is not included or delivered with this document. This information is available to you without charge upon your written or oral request. You can obtain documents related to Alabama National that are incorporated by reference in this document through the Securities and Exchange Commission website at <http://www.sec.gov> or by requesting them in writing or by telephone from the company: Alabama National BanCorporation, 1927 First Avenue North, Birmingham, Alabama 35203, (205) 583-3600. If you would like to request documents, please do so by June 21, 2004 to receive them before Coquina Bank's special shareholders' meeting. Instructions regarding how to obtain this information are contained on page 59 under the caption **WHERE YOU CAN FIND MORE INFORMATION.**

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COQUINA BANK

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To be held on June 29, 2004

Coquina Bank will hold a special meeting of shareholders at Oceanside Country Club, 75 North Halifax Avenue, Ormond Beach, Florida 32176 at 10:00 a.m. local time on Tuesday, June 29, 2004 to vote on:

1. The Agreement and Plan of Merger, dated as of March 30, 2004 (the merger agreement), by and between Alabama National Bancorporation, Coquina Bank and CQA Interim Bank, a wholly owned subsidiary of Alabama National, and the transactions contemplated by the merger agreement. These transactions include the merger of CQA Interim Bank with Coquina Bank and the issuance of Alabama National shares and payment of optional cash consideration to Coquina Bank's shareholders. As a result of the merger, Coquina Bank will be a wholly owned subsidiary of Alabama National. Shortly after the merger, Coquina Bank will be merged with Cypress Bank, another wholly owned subsidiary of Alabama National. This proposal is more fully described in the enclosed proxy statement-prospectus. You can find a copy of the merger agreement in Appendix A to this document.
2. Any other matters that properly come before the special meeting, or any adjournments or postponements of the special meeting.

Record holders of Coquina Bank common stock at the close of business on May 18, 2004, will receive notice of and may vote at the special meeting, including any adjournments or postponements of the special meeting. Florida law requires approval by a majority of the outstanding shares of Coquina Bank to approve the merger agreement.

A holder of Coquina Bank common stock who complies with the provisions of applicable law relating to dissenters' rights applicable to the merger will be entitled to receive payment in cash of the value of only those shares held (i) which are voted against approval of the merger agreement at the special meeting (either in person or by proxy), or (ii) with respect to which the holder thereof has given written notice to Coquina Bank at or prior to the special meeting that the holder dissents from the merger agreement. We have attached a copy of the dissenters' rights law as Appendix B to this document.

You are cordially invited to attend the special meeting in person, but regardless of whether you plan to attend, please return the enclosed proxy card.

Joe P. Epton, Jr.

May 26, 2004

Please mark, sign, date and return your proxy promptly, whether or not you plan to attend the special meeting.

Your Board of Directors unanimously recommends that you vote *FOR* approval of the merger agreement and the merger.

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Questions and Answers About the Merger

Q: What is this proxy statement-prospectus and why am I receiving it?

A: This proxy statement-prospectus describes in detail the proposed merger between Coquina Bank and CQA Interim Bank, a Florida banking corporation in organization and a wholly owned subsidiary of Alabama National Bancorporation. Because you are a shareholder of Coquina Bank, you are being asked to vote on the merger agreement at a special shareholders meeting to be held on June 29, 2004. This proxy statement-prospectus should answer any questions you may have about the merger.

Q: What will happen if the shareholders of Coquina Bank approve the merger agreement?

A: If the Coquina Bank shareholders approve the merger agreement, then shortly following the special meeting, subject to certain regulatory approvals and satisfaction of conditions, Coquina Bank will merge with CQA Interim Bank, and Coquina Bank will be the surviving corporation. Prior to the completion of the merger, Coquina Bank will pay a special cash dividend to its shareholders in the aggregate amount of \$1.6 million (approximately \$1.74 per fully diluted share).

Upon the completion of the merger, for each share of Coquina Bank common stock that you own, you will be entitled to receive 0.6326 shares of common stock in Alabama National, subject to increase based on the average trading price of Alabama National common stock prior to the merger. If you so elect, you have the option to receive an amount in cash in lieu of some or all of your stock, determined based on the average trading price of Alabama National common stock prior to the merger, subject to limitations on the aggregate amount of cash which Alabama National is obligated to pay. For a description of the possible increase in the exchange ratio of shares of Alabama National common stock to be received in exchange for your Coquina Bank common stock, refer to page 16. The procedure for electing cash, and the limitations on such election, are described in greater detail in the proxy statement-prospectus at page 17.

Q: What will happen to Coquina Bank following the merger?

A: As a result of the merger of CQA Interim Bank into Coquina Bank, Coquina Bank will become a wholly owned subsidiary of Alabama National. Shortly after the merger, Coquina Bank will be merged with Cypress Bank, a wholly owned subsidiary of Alabama National with headquarters in Palm Coast, Florida. The combined bank will operate under the name Cypress & Coquina Bank.

Q: What should I do now?

A: Send in your proxy card. After reviewing this document, indicate on your proxy card how you want to vote, and sign, date and mail it in the enclosed envelope addressed to Coquina Bank as soon as possible to ensure that your shares will be represented at the special meeting.

If you sign, date and send in your proxy and do not indicate how you want to vote, your proxy will be voted in favor of the merger agreement and the merger. If you do not sign and send in your proxy, and if you do not attend and cast your vote in person at the special meeting, it will have the same effect as a vote against the merger.

Send in your election form if you want to receive cash for your shares. If you wish to receive cash instead of Alabama National common stock for any or all of your shares of Coquina Bank common stock, follow the instructions for making a cash election that we describe on pages 17 and 18 of this document and on the cash election form enclosed. Please note, however, that you may not be able to exchange all of your shares for cash even if you make a proper cash election, because the total amount of cash Alabama National is obligated to pay in the merger is

limited.

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

A: Your broker will vote your shares of Coquina Bank common stock only if you provide your broker with instructions on how to vote. You should instruct your broker how to vote your shares by following the

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directions your broker provides. If you do not provide instructions to your broker, your shares will not be voted on the merger. Please see the voting form provided by your broker for additional information regarding the voting of your shares.

Q: Can I revoke my proxy and change my mind?

A: Yes. You may revoke your proxy up to the time of the special meeting by taking any of the actions explained under **GENERAL INFORMATION Proxies and Other Matters** on page 14 of this proxy statement-prospectus, including by giving a written notice of revocation, signing and delivering a new later-dated proxy, or by attending the special meeting and voting in person. If your shares are held in the name of your broker, you will need additional documentation to vote in person at the meeting.

Q: Can I vote my shares in person?

A: Yes. You may attend the special meeting and vote your shares in person rather than signing and mailing your proxy card. If your shares are held in the name of your broker, you will need additional documentation to vote in person at the meeting.

Q: Can I change or revoke my cash election once I have mailed my signed form of election?

A: Yes. You can change or revoke your cash election in writing at any time prior to the election deadline of 5:00 p.m., Eastern Time, on June 28, 2004.

Q: Should I send in my stock certificates now?

A: No. Hold all of your stock certificates and send them in with the transmittal materials you will receive from the exchange agent after we complete the merger.

Q: Whom can I call with questions?

A: If you want additional copies of this document, or if you want to ask any questions about the merger, you should contact:

Joe P. Epton, Jr.

President and Chief Executive Officer

Coquina Bank

1020 West Granada Boulevard

Ormond Beach, Florida 32174

Telephone: (386) 677-6966

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SUMMARY

*This summary highlights selected information from this proxy statement-prospectus. It may not contain all of the information that is important to you. You should carefully read this entire document and the other documents to which we refer. These will give you a more complete description of the transactions we are proposing. For more information about Alabama National, see *Where You Can Find More Information* (page 59). Each item in this summary refers to the pages where that subject is discussed more fully.*

Parties to the Merger (Pages 54 and 55)

Alabama National Bancorporation

1927 First Avenue North

Birmingham, Alabama 35203

(205) 583-3600

Alabama National is a bank holding company headquartered in Birmingham, Alabama. Alabama National operates 78 banking offices through 14 bank subsidiaries in Alabama, Florida and Georgia. Through its subsidiary banks, Alabama National provides full banking services to individuals and small businesses. As of March 31, 2004, Alabama National had total assets of about \$4.9 billion, total deposits of about \$3.5 billion, and total shareholders' equity of about \$426.4 million.

Coquina Bank

1020 West Granada Boulevard

Ormond Beach, Florida 32174

(386) 677-6966

Coquina Bank is a Florida state bank headquartered in Ormond Beach, Florida. It provides commercial banking services through three branch offices in Ormond Beach and Port Orange, Florida. As of March 31, 2004, Coquina Bank had total assets of about \$114.3 million, total deposits of about \$95.0 million and total shareholders' equity of about \$11.4 million.

CQA Interim Bank

1020 West Granada Boulevard

Ormond Beach, Florida 32174

(386) 677-6966

CQA Interim Bank is a Florida state bank in organization and a wholly owned subsidiary of Alabama National. CQA Interim Bank is being formed for the purpose of effecting the merger with Coquina Bank. CQA Interim Bank will not engage in any business prior to the merger.

Shareholders Meeting to Approve Merger (Page 14)

We will hold the special meeting of Coquina Bank shareholders at 10:00 a.m. local time, on Tuesday, June 29, 2004, at Oceanside Country Club, 75 North Halifax Avenue, Ormond Beach, Florida 32176. At this important meeting, we will ask Coquina Bank's shareholders to (1) consider and vote upon approval of the merger agreement, and (2) act on any other matters that may be put to a vote at the Coquina Bank special meeting. You may vote at the special meeting if you owned Coquina Bank shares at the close of business on May 18, 2004. As of such date, there were 822,500 shares of Coquina Bank common stock issued and outstanding and entitled to be voted at the special meeting.

Table of Contents**Approval of the Merger Agreement (Page 16)**

Terms of the Merger (Page 16). The merger agreement is the document that governs the merger of Coquina Bank with CQA Interim Bank and the issuance of shares of Alabama National common stock and optional cash consideration to Coquina Bank's shareholders in connection with the merger. We encourage you to read the merger agreement that is attached to this proxy statement-prospectus as Appendix A. The merger agreement provides for the merger of Coquina Bank with CQA Interim Bank. Prior to the merger, Coquina Bank will pay a special cash dividend to its shareholders in an aggregate amount of \$1.6 million (approximately \$1.74 per fully diluted share). Coquina Bank will be the surviving entity following the merger, and it will be a wholly owned subsidiary of Alabama National. Shortly after the merger, Coquina Bank will be merged with Cypress Bank, another wholly owned subsidiary of Alabama National.

Merger Consideration (Page 16). The merger agreement provides that Coquina Bank shareholders who do not exercise their dissenters' rights will receive either (1) 0.6326 shares of Alabama National common stock, subject to increase, or (2) optional cash as consideration in lieu of Alabama National common stock, subject to certain limitations, for each share of Coquina Bank common stock. These two options are described in more detail below.

Stock Consideration (Page 16).

Absent a cash election, each share of Coquina Bank common stock issued and outstanding at the effective time of the merger will be converted into and exchanged for 0.6326 shares of Alabama National common stock (the Exchange Ratio). The Exchange Ratio may be increased, however, depending upon the average trading price of Alabama National common stock prior to the Merger, as described below.

The price per share of Alabama National's common stock fluctuates from day-to-day. On the fifth business day prior to the effective time of the merger, an average price of Alabama National's stock price will be calculated based on the averages of the high and low sales prices of Alabama National's common stock reported on the Nasdaq Stock Market for the previous ten business days. If the average price is less than \$48.00, then the Exchange Ratio will be increased as follows:

<u>Average Price</u>	<u>Adjusted Exchange Ratio</u>
Less than \$48.00, and equal to or greater than \$47.00	0.6357
Less than \$47.00, and equal to or greater than \$46.00	0.6388
Less than \$46.00, and equal to or greater than \$45.00	0.6419
Less than \$45.00, and equal to or greater than \$44.00	0.6450
Less than \$44.00, and equal to or greater than \$43.00	0.6481
Less than \$43.00, and equal to or greater than \$42.00	0.6512
Equal to or less than \$42.00	0.6544

If the average price falls below \$42.00 per share, the Coquina Bank board of directors has the option to terminate the merger agreement. Alabama National, however, may elect to cancel the termination by either (1) increasing the Exchange Ratio to an amount equal to the quotient of \$27.48 divided by the average price, or (2) paying with respect to each share of Coquina Bank common stock additional cash consideration equal to the difference of (A) \$27.48 minus (B) the product of the average price multiplied by 0.6544. For example, if the average price were \$40.00, the Coquina Bank board of directors provided a notice of termination, and Alabama National elected to void such termination, Alabama National would be required to either increase the Exchange Ratio to at least 0.6870 (i.e., the quotient of \$27.48 divided by \$40.00) or make a cash payment of \$1.30 (i.e., the difference in \$27.48 and the product of \$40.00 multiplied by 0.6544, or \$26.18) for each share of Coquina Bank

common stock.

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Election to Receive Cash Consideration In Lieu of Common Stock (Page 17).

A shareholder may elect to receive cash instead of the shares of Alabama National common stock that he or she would otherwise receive in exchange for some or all of his or her shares of Coquina Bank common stock. Any such cash election must be made in accordance with the election procedures described in this proxy statement-prospectus. See APPROVAL OF THE MERGER AGREEMENT Procedures for Making a Cash Election on page 17. The amount of cash that a Coquina Bank shareholder will receive under a cash election will be subject to the cash allocation procedures described below. In our discussion we may refer to the amount of cash to be received for each share of Coquina Bank common stock converted in connection with the cash election as the per share cash election consideration.

Shareholders who choose to receive cash consideration will receive an amount in cash for each share of Coquina Bank stock covered by the election equal to the product of (1) the average price of Alabama National common stock (calculated as described above) multiplied by (2) the Exchange Ratio.

Under the merger agreement, the maximum amount of cash consideration that Alabama National is required to pay in connection with the Merger is 10% of the aggregate merger consideration. If the number of shareholders who elect to receive cash instead of shares of Alabama National common stock would cause the total amount of cash to be paid by Alabama National to exceed the maximum cash amount, Alabama National is permitted to allocate and proportionately reduce the cash elections made by Coquina Bank shareholders. Alternatively, Alabama National, in its discretion, may increase the amount of cash consideration to an amount not to exceed 25% of the aggregate merger consideration. Coquina Bank shareholders who elect, but do not receive, cash for all or a portion of their shares will automatically receive Alabama National common stock. See APPROVAL OF THE MERGER AGREEMENT Procedures for Making a Cash Election on page 17.

Regulatory Approvals; Effective Time (Pages 34 and 20). We cannot complete the merger unless we obtain the approval of the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation and the Florida Office of Financial Regulation. While we do not know of any reason why we should not obtain the necessary regulatory approvals in a timely manner, we cannot be certain when or if we can obtain them.

The merger will become effective as of the date and at the time specified in a certificate of merger to be issued by the Director of the Florida Office of Financial Regulation. Prior to the effective time, the Office of Financial Regulation will file the merger agreement with the Florida Secretary of State. We will not request the Office of Financial Regulation to issue the certificate of merger and to file the merger agreement until all conditions contained in the merger agreement have been satisfied or waived.

Recommendation of Coquina Bank's Board of Directors; Opinion of The Carson Medlin Company (Pages 15 and 23). Coquina Bank's board of directors believes that the merger is fair to you and in your best interests, and recommends that you vote FOR the proposal to approve the merger and the merger agreement. In deciding to approve the merger, Coquina Bank's board of directors considered, among other things, the opinion of The Carson Medlin Company, that, as of the date of the opinion, the consideration to be received by Coquina Bank's shareholders, as provided for in the merger agreement, was fair from a financial point of view to Coquina Bank's shareholders. We have attached as Appendix C the written opinion of The Carson Medlin Company dated May 26, 2004, the most recent practicable date prior to the printing of this proxy statement-prospectus. You should read it and the disclosure entitled Opinion of The Carson Medlin Company beginning on page 23 carefully to understand the assumptions made, matters considered and limitations of the review undertaken by The Carson Medlin Company in providing its opinion.

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Votes Required (Page 14). In order to approve the merger agreement, Coquina Bank's shareholders holding a majority of the outstanding shares of Coquina Bank common stock must vote for the merger agreement. The

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directors and executive officers of Coquina Bank beneficially owned, as of May 18, 2004, a total of 208,069 shares (25.3%) of Coquina Bank common stock. Each member of the board of directors of Coquina Bank has agreed, subject to certain conditions, to vote his or her shares of Coquina Bank common stock in favor of the merger agreement.

Surrender of Certificates (Page 19). Following the merger, holders of Coquina Bank stock certificates will need to exchange their certificates for new certificates of Alabama National common stock, or, if properly elected, for per share cash election consideration. You must surrender all of your Coquina Bank stock certificates before the exchange of your shares will be processed. Shortly after we complete the merger, Alabama National will send Coquina Bank's shareholders detailed instructions on how to exchange their shares. Please do not send us any stock certificates until you receive these instructions.

Conditions to Consummation of the Merger (Page 32). The completion of the merger depends on meeting a number of conditions, including the following: (1) Coquina Bank's shareholders must approve the merger agreement, (2) we must receive all required regulatory approvals and any waiting periods required by law must have passed, (3) we must receive consents of third parties necessary to the consummation of the merger, and (4) we must receive certain opinions of counsel.

Effect on Certain Employee Benefit Plans of Coquina Bank (Page 31).

401(k) Plan. Coquina Bank currently participates in a multi-employer 401(k) plan. Coquina Bank will cease to participate in this plan prior to the merger, and Alabama National will offer each eligible employee of Coquina Bank the opportunity to enroll in Alabama National's 401(k) plan.

Treatment of Coquina Bank Stock Options. At the time we complete the merger, all outstanding stock options granted by Coquina Bank under its stock option plans will be converted automatically into options to purchase Alabama National common stock. Alabama National will assume these options subject to their existing terms, including any acceleration in vesting that will occur as a consequence of the merger. The number of shares of Alabama National common stock that may be purchased upon exercise of each assumed option will be calculated according to an option exchange ratio established by the merger agreement.

Federal Income Tax Consequences (Page 39). We expect that you will not recognize gain for U.S. federal income tax purposes in the merger when you exchange all of your shares of Coquina Bank common stock for shares of Alabama National common stock, except in connection with any cash received instead of fractional shares. If you receive cash for all of your shares of Coquina Bank common stock by invoking a cash election, or if you receive all cash through the exercise of dissenters' rights, you generally will recognize gain or loss measured by the difference between the amount of cash received and your adjusted basis in the Coquina Bank common stock surrendered. If you receive both cash and Alabama National common stock in exchange for your shares of Coquina Bank common stock, the gain, if any, realized in the exchange will be recognized, but not in an amount in excess of the cash received (other than fractional share payments). No loss, however, will be recognized if you receive both cash and shares of Alabama National common stock in the exchange. Coquina Bank and Alabama National have received a legal opinion that this will be the case. This legal opinion is filed as an exhibit to the Registration Statement of which this proxy statement-prospectus forms a part.

This tax treatment may not apply to some Coquina Bank shareholders. Determining the actual tax consequence of the merger to you as an individual taxpayer can be complicated. The tax treatment will depend on your specific situation and many variables not within our control. You should consult your own tax advisor for a full understanding of the tax consequences of this merger to you.

Management and Operations after the Merger (Page 38). As a result of the merger, Coquina Bank will become a subsidiary of Alabama National. Shortly after the merger, Coquina Bank will merge with Cypress

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Bank, another subsidiary of Alabama National, and the combined company will operate under the name Cypress & Coquina Bank. During the interim period between the two mergers, the board of directors of Coquina Bank will consist of the 13 current directors of Coquina Bank plus an officer of Alabama National, and during that time Joe P. Epton, Jr. will continue to serve as President and Chief Executive Officer of Coquina Bank. Following the merger of Cypress Bank and Coquina Bank, the board of directors of the combined bank will consist of directors from each of Cypress Bank and Coquina Bank and at least one officer of Alabama National. The exact number and identity of the directors of Cypress & Coquina Bank will be determined in a mutually satisfactory manner prior to the closing of the Cypress Bank and Coquina Bank merger. The executive officers of Cypress & Coquina Bank will be John H. Holcomb, III, Chairman, Joe P. Epton, Jr., Vice Chairman, James E. Weite, Jr., Chief Executive Officer, Bruce E. Page, President and Chief Operating Officer and Mark O. Blanford, Executive Vice President and Senior Lending Officer. All current Alabama National officers and directors will continue to serve in their current positions after the completion of the merger.

Interests of Certain Persons in the Merger that are Different from Yours (Page 38). Certain directors and officers of Coquina Bank have interests in the merger that are different from your interests. Certain officers and directors of Coquina Bank will continue to serve as officers and directors of Coquina Bank following the merger. In addition, Joe P. Epton, Jr., President and Chief Executive Officer and Mark O. Blanford, Executive Vice President and Senior Lending Officer of Coquina Bank, will enter into new employment agreements with Coquina Bank upon the completion of the merger that will provide each of Mr. Epton and Mr. Blanford a salary of at least \$135,000 per year for up to three years following the merger, plus the opportunity to earn annual bonuses.

Each of Messrs. Epton and Blanford and Ms. Stefanie Crosley, Senior Vice President and Chief Financial Officer of Coquina Bank, will receive a payment in the amount of \$290,000, \$290,000 and \$190,360, respectively, in connection with his or her existing change in ownership agreement with Coquina Bank. These payments will be made upon the closing of the merger.

In addition, the directors and officers of Coquina Bank hold stock options that will be converted at the time we complete the merger into options to purchase Alabama National common stock. These options will be subject to immediate vesting because of the merger.

Accounting Treatment (Page 40). The merger will be accounted for as a purchase by Alabama National of Coquina Bank under generally accepted accounting principles. Under the purchase method of accounting, the assets and liabilities of the company deemed to be the acquired company for accounting purposes are, as of completion of the merger, recorded at their respective fair values and added to those of the company deemed to be the acquiring company for accounting purposes. To the extent the consideration paid exceeds the fair value of the net assets acquired, goodwill is recorded. Financial statements of the acquiring company issued after consummation of the merger reflect these values, but are not restated retroactively to reflect the historical financial position or results of operations of the acquired company.

Market Prices. The following table sets forth (1) the market value of Alabama National common stock, (2) the market value of Coquina Bank common stock and (3) the price to be paid for each share of Coquina Bank common stock on an equivalent per share basis determined as if the completion of the merger occurred on (A) March 30, 2004, the business day immediately preceding the announcement of the execution of the merger agreement and (B) May 25, 2004, the last day for which such information could be calculated prior to the printing and mailing of this proxy statement-prospectus:

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	Alabama National	Coquina Bank	Equivalent Price Per Share
	Common Stock(1)	Common Stock(2)	of Coquina Bank(3)
March 30, 2004	\$ 54.45	N/A	\$ 34.45
May 25, 2004	\$ 52.05	N/A	\$ 32.93

- (1) Determined on an historical basis with reference to the last sales price as reported on the Nasdaq Stock Market for each particular date.
- (2) There is no established public trading market for the Coquina Bank common stock on which an historical market value could be based.
- (3) Determined on an equivalent price per share basis by multiplying the Alabama National market value on each particular date by the Exchange Ratio of 0.6326.

Resales of Alabama National Stock (Page 41). The shares of Alabama National common stock issued to Coquina Bank's shareholders in the merger will be freely transferable under federal securities law, except for shares issued to any shareholder who may be deemed an affiliate of Coquina Bank for purposes of Rule 145 under the Securities Act (generally including directors, executive officers and beneficial owners of 10% of any class of capital stock). Affiliates will be subject to certain restrictions on resales of newly acquired Alabama National shares.

Waiver and Amendment; Termination (Page 37). Either Alabama National or Coquina Bank may waive or extend the time for performing the others' obligations under the merger agreement. In addition, the boards of directors of each of Alabama National and Coquina Bank may mutually agree to amend the merger agreement. The merger agreement may be terminated at any time prior to completion of the merger by the agreement of Coquina Bank and Alabama National.

Either company can also terminate the merger agreement under the following circumstances:

- (1) if any government body whose approval is necessary to complete the merger makes a final decision not to approve the merger;
- (2) if we do not or cannot complete the merger by October 31, 2004;
- (3) if Coquina Bank's shareholders do not approve the merger agreement;
- (4) if Coquina Bank or Alabama National, as the case may be, materially violates any of its representations, warranties or obligations under the merger agreement; or
- (5) if there is a material adverse change to the business of the other party.

Generally, the entity seeking to terminate the merger agreement cannot itself be in violation of the merger agreement so as to allow the other party to terminate the agreement.

Coquina Bank may terminate the merger agreement in certain circumstances if it decides to enter into a superior acquisition proposal with another potential business combination partner. Alabama National may terminate the merger agreement if (1) the board of directors of Coquina Bank withdraws, adversely modifies or fails upon request to reconfirm its recommendation of the merger, (2) the board of directors of Coquina

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Bank recommends approval of another acquisition proposal to its shareholders, (3) the board of directors of Coquina Bank fails to call the special meeting of shareholders or (4) any person or entity becomes the beneficial owner of 50% or more of the outstanding shares of Coquina Bank common stock. In any such event, Coquina Bank has agreed to pay Alabama National a termination fee of \$1.0 million.

Alabama National also can terminate the merger agreement if holders of more than 5% of the outstanding Coquina Bank shares have properly asserted dissenters' rights under Florida law.

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In addition, Coquina Bank can terminate the merger agreement if the average of the high and low prices of Alabama National common stock quoted on the Nasdaq Stock Market during the ten day period ending on the fifth day prior to the closing of the merger is less than \$42.00. In this event, however, Alabama National has the opportunity to void such termination by increasing the consideration payable to the Coquina Bank shareholders.

Effect of Merger on Rights of Shareholders (Page 48). As a Coquina Bank shareholder, your rights are currently governed by Coquina Bank's Articles of Incorporation and Bylaws and by Florida law. Upon completion of the merger, if you do not elect to receive cash for your shares of Coquina Bank common stock (or if you elect cash consideration where the limitation on the maximum cash consideration payable in the merger is exceeded), you will automatically become an Alabama National shareholder. Your rights as an Alabama National shareholder will be determined by Alabama National's Restated Certificate of Incorporation and Amended and Restated Bylaws and by the Delaware General Corporation Law. The rights of Alabama National's shareholders differ from the rights of Coquina Bank's shareholders in certain important respects.

Dissenters' Rights (Page 19). As a Coquina Bank shareholder, you have the right to dissent from the merger and to receive cash in respect of the value of your shares of Coquina Bank common stock. To do this, you must follow certain procedures required by the Florida Statutes, including filing notices with us and/or **voting against** the merger. The procedures to be followed by dissenting shareholders are summarized under APPROVAL OF THE MERGER AGREEMENT-Dissenters' Rights at page 19. A copy of the Florida Statutes' statutory provisions regarding dissenters' rights is set forth in Appendix B to this proxy statement-prospectus. **Failure to follow precisely such provisions may result in the loss of your dissenters' rights.**

The merger agreement may be terminated by Alabama National if the holders of more than 5% of the outstanding shares of Coquina Bank common stock properly assert their dissenters' rights. Further, dissent by holders of a significant number of shares of Coquina Bank common stock could cause the merger not to qualify as a tax-free reorganization for federal income tax purposes.

Alabama National Selected Consolidated Financial Data

The following table presents selected consolidated financial data and ratios on an historical basis for Alabama National. This information is based on the consolidated financial statements of Alabama National that it has presented in its filings with the Securities and Exchange Commission and should be read in conjunction with the information in such consolidated financial statements.

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	Three Months						
	Ended						
	March 31,		Year Ended December 31,				
	2004	2003	2003	2002	2001(1)	2000(1)	1999(1)
Income Statement Data:							
Interest income	\$ 49,130	\$ 43,030	\$ 178,631	\$ 178,147	\$ 179,537	\$ 171,222	\$ 133,106
Interest expense	14,460	15,043	57,668	65,313	90,393	90,987	62,307
Net interest income	34,670	27,987	120,963				