SCBT FINANCIAL CORP
Form 424B3
March 23, 2012

Table of Contents

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-179748

Proxy Statement **Prospectus**

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Shareholder:

On December 19, 2011, Peoples Bancorporation, Inc. and SCBT Financial Corporation agreed to a strategic business combination in which Peoples will merge with and into SCBT, with SCBT continuing as the surviving corporation (which we refer to as the merger). Immediately following the merger, The Peoples National Bank, Bank of Anderson, N.A. and Seneca National Bank, each a wholly-owned bank subsidiary of Peoples, will merge with SCBT, N.A., a wholly-owned bank subsidiary of SCBT, with SCBT, N.A. continuing as the surviving bank (we refer to these bank mergers collectively as the bank mergers). In the merger, each share of Peoples common stock will be converted into 0.1413 of a share of SCBT common stock, subject to certain adjustments. The maximum number of shares of SCBT common stock to be delivered to holders of shares of Peoples common stock upon completion of the merger is approximately 1,003,225 shares, based on the number of shares of Peoples common stock outstanding as of March 20, 2012 and assuming full exercise of all outstanding and unexercised stock options.

We are sending you this proxy statement/prospectus to notify you of and invite you to the special meeting of Peoples shareholders being held to consider the Agreement and Plan of Merger, dated as of December 19, 2011, as it may be amended from time to time (which we refer to as the merger agreement), that Peoples has entered into with SCBT, and to ask you to vote at the special meeting in favor of the approval of the merger agreement.

The special meeting of Peoples shareholders will be held on Tuesday, April 24, 2012 at 1818 East Main Street, Easley, South Carolina at 10:00 a.m. local time.

At the special meeting, in addition to being asked to approve the merger agreement, you will also be asked to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement. You will also be asked to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Peoples' named executive officers in connection with the merger.

The market value of the merger consideration will fluctuate with the market price of SCBT common stock and will not be known at the time you vote on the merger. SCBT common stock is currently quoted on the NASDAQ Global Market under the symbol "SCBT." On March 20, 2012, the last practicable trading day before the date of this proxy statement/prospectus, the closing share price of SCBT common stock was $32.71 per share as reported on the NASDAQ Global Market. **We urge you to obtain current market quotations for SCBT and Peoples.**

The merger is intended to be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and holders of Peoples common stock are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Peoples common stock for shares of SCBT common stock in the merger, except with respect to any cash received in lieu of fractional shares of SCBT common stock.

Your vote is important. We cannot complete the merger unless Peoples' shareholders approve the merger agreement. In order for the merger to be approved, at least two-thirds of the shares of Peoples common stock outstanding and entitled to vote must be voted in favor of approval of the merger agreement. **Regardless of whether or not you plan to attend the special meeting, please take the time to vote your shares in accordance with the instructions contained in this proxy statement/prospectus.** Failing to vote will have the same effect as voting against the merger.

Table of Contents

Peoples' board of directors unanimously recommends that Peoples shareholders vote "FOR" the approval of the merger agreement, "FOR" the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement and "FOR" the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Peoples' named executive officers in connection with the merger.

This proxy statement/prospectus describes the special meeting, 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 17, for a discussion of the risks relating to the proposed merger. You also can obtain information about SCBT from documents that it has filed with the Securities and Exchange Commission.

If you have any questions concerning the merger, please contact Robert E. Dye, Jr., Corporate Secretary, 1818 East Main Street, Easley, South Carolina 29640, at (864) 859-2265. We look forward to seeing you at the meeting.

George B. Nalley, Jr.
Chairman of the Board
Peoples Bancorporation, 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 securities to be issued in the merger or determined if this proxy statement/prospectus is accurate or adequate. 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 SCBT or Peoples, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this proxy statement/prospectus is March 22, 2012, and it is first being mailed or otherwise delivered to Peoples shareholders on or about March 23, 2012.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To the Shareholders of Peoples Bancorporation, Inc.:

Peoples Bancorporation, Inc. will hold a special meeting of shareholders at 10:00 a.m. local time, on Tuesday, April 24, 2012, at 1818 East Main Street, Easley, South Carolina to consider and vote upon the following matters:

a proposal to approve the Agreement and Plan of Merger, dated as of December 19, 2011, by and between SCBT Financial Corporation and Peoples Bancorporation, Inc., pursuant to which Peoples will merge with SCBT as more fully described in the attached proxy statement/prospectus;

a proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement; and

a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Peoples' named executive officers in connection with the merger.

We have fixed the close of business on March 1, 2012 as the record date for the special meeting. Only Peoples shareholders of record at that time are entitled to notice of, and to vote at, the special meeting, or any adjournment or postponement of the special meeting. In order for the merger to be approved, two-thirds of the shares of Peoples common stock outstanding and entitled to vote must be voted in favor of approval of the merger agreement.

Your vote is very important. We cannot complete the merger unless Peoples' common shareholders approve the merger agreement. Failure to vote will have the same effect as voting against the merger.

Regardless of whether you plan to attend the 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. 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 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 statement/prospectus or need help voting your shares of Peoples common stock, please contact Robert E. Dye, Jr., Corporate Secretary, 1818 East Main Street, Easley, South Carolina 29640, at (864) 859-2265.

Under South Carolina law, Peoples shareholders are or may be entitled to assert dissenters' rights with respect to the proposed merger and to obtain payment of the fair value of their shares upon compliance with the requirements of Chapter 13 of the South Carolina Business Corporation Act. We have included a copy of Chapter 13 of the South Carolina Business Corporation Act as Annex C to the proxy statement/prospectus. We urge any Peoples shareholder who wishes to assert dissenters' rights to read the statute carefully and to consult legal counsel before attempting to assert dissenters' rights.

Peoples' board of directors has unanimously approved the merger and the merger agreement and unanimously recommends that Peoples shareholders vote "FOR" the approval of the merger agreement, "FOR" the approval of the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of such approval and "FOR" the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Peoples' named executive officers in connection with the merger.

BY ORDER OF THE BOARD OF DIRECTORS,

Robert E. Dye, Jr.
Corporate Secretary

Easley, South Carolina
March 22, 2012

Table of Contents

REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about SCBT Financial Corporation from documents filed with or furnished to the Securities and Exchange Commission, or SEC, that are not included in or delivered with this proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by SCBT, as well as any documents filed with or furnished to the SEC by Peoples, at no cost from the SEC's website at http://www.sec.gov. You may also request copies of these documents, including documents incorporated by reference in this proxy statement/prospectus, at no cost by contacting the appropriate company at the following address:

SCBT Financial Corporation	**Peoples Bancorporation, Inc.**
520 Gervais Street	1818 East Main Street
Columbia, South Carolina 29201	Easley, South Carolina 29640
Attention: Corporate Secretary	Attention: Corporate Secretary
Telephone: (800) 277-2175	Telephone: (864) 859-2265

You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of the special meeting. This means that Peoples shareholders requesting documents must do so by April 17, 2012, in order to receive them before the special meeting.

In addition, if you have questions about the merger or the Peoples special meeting, need additional copies of this proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, you may contact Robert E. Dye, Jr., Corporate Secretary, at the following address and telephone number:

1818 East Main Street
Easley, South Carolina 29640
(864) 859-2265

See "Where You Can Find More Information" for more details.

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE PEOPLES SPECIAL MEETING

The following are some questions that you may have about the merger and the Peoples special meeting, and brief answers to those questions. We urge you to read carefully the remainder of this proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the merger and the Peoples special meeting. Additional important information is also contained in the documents incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information."

Unless the context otherwise requires, references in this proxy statement/prospectus to "Peoples" refer to Peoples Bancorporation, Inc., a South Carolina corporation, and its affiliates. Unless the context otherwise requires, references in this proxy statement/prospectus to "SCBT" refer to SCBT Financial Corporation, a South Carolina corporation, and its affiliates.

Q:

What am I being asked to vote on at the Peoples special meeting?

A:

SCBT and Peoples have entered into an Agreement and Plan of Merger, dated as of December 19, 2011, which we refer to as the merger agreement, pursuant to which SCBT has agreed to acquire Peoples. Under the terms of the merger agreement, Peoples will merge with and into SCBT, with SCBT continuing as the surviving entity. We refer to this transaction as the merger. Immediately following the merger, The Peoples National Bank, Bank of Anderson, N.A. and Seneca National Bank, each a wholly-owned bank subsidiary of Peoples, will merge with and into SCBT, N.A., a wholly-owned bank subsidiary of SCBT, with SCBT, N.A. continuing as the surviving bank (we refer to these bank mergers collectively as the bank mergers). Peoples shareholders are being asked to approve the merger agreement, which includes the merger, and the transactions it contemplates.

Peoples shareholders are also being asked to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement. We refer to this as the adjournment proposal.

In addition, Peoples shareholders will also consider and vote, on an advisory (non-binding) basis, on a proposal to approve the compensation that may be paid or become payable to Peoples' named executive officers in connection with the merger, including the agreements and understandings pursuant to which such compensation may be paid or become payable. We refer to this as the compensation proposal.

Q:

What will I receive in the merger?

A:

If the merger is completed, you will receive 0.1413 of a share of SCBT common stock, which we refer to as the exchange ratio, subject to certain adjustments, for each share of Peoples common stock that you hold immediately prior to the merger. SCBT will not issue any fractional shares of SCBT common stock in the merger. Peoples shareholders who would otherwise be entitled to a fractional share of SCBT common stock upon the completion of the merger will instead receive an amount in cash based on the average price per share of SCBT common stock for the 10 trading days immediately preceding (but not including) the day on which the merger is completed, which we refer to as the SCBT closing share value.

Q:

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

A:

The value of the merger consideration may fluctuate between the date of this proxy statement/prospectus and the completion of the merger based upon the market value for SCBT common stock. In the merger you will receive a fraction of a share of SCBT common stock for each share of Peoples common stock you hold. Any fluctuation in the market price of SCBT common stock

Table of Contents

after the date of this proxy statement/prospectus will change the value of the shares of SCBT common stock that you will receive.

Q:

How does Peoples' board of directors recommend that I vote at the special meeting?

A:

Peoples' board of directors unanimously recommends that you vote "FOR" the proposal to approve the merger agreement, "FOR" the adjournment proposal and "FOR" the compensation proposal.

Q:

When and where is the Peoples special meeting?

A:

The Peoples special meeting will be held at 1818 East Main Street, Easley, South Carolina on Tuesday, April 24, 2012, at 10:00 a.m. local time.

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 Peoples common stock entitled to vote at the special meeting will constitute a quorum for the transaction of business. Abstentions and broker non-votes will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum. A broker non-vote occurs under stock exchange rules when a broker is not permitted to vote on a matter without instructions from the beneficial owner of the shares and no instruction is given.

Q:

What is the vote required to approve each proposal at the Peoples special meeting?

A:

Approval of the merger agreement requires the affirmative vote of two-thirds of the outstanding shares of Peoples common stock as of the close of business on March 1, 2012, the record date for the special meeting. If you fail to vote, mark "ABSTAIN" on your proxy or 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.

The adjournment proposal and the compensation proposal will be approved if the number of shares, represented in person or by proxy at the special meeting and entitled to vote thereon, voted in favor of each such proposal exceeds the number of shares voted against such proposal.

Q:

What will happen if Peoples' shareholders do not approve, on an advisory (non-binding) basis, the compensation payable to Peoples' named executive officers in connection with the merger?

A:

The vote on the compensation proposal is a vote separate and apart from the vote to approve the merger agreement. You may vote for the compensation proposal and against the proposal to approve the merger agreement, and vice versa. Because the vote on the compensation proposal is advisory only, it will not be binding on either Peoples or SCBT. Accordingly, because Peoples is

2

contractually obligated to pay the compensation, if the merger is completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the advisory (non-binding) vote.

Q:

Why is my vote important?

A:

If you do not vote, it may be more difficult for Peoples to obtain the necessary quorum to hold its special meeting. In addition, your failure to vote, 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 two-thirds of the outstanding shares of Peoples common stock entitled to vote at the special meeting. Peoples' board of directors unanimously recommends that you vote to approve the merger agreement.

Q:

If my shares of common stock 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 fail to vote, mark "ABSTAIN" on your proxy or 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 merger proposal. However, if you mark "ABSTAIN" on your proxy with respect to the adjournment proposal or the compensation proposal, or if you fail to vote or fail to instruct your bank or broker how to vote with respect to the adjournment proposal or the compensation proposal, it will have no effect on the adjournment proposal or the compensation proposal.

Q:

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

A:

Yes. All 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 Peoples common 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. Peoples 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 Peoples' express written consent.

Q:

Can I change my vote?

A:

Yes. If you are a holder of record of Peoples common stock, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Peoples' 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 Peoples after the vote will not affect the vote. Peoples' corporate secretary's mailing

Table of Contents

address is: Corporate Secretary, Peoples Bancorporation, Inc., 1818 East Main Street, Easley, South Carolina 29640. 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:

Will Peoples be required to submit the proposal to approve the merger agreement to its shareholders even if Peoples' board of directors has withdrawn, modified or qualified its recommendation?

A:

Yes. Unless the merger agreement is terminated before the Peoples special meeting, Peoples is required to submit the proposal to approve the merger agreement to its shareholders even if Peoples' board of directors has withdrawn or modified its recommendation.

Q:

What are the U.S. federal income tax consequences of the merger to Peoples shareholders?

A:

The merger is intended 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, and holders of Peoples common stock are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Peoples common stock for shares of SCBT common stock in the merger, except with respect to any cash received instead of fractional shares of SCBT common stock.

For further information, see "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 Peoples common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.

Q:

What if I want to exercise dissenters' rights?

A:

If you want to exercise dissenters' rights and receive the fair value of your Peoples shares in cash instead of the merger consideration described in this proxy statement/prospectus, (1) you must give Peoples written notice, before the vote on the proposal to approve the merger agreement, of your intent to demand payment for your shares if the merger is consummated, (2) you must not vote your shares "FOR" the approval of the merger agreement and (3) you must follow certain other procedures after the Peoples special meeting, as described in Annex C. You may notify Peoples of your intent to demand payment for your shares if the merger agreement is approved by providing written notice to: Corporate Secretary, Peoples Bancorporation, Inc., 1818 East Main Street, Easley, South Carolina 29640. If you have given written notice to Peoples that you intend to dissent and demand payment for your shares if the merger is consummated, and have sent Peoples your proxy, a vote in favor of approval of the merger cast by Peoples' proxy agents will not disqualify you from demanding payment for your shares. For further information, see "The Merger Dissenters' Rights in the Merger."

The foregoing summary is not a complete statement of the provisions of South Carolina law relating to the rights of Peoples shareholders to receive payment of the fair value of their shares and does not create any rights for shareholders. The only rights of shareholders are those provided by Sections 33-13-101 to 33-13-310 of the South Carolina Business Corporation Act, the full text of which is provided as Annex C to this proxy statement/prospectus.

Q:

If I am a Peoples shareholder, should I send in my Peoples stock certificates now?

A:

No. Please do not send in your Peoples stock certificates with your proxy. After the merger, an exchange agent designated by SCBT will send you instructions for exchanging Peoples stock certificates for the merger consideration. See "The Merger Agreement Conversion of Shares; Exchange of Certificates."

Table of Contents

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

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

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

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

Q: **When do you expect to complete the merger?**

A: Peoples and SCBT expect to complete the merger in the second quarter of 2012. However, neither Peoples nor SCBT can assure you when or if the merger will occur. Peoples and SCBT must first obtain the approval of Peoples shareholders and the necessary regulatory approvals.

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 Peoples common stock, please contact: Robert E. Dye, Jr., Corporate Secretary, 1818 East Main Street, Easley, South Carolina 29640, at (864) 859-2265.

Table of Contents

SUMMARY

This summary highlights selected information from this proxy statement/prospectus. It may not contain all of the information that is important to you. We urge you to read carefully the entire proxy statement/prospectus, including the appendices, and the other documents to which we refer in order to fully understand the merger. See "Where You Can Find More Information." Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail.

In the Merger, Peoples Shareholders Will Receive Shares of SCBT Common Stock (page 61)

If the merger is completed, you will receive 0.1413 of a share of SCBT common stock for each share of Peoples common stock you hold immediately prior to the merger. SCBT will not issue any fractional shares of SCBT common stock in the merger. Peoples shareholders who would otherwise be entitled to a fraction of a share of SCBT common stock upon the completion of the merger will instead receive, for the fraction of a share, an amount in cash based on the SCBT closing share value. *For example, if you hold 100 shares of Peoples common stock, you will receive fourteen shares of SCBT common stock and a cash payment instead of the 0.13 shares of SCBT common stock that you otherwise would have received (100 shares × 0.1413 = 14.13 shares).*

The merger agreement governs the merger. The merger agreement is included in this proxy statement/prospectus as Annex A. Please read the merger agreement carefully. All descriptions in this summary and elsewhere in this proxy statement/prospectus of the terms and conditions of the merger are qualified by reference to the merger agreement.

Peoples' Board of Directors Unanimously Recommends that Peoples Shareholders Vote "FOR" the Approval of the Merger Agreement (page 20)

Peoples' board of directors has determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Peoples and its shareholders and has unanimously approved the merger and the merger agreement. Peoples' board of directors unanimously recommends that Peoples shareholders vote "FOR" the approval of the merger agreement. For the factors considered by Peoples' board of directors in reaching its decision to approve the merger agreement, see "The Merger Peoples' Reasons for the Merger; Recommendation of Peoples' Board of Directors."

Scott & Stringfellow, LLC Has Provided an Opinion to Peoples' Board of Directors Regarding the Merger Consideration (page 66 and Annex B)

On December 16, 2011, Scott & Stringfellow, LLC, Peoples' financial advisor in connection with the merger, rendered its oral opinion to the Peoples board of directors, subsequently confirmed in writing, that as of such date and based upon and subject to the assumptions, procedures, considerations, qualifications, and limitations set forth in the written opinion, the merger consideration was fair, from a financial point of view, to the holders of shares of Peoples common stock.

The full text of Scott & Stringfellow's opinion, dated December 16, 2011, is attached as Annex B to this proxy statement/prospectus. You should read the opinion in its entirety for a discussion of the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Scott & Stringfellow in rendering its opinion.

For further information, see "The Merger Opinion of Scott & Stringfellow, LLC"

Table of Contents

What Holders of Peoples Stock Options and Other Equity-Based Awards Will Receive (page 86)

If the merger is completed, each option to purchase shares of Peoples common stock, which we refer to as a Peoples option, that is outstanding immediately prior to the closing of the merger, whether vested or unvested, will be converted into the right to receive an amount in cash, which we refer to as the Black-Scholes amount. The Black-Scholes amount will be determined by an accounting firm selected by SCBT and shall be calculated pursuant to the Black-Scholes valuation methodology consistently applied and based on certain assumptions.

If the merger is completed, each restricted share of Peoples common stock, which we refer to as a Peoples restricted share, that is outstanding immediately prior to the closing of the merger will vest in full and become free of all restrictions as of the closing of the merger. At the closing of the merger, the holder of such Peoples restricted shares will be entitled to receive the merger consideration in respect of each of his or her Peoples restricted shares.

Peoples Will Hold its Special Meeting on Tuesday, April 24, 2012 (page 20)

The special meeting of Peoples shareholders will be held on Tuesday, April 24, 2012, at 10:00 am local time, at 1818 East Main Street, Easley, South Carolina. At the special meeting, Peoples shareholders will be asked to:

- approve the merger agreement and the transactions it contemplates;
- approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement; and
- approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Peoples' named executive officers in connection with the merger.

Only holders of record at the close of business on March 1, 2012 will be entitled to vote at the special meeting. Each share of Peoples common stock is entitled to one vote on each proposal to be considered at the Peoples special meeting. As of the record date, there were 7,039,263 shares of Peoples common stock entitled to vote at the special meeting. Each of the directors of Peoples and Alexander C. Dye, Director of Expansion and Development of Peoples, has entered into a voting agreement with SCBT, pursuant to which they have agreed, solely in their capacity as Peoples shareholders, to vote all of their shares of Peoples common stock in favor of the proposals to be presented at the special meeting. As of the record date, Peoples directors who are parties to the voting agreements and Alexander C. Dye, who is neither an executive officer nor a director of Peoples, owned and were entitled to vote an aggregate of approximately 1,136,608 shares of Peoples common stock, which represents approximately 16.1% of the shares of Peoples common stock outstanding on that date. As of the record date, the directors and executive officers of Peoples and their affiliates beneficially owned and were entitled to vote approximately 1,160,029 shares of Peoples common stock representing approximately 16.4% of the shares of Peoples common stock outstanding on that date, and held options to purchase 37,913 shares of Peoples common stock and 16,000 shares underlying restricted stock awards. As of the record date, SCBT and its subsidiaries held no shares of Peoples common stock (other than shares held as fiduciary, custodian or agent), and its directors and executive officers or their affiliates held no shares of Peoples common stock.

To approve the merger agreement, two-thirds of the outstanding shares of Peoples common stock entitled to vote at the special meeting must be voted in favor of approving the merger agreement. Because approval is based on the affirmative vote of two-thirds of the shares outstanding, your failure to vote, failure to instruct your bank or broker how to vote, or abstention with respect to the proposal to approve the merger agreement will have the same effect as a vote against approval of the merger agreement.

Table of Contents

The adjournment proposal and the compensation proposal will be approved if the number of shares, represented in person or by proxy at the special meeting and entitled to vote thereon, voted in favor of each such proposal exceeds the number of shares voted against such proposal. Therefore, if you mark "ABSTAIN" on your proxy with respect to the adjournment proposal or the compensation proposal, or if you fail to vote or fail to instruct your bank or broker how to vote with respect to the adjournment proposal or the compensation proposal, it will have no effect on the adjournment proposal or the compensation proposal.

The Merger Is Intended to Be Tax-Free to Holders of Peoples Common Stock as to the Shares of SCBT Common Stock They Receive (page 99)

The merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and it is a condition to the respective obligations of SCBT and Peoples to complete the merger that each of SCBT and Peoples receive a legal opinion to that effect. Accordingly, the merger generally will be tax-free to a holder of Peoples common stock for U.S. federal income tax purposes as to the shares of SCBT common stock he or she receives in the merger, except for any gain or loss that may result from the receipt of cash instead of fractional shares of SCBT common stock that such holder of Peoples common stock would otherwise be entitled to receive.

For further information, see "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 Peoples common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.

Peoples' Officers and Directors Have Financial Interests in the Merger that Differ from Your Interests (page 75)

Peoples shareholders should be aware that some of Peoples' directors and executive officers have interests in the merger and have arrangements that are different from, or in addition to, those of Peoples shareholders generally. These interests and arrangements may create potential conflicts of interest. Peoples' board of directors was aware of these interests and considered these interests, among other matters, when making its decision to approve the merger agreement, and in recommending that Peoples' shareholders vote in favor of approving the merger agreement.

Peoples is party to employment agreements with L. Andrew Westbrook, III, and William B. West that provide for a lump sum cash payment upon a change in control of Peoples. Each of Peoples' named executive officers is party to a salary continuation agreement which provides for enhanced deferred compensation benefits upon a change in control. However, because R. Riggie Ridgeway is already fully vested in his deferred compensation benefits under his salary continuation agreement, he does not receive the benefit of additional vesting as a result of the merger.

Each Peoples option that is outstanding immediately prior to the effective time of the merger, whether vested or unvested, will be converted into an obligation of SCBT to pay each holder an amount equal to the product of (i) the applicable per share Black-Scholes amount and (ii) the number of shares of Peoples common stock subject to the Peoples option. Each outstanding Peoples restricted share will vest at the effective time of the merger and the holders of Peoples restricted shares will be entitled to the merger consideration for each such Peoples restricted share.

For a more complete description of these interests, see "The Merger Interests of Peoples' Directors and Executive Officers in the Merger" and "The Merger Agreement Treatment of Peoples Stock Options and Other Equity-Based Awards."

Table of Contents

Peoples Shareholders Who Do Not Vote "For" the Merger Will Be Entitled to Assert Dissenters' Rights (page 79)

Under South Carolina law, which is the law under which Peoples is incorporated, the holders of Peoples common stock will be entitled to assert dissenters' rights in connection with the merger, provided they (1) give Peoples written notice, before the vote on the proposal to approve the merger agreement, of their intent to demand payment for their shares if the merger is consummated, (2) do not vote "FOR" the approval of the merger agreement and (3) comply with all other applicable statutory procedures for asserting dissenters' rights required by South Carolina law. You may notify Peoples of your intent to demand payment for your shares if the merger is consummated by providing written notice to: Corporate Secretary, Peoples Bancorporation, Inc., 1818 East Main Street, Easley, South Carolina 29640. If you wish to dissent and you execute and return a proxy in the accompanying form, you must not vote "FOR" the approval of the merger agreement. If you have given written notice to Peoples that you intend to dissent and demand payment for your shares if the merger is consummated, and have sent Peoples your proxy, a vote in favor of approval of the merger cast by Peoples' proxy agents will not disqualify you from exercising your dissenters' rights. Shareholders who exercise their dissenters' rights by complying with the applicable statutory procedures required by South Carolina law will be entitled to receive payment in cash for the fair value of their shares as defined by South Carolina law, and, in the event that Peoples and such shareholders cannot agree on the fair value of their shares, in a judicial proceeding. The procedures to be followed by dissenting shareholders are described below in "The Merger Dissenters' Rights in the Merger." *The foregoing summary is not a complete statement of the provisions of South Carolina law relating to the rights of Peoples shareholders to receive payment of the fair value of their shares and does not create any rights for shareholders. The only rights of shareholders are those provided by Sections 33-13-101 to 33-13-310 of the South Carolina Business Corporation Act, the full text of which is provided as Annex C to this proxy statement/prospectus.*

Conditions That Must Be Satisfied or Waived for the Merger to Occur (page 95)

Currently, Peoples and SCBT expect to complete the merger in the second quarter of 2012. As more fully described in this proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, approval of the merger agreement by Peoples' shareholders, the receipt of certain required regulatory approvals, and the receipt of legal opinions by each company regarding the U.S. federal income tax treatment of the merger.

Neither Peoples nor SCBT can be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

Termination of the Merger Agreement (page 96)

The merger agreement can be terminated at any time prior to completion of the merger by mutual consent, or by either party in the following circumstances:

- the merger has not been completed by September 19, 2012 (we refer to this date as the end date), if the failure to complete the merger by that date is not caused by the terminating party's breach of the merger agreement;

- any required regulatory approval has been denied by the relevant regulatory authority and this denial has become final and nonappealable, or a regulatory authority has issued a final, nonappealable injunction permanently enjoining or otherwise prohibiting the completion of the merger or the other transactions contemplated by the merger agreement; or

- there is a breach by the other party that would cause the failure of the closing conditions described above, and the breach is not cured prior to the earlier of September 19, 2012 and 30 business days following written notice of the breach.

In addition, SCBT may terminate the merger agreement in the following circumstances:

- Peoples' board of directors fails to recommend to the Peoples shareholders that they approve the merger agreement or withdraws, modifies or qualifies, or proposes or resolves to withdraw, modify or qualify, such recommendation in a manner adverse to SCBT;

- Peoples' board of directors fails to comply in all material respects with its non-solicitation obligations described below in "The Merger Agreement Agreement Not to Solicit Other Offers" or its obligations with respect to calling shareholder meetings and acquisition proposals described below in "The Merger Agreement Peoples Shareholder Meeting and Recommendation of Peoples' Board of Directors";

- Peoples' board of directors approves, recommends or endorses, or proposes or resolves to approve, recommend or endorse, an alternative transaction or acquisition proposal, as described below in "The Merger Agreement Peoples Shareholder Meeting and Recommendation of Peoples' Board of Directors"; or

- Peoples' shareholders do not approve the merger agreement and the transactions it contemplates at the special meeting or adjournment thereof.

Termination Fee (page 97)

If the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by Peoples' board of directors, Peoples may be required to pay SCBT a termination fee of $1.5 million. The termination fee could discourage other companies from seeking to acquire or merge with Peoples.

Regulatory Approvals Required for the Merger (page 82)

Both Peoples and SCBT have agreed to use their reasonable best efforts to obtain all regulatory approvals required or advisable to complete the transactions contemplated by the merger agreement. These approvals include approvals from, among others: the Board of Governors of the Federal Reserve System, or Federal Reserve Board, the Office of the Comptroller of the Currency, or OCC, and the South Carolina State Board of Financial Institutions, or State Board. SCBT and Peoples have filed, or are in the process of filing, applications and notifications to obtain the required regulatory approvals.

Although neither Peoples nor SCBT knows of any reason why it cannot obtain these regulatory approvals in a timely manner, Peoples and SCBT cannot be certain when or if they will be obtained.

The Rights of Peoples Shareholders Will Change as a Result of the Merger (page 104)

The rights of Peoples shareholders will change as a result of the merger due to differences in SCBT's and Peoples' governing documents. The rights of Peoples shareholders are governed by South Carolina law and by Peoples' articles of incorporation and bylaws, each as amended to date (which we refer to as Peoples' articles of incorporation and bylaws, respectively). Upon the completion of the merger, the rights of Peoples shareholders will be governed by South Carolina law and SCBT's articles of incorporation and bylaws.

See "Comparison of Shareholders' Rights" for a description of the material differences in shareholder rights under each of the SCBT and Peoples governing documents.

Table of Contents

Litigation Relating to the Merger (page 84)

Peoples and Peoples' directors are named as defendants in a lawsuit that is pending in connection with the merger. SCBT is also named as a defendant in this lawsuit. See "The Merger Litigation Relating to the Merger."

Information About the Companies (page 24)

SCBT Financial Corporation

SCBT is a bank holding company, or BHC, incorporated under South Carolina law in 1985. Until February of 2004, SCBT was named "First National Corporation." SCBT currently holds all of the stock of its subsidiary, SCBT, N.A., a national bank that opened for business in 1934. SCBT operates as South Carolina Bank and Trust, North Carolina Bank and Trust, and Community Bank and Trust. SCBT coordinates the financial resources of the consolidated enterprise and thereby maintains financial, operational and administrative systems that allow centralized evaluation of subsidiary operations and coordination of selected policies and activities. SCBT's operating revenues and net income are derived primarily from cash dividends received from SCBT, N.A. At December 31, 2011, SCBT had consolidated total assets of approximately $3.90 billion, gross loans of approximately $2.87 billion and total deposits of approximately $3.25 billion.

The principal executive offices of SCBT are located at 520 Gervais Street, Columbia, South Carolina 29201, and its telephone number is (800) 277-2175. SCBT's website can be accessed at http://www.scbtonline.com. Information contained in SCBT's website does not constitute part of, and is not incorporated into, this proxy statement/prospectus. SCBT common stock is quoted on the NASDAQ Global Market under the symbol "SCBT."

Additional information about SCBT and its subsidiaries is included in documents incorporated by reference in this proxy statement/prospectus. See "Where You Can Find More Information."

Peoples Bancorporation, Inc.

Peoples is a bank holding company incorporated in South Carolina in March of 1992. Peoples was originally incorporated for the purpose of holding all of the stock of its subsidiary, The Peoples National Bank, and commenced operations on July 1, 1992. Peoples now has three wholly-owned subsidiaries: The Peoples National Bank, a national bank that commenced business operations in August 1986; Bank of Anderson, N.A., a national bank that commenced business operations in September 1998; and Seneca National Bank, a national bank that commenced business operations in February 1999. Peoples engages in no significant operations other than the ownership of its three subsidiaries and the support thereof. Peoples conducts its business from eight banking offices located in the Upstate Area of South Carolina. At December 31, 2011, Peoples had assets of approximately $549.7 million, gross loans of approximately $286.4 million and total deposits of approximately $476.5 million.

Peoples' principal executive offices are located at 1818 East Main Street, Easley, South Carolina 29640, and its telephone number is (864) 859-2265. Peoples' website can be accessed at http://www.peoplesbc.com. Information contained in Peoples' website does not constitute part of, and is not incorporated into, this proxy statement/prospectus. Additional information about Peoples and its subsidiaries can be found on the SEC's website. See "Where You Can Find More Information."

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF SCBT

The following table summarizes financial results achieved by SCBT for the periods and at the dates indicated and should be read in conjunction with SCBT's consolidated financial statements and the notes to the consolidated financial statements contained in reports that SCBT has previously filed with the SEC. See "Where You Can Find More Information."

	As of or for the Year Ended December 31,				
	2011	2010	2009	2008	2007
	(in thousands, other than share data)				
Summarized Income Statement Data:					
Interest income	$ 171,718	$ 155,354	$ 141,798	$ 156,075	$ 149,199
Interest expense	20,266	32,737	37,208	60,298	68,522
Net Interest income	151,452	122,617	104,590	95,777	80,677
Provision for loan losses	30,236	54,282	26,712	10,736	4,384
Noninterest income	55,119	137,735	26,246	19,049	27,359
Noninterest expenses	142,978	125,242	83,646	79,796	71,402
Net income before provision for income taxes	33,357	80,828	20,478	24,294	32,250
Provision for income taxes	10,762	28,946	6,883	8,509	10,685
Net income	22,595	51,882	13,595	15,785	21,565
Preferred stock dividends and discount accretion			4,674		
Net income attributable to common shares	$ 22,595	$ 51,882	$ 8,921	$ 15,785	$ 21,565
Per Common Share Data:					
Earnings per share Basic	$ 1.65	$ 4.11	$ 0.74	$ 1.53	$ 2.33
Earnings per share Diluted	$ 1.63	$ 4.08	$ 0.74	$ 1.52	$ 2.32
Book value at end of period	$ 27.19	$ 25.79	$ 22.20	$ 21.77	$ 21.17
Cash dividends declared	$ 0.68	$ 0.68	$ 0.68	$ 0.68	$ 0.68
Weighted-Average Number of Common Shares:					
Basic	13,677	12,618	12,061	10,301	9,275
Diluted	13,751	12,720	12,109	10,394	9,305
Average Balance Sheet Data:					
Total assets	$ 3,904,363	$ 3,617,590	$ 2,813,926	$ 2,725,955	$ 2,272,413
Total long-term debt	$ 47,239	$ 81,822	$ 150,446	$ 168,645	$ 109,566
Total shareholders' equity	$ 370,112	$ 335,853	$ 291,590	$ 225,484	$ 173,679

Table of Contents

COMPARATIVE PER SHARE DATA
(Unaudited)

Presented below for SCBT and Peoples is historical, unaudited pro forma combined and pro forma equivalent per share financial data as of and for the year ended December 31, 2011. The information presented below should be read together with the historical consolidated financial statements of SCBT and Peoples, including the related notes, in the case of SCBT, filed by SCBT with the SEC and incorporated by reference into this proxy statement/prospectus and, in the case of Peoples, appearing elsewhere in this proxy statement/prospectus. See "Where You Can Find More Information."

The unaudited pro forma and pro forma per equivalent share information gives effect to the merger as if the merger had been effective on December 31, 2011 in the case of the book value data, and as if the merger had been effective as of January 1, 2011 in the case of the earnings per share and the cash dividends data. The unaudited pro forma data combines the historical results of Peoples into SCBT's consolidated statement of income. While certain adjustments were made for the estimated impact of fair value adjustments and other acquisition-related activity, they are not indicative of what could have occurred had the acquisition taken place on January 1, 2011.

In addition, the unaudited pro forma data includes adjustments, which are preliminary and may be revised. The unaudited pro forma data, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of factors that may result as a consequence of the merger or consider any potential impacts of current market conditions or the merger on revenues, expense efficiencies, asset dispositions, and share repurchases, among other factors, nor the impact of possible business model changes. As a result, unaudited pro forma data is presented for illustrative purposes only and does not represent an attempt to predict or suggest future results.

	Historical		SCBT Pro Forma Combined	Peoples Pro Forma Equivalent Per Share(1)
	SCBT	Peoples		
Basic Income from Continuing Operations				
For the year ended December 31, 2011	$ 1.65	$ 0.30	$ 1.78	$ 0.25
Diluted Income from Continuing Operations				
For the year ended December 31, 2011	$ 1.63	$ 0.30	$ 1.77	$ 0.25
Cash Dividends				
For the year ended December 31, 2011	$ 0.68	$	$ 0.68	$ 0.10
Book Value Per Common Share				
As of December 31, 2011	$ 27.19	$ 6.56	$ 27.31	$ 3.86
Market Value				
As of December 19, 2011(2)	$ 27.25	$ 1.50	N/A	$ 3.85

(1) Reflects Peoples shares at the exchange ratio of 0.1413.

(2) Business day immediately prior to the public announcement of the proposed merger.

In the table above, book value per share on a pro forma basis assumes that SCBT's shareholders' equity has been increased by $31.1 million for December 31, 2011. This change is the net result of consideration transferred in the merger, including SCBT common shares with an estimated fair value of $30.6 million, and $13.4 million in cash, less the redemption of the Peoples Series T and Series W Preferred Stock in the amount of $13.3 million, and one-time transaction expenses of $2.0 million, net of tax that is expected to be incurred by SCBT. The fair value of SCBT's common shares was calculated by applying the exchange ratio of 0.1413 SCBT shares for each share of Peoples common stock using the outstanding number of Peoples' shares as of December 31, 2011, and $30.52, the closing price of

SCBT's common shares on March 12, 2012. The price per SCBT share used to determine the dollar value of consideration at closing will be based on the closing price of SCBT's common shares on the last trading day prior to the date of acquisition, and will be different from the amount assumed in these pro-forma calculations.

For the pro forma combined SCBT book value per share presented in the table above, shares of Peoples' Series T and Series W Preferred Stock, issued to the United States Department of the Treasury in conjunction with the Troubled Asset Relief Program (TARP), are assumed to be redeemed immediately after closing for a total of approximately $13.3 million. The resulting impact to the pro forma combined SCBT basic and diluted earnings per share amounts is the removal of the related TARP dividends and discount accretion for the periods presented.

Pro forma combined basic and diluted earnings per share for the periods presented include assumed amortization or accretion of certain fair value adjustments made to loans, securities, core deposit intangibles, non-compete intangibles and deposits. These inclusions increased net income by $3.6 million for the year ended December 31, 2011.

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained or incorporated by reference in this proxy statement/prospectus contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements about the financial condition, results of operations, earnings outlook and prospects of SCBT, Peoples and the combined company following the proposed transaction and statements for the period following the completion of the merger. Words such as "anticipate," "believe," "feel," "expect," "estimate," "indicate," "seek," "strive," "plan," "intend," "outlook," "forecast," "project," "position," "target," "mission," "contemplate," "assume," "achievable," "potential," "strategy," "goal," "aspiration," "outcome," "continue," "remain," "maintain," "trend," "objective" and variations of such words and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "might," "can," "may" or similar expressions, as they relate to SCBT, Peoples, the proposed transaction or the combined company following the transaction often identify forward-looking statements.

These forward-looking statements are predicated on the beliefs and assumptions of management based on information known to management as of the date of this proxy statement/prospectus and do not purport to speak as of any other date. Forward-looking statements may include descriptions of the expected benefits and costs of the transaction; forecasts of revenue, earnings or other measures of economic performance, including statements of profitability, business segments and subsidiaries; management plans relating to the transaction; the expected timing of the completion of the transaction; the ability to complete the transaction; the ability to obtain any required regulatory, shareholder or other approvals; any statements of the plans and objectives of management for future or past operations, products or services, including the execution of integration plans; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing.

The forward-looking statements contained or incorporated by reference in this proxy statement/prospectus reflect the view of management as of this date with respect to future events and are subject to risks and uncertainties. Should one or more of these risks materialize or should underlying beliefs or assumptions prove incorrect, actual results could differ materially from those anticipated by the forward-looking statements or historical results. Such risks and uncertainties, include, among others, the following possibilities: (1) the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement between SCBT and Peoples; (2) the outcome of any legal proceedings that may be instituted against SCBT or Peoples; (3) the inability to complete the transactions contemplated by the merger agreement due to the failure to satisfy each transaction's respective conditions to completion, including the receipt of regulatory approvals; (4) credit risk associated with an obligor's failure to meet the terms of any contract with any of the subsidiary banks of SCBT or Peoples or failure otherwise to perform as agreed; (5) interest risk involving the effect of a change in interest rates on both SCBT's and Peoples' banks' earnings and the market values of their portfolio equity; (6) liquidity risk affecting SCBT's and Peoples' banks' ability to meet their obligations when they come due; (7) price risk focusing on changes in market factors that may affect the value of traded instruments in "mark-to-market" portfolios; (8) transaction risk arising from problems with service or product delivery; (9) compliance risk involving earnings or capital resulting from violations of or nonconformance with laws, rules, regulations, prescribed practices, or ethical standards; (10) strategic risk resulting from adverse business decisions or improper implementation of business decisions; (11) reputation risk that adversely affects earnings or capital arising from negative public opinion; (12) terrorist activities risk that results in loss of consumer confidence and economic disruptions; (13) continuing economic downturn risk resulting in further deterioration in the credit markets; (14) greater than expected noninterest expenses; (15) excessive loan losses; (16) potential deposit attrition, higher than expected costs, customer loss and business disruption associated with SCBT's integration of Habersham, BankMeridian and Peoples, including, without limitation, potential difficulties in maintaining relationships with key personnel and other integration-related matters;

Table of Contents

(17) the risks of fluctuations in market prices for SCBT stock that may or may not reflect the economic condition or performance of SCBT; (18) changes to the payment of dividends on SCBT common stock as a result of regulatory supervision or at the discretion of the SCBT board of directors; and (19) other factors, which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements.

For any forward-looking statements made in this proxy statement/prospectus or in any documents incorporated by reference into this proxy statement/prospectus, SCBT and Peoples claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference in this proxy statement/prospectus. SCBT and Peoples do not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made. All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this proxy statement/prospectus and attributable to SCBT, Peoples or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this proxy statement/prospectus.

Table of Contents

RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the section "Cautionary Statement Regarding Forward-Looking Statements," you should carefully consider the following risk factors in deciding how to vote for the proposals presented in this proxy statement/prospectus. In addition, you should read and consider the risks associated with each of the businesses of Peoples and SCBT because these risks will relate to the combined company. Descriptions of some of these risks can be found in the Annual Reports on Form 10-K filed by SCBT and Peoples for the year ended December 31, 2011, as updated by other reports filed with the SEC, which, in the case of SCBT, are incorporated by reference into this proxy statement/prospectus. You should also consider the other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information."

Because the market price of SCBT common stock will fluctuate, Peoples shareholders cannot be certain of the market value of the merger consideration they will receive.

Upon completion of the merger, each share of Peoples common stock will be converted into 0.1413 of a share of SCBT common stock. The market value of the merger consideration may vary from the closing price of SCBT common stock on the date SCBT announced the merger, on the date that this proxy statement/prospectus was mailed to Peoples shareholders, on the date of the special meeting of the Peoples shareholders and on the date the merger is completed and thereafter. Any change in the market price of SCBT common stock prior to the completion of the merger will affect the market value of the merger consideration that Peoples shareholders will receive upon completion of the merger. Stock price changes may result from a variety of factors that are beyond the control of SCBT and Peoples, including but not limited to general market and economic conditions, changes in our respective businesses, operations and prospects and regulatory considerations. Therefore, at the time of the Peoples special meeting you will not know the precise market value of the consideration you will receive at the effective time of the merger. You should obtain current market quotations for shares of SCBT common stock and for shares of Peoples common stock.

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

Upon completion of the merger, holders of Peoples common stock will become holders of SCBT common stock. SCBT's business differs from that of Peoples, and, accordingly, the results of operations of the combined company and the market price of SCBT common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of SCBT and Peoples.

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

Before the merger and the bank mergers may be completed, SCBT and Peoples must obtain approvals from the Federal Reserve Board, the OCC and the State Board. Other approvals, waivers or consents from regulators may also be required. These regulators may impose conditions on the completion of the merger or require changes to the terms of the merger. Such conditions or changes could have the effect of delaying or preventing completion of the merger or imposing additional costs on or limiting the revenues of SCBT following the merger. See "The Merger Regulatory Approvals Required for the Merger."

Table of Contents

Combining the two companies may be more difficult, costly or time consuming than expected.

SCBT and Peoples have operated and, until the completion of the merger, will continue to operate, independently. The success of the merger, including anticipated cost savings, will depend, in part, on our ability to successfully combine the businesses of SCBT and Peoples. To realize these anticipated benefits, after the completion of the merger, SCBT expects to integrate Peoples' business into its own. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. The loss of key employees could adversely affect SCBT's ability to successfully conduct its business in the markets in which Peoples now operates, which could have an adverse effect on SCBT's financial results and the value of its common stock. If SCBT experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all, or may take longer to realize than expected. As with any merger of financial institutions, there also may be business disruptions that cause SCBT and/or Peoples to lose customers or cause customers to remove their accounts from SCBT and/or Peoples and move their business to competing financial institutions. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of Peoples and SCBT during this transition period and for an undetermined period after completion of the merger. In addition, the actual cost savings of the merger could be less than anticipated.

The fairness opinion obtained by Peoples from its financial advisor will not reflect changes in circumstances between the date of this proxy statement/prospectus and the completion of the merger.

Peoples has obtained a fairness opinion dated December 16, 2011 from Scott & Stringfellow, LLC, Peoples' financial advisor. Changes in the operations and prospects of Peoples or SCBT, general market and economic conditions and other factors that may be beyond the control of Peoples and SCBT, and on which the fairness opinion was based, may alter the value of Peoples or SCBT or the prices of shares of Peoples common stock or SCBT common stock by the time the merger is completed. The fairness opinion does 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 date other than the date of the opinion. The fairness opinion is attached as Annex B to this proxy statement/prospectus. For a description of the opinion, see "The Merger Opinion of Scott & Stringfellow, LLC." For a description of the other factors considered by Peoples' board of directors in determining to approve the merger, see "The Merger Peoples' Reasons for the Merger; Recommendation of Peoples' Board of Directors."

Some of the directors and executive officers of Peoples may have interests and arrangements that may have influenced their decisions to support or recommend that you approve the merger agreement.

The interests of some of the directors and executive officers of Peoples may be different from those of Peoples common shareholders, and directors and officers of Peoples may be participants in arrangements that are different from, or in addition to, those of Peoples common shareholders. These interests are described in more detail in the section entitled "The Merger Interests of Peoples' Directors and Executive Officers in the Merger."

Termination of the merger agreement could negatively impact Peoples.

If the merger agreement is terminated, there may be various consequences. For example, Peoples' businesses may have been impacted adversely by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger. Additionally, if the merger agreement is terminated, the market price of Peoples common stock could decline to the extent that the current market price reflects a market

Table of Contents

assumption that the merger will be completed. If the merger agreement is terminated and Peoples' board of directors seeks another merger or business combination, Peoples shareholders cannot be certain that Peoples will be able to find a party willing to pay the equivalent or greater consideration than that which SCBT has agreed to pay in the merger. In addition, if the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by Peoples' board of directors, Peoples may be required to pay SCBT a termination fee of $1.5 million.

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

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Peoples. These uncertainties may impair Peoples' ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with Peoples to seek to change existing business relationships with Peoples. Retention of certain employees by Peoples may be challenging while the merger is pending, as certain employees may experience uncertainty about their future roles with Peoples or SCBT. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with Peoples or SCBT, Peoples' business or the Peoples' business assumed by SCBT following the merger could be harmed. In addition, subject to certain exceptions, Peoples has agreed to operate its business in the ordinary course prior to closing. See "The Merger Agreement Covenants and Agreements" for a description of the restrictive covenants applicable to Peoples.

The unaudited pro forma comparative per share data for SCBT and Peoples included in this proxy statement/prospectus are preliminary, and SCBT's actual financial position and operations after the completion of the merger may differ materially from the unaudited pro forma comparative per share data included in this proxy statement/prospectus.

The unaudited pro forma comparative per share data for both SCBT and Peoples in this proxy statement/prospectus are presented for illustrative purposes only and are not necessarily indicative of what SCBT's actual financial position or operations would have been had the merger been completed on the dates indicated.

The completion of the merger may trigger change in control provisions in certain agreements to which Peoples is a party.

The completion of the merger may trigger change in control provisions in certain agreements to which Peoples is a party. If Peoples and SCBT are unable to negotiate waivers of those provisions, the counterparties may exercise their rights and remedies under the agreements (including terminating the agreements or seeking monetary penalties). Even if Peoples or SCBT is able to obtain waivers, the counterparties may demand a fee for such waivers or seek to renegotiate the agreements on materially less favorable terms than those currently in place.

Table of Contents

THE PEOPLES SPECIAL MEETING

This section contains information for Peoples shareholders about the special meeting that Peoples has called to allow its shareholders to consider and vote on the merger agreement. Peoples is mailing this proxy statement/prospectus to you, as a Peoples shareholder, on or about March 23, 2012. Together with this proxy statement/prospectus, Peoples is also sending to you a notice of the special meeting of Peoples shareholders and a form of proxy card that Peoples' board of directors is soliciting for use at the special meeting and at any adjournments or postponements of the special meeting.

This proxy statement/prospectus is also being furnished by SCBT to Peoples shareholders as a prospectus in connection with the issuance of shares of SCBT common stock as the merger consideration.

Date, Time and Place of Meeting

The special meeting will be held at 1818 East Main Street, Easley, South Carolina on Tuesday, April 24, 2012, at 10:00 a.m. local time.

Matters to Be Considered

At the special meeting of shareholders, you will be asked to consider and vote upon the following matters:

- a proposal to approve the merger agreement and the transactions it contemplates;

- a proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the approval of the merger agreement; and

- a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to Peoples' named executive officers in connection with the merger.

Recommendation of Peoples' Board of Directors

Peoples' board of directors has determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Peoples and its shareholders and has unanimously approved the merger and the merger agreement. Peoples' board of directors unanimously recommends that Peoples' shareholders vote "FOR" the approval of the merger agreement, "FOR" the approval of the adjournment proposal and "FOR" the approval of the advisory compensation proposal. See "The Merger Peoples' Reasons for the Merger; Recommendation of Peoples' Board of Directors" for a more detailed discussion of Peoples' board of directors' recommendation.

Record Date and Quorum

Peoples' board of directors has fixed the close of business on March 1, 2012 as the record date for determining the holders of Peoples common stock entitled to receive notice of and to vote at the Peoples special meeting.

As of the record date, there were 7,039,263 shares of Peoples common stock outstanding and entitled to vote at the Peoples special meeting held by approximately 936 holders of record. Each share of Peoples common stock entitles the holder to one vote at the Peoples special meeting on each proposal to be considered at the Peoples special meeting.

The presence at the special meeting, in person or by proxy, of holders of a majority of the outstanding shares of Peoples common stock entitled to vote at the special meeting will constitute a quorum for the transaction of business. All shares of Peoples common stock present in person or

Table of Contents

represented by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the Peoples special meeting. A broker non-vote occurs under stock exchange rules when a broker is not permitted to vote on a matter without instructions from the beneficial owner of the shares and no instruction is given.

Vote Required; Treatment of Abstentions and Failure to Vote

Approval of the merger agreement requires the affirmative vote of two-thirds of the outstanding shares of Peoples common stock entitled to vote at the special meeting. You are entitled to one vote for each share of Peoples common stock you held as of the record date. Because approval is based on the affirmative vote of two-thirds of the shares outstanding, your failure to vote, failure to instruct your bank or broker how to vote or your abstaining with respect to the proposal to approve the merger agreement will have the same effect as a vote against approval of the merger agreement.

The adjournment proposal and the compensation proposal will be approved if the number of shares, represented in person or by proxy at the special meeting and entitled to vote thereon, voted in favor of each such proposal exceeds the number of shares voted against such proposal. Therefore, if you mark "ABSTAIN" on your proxy with respect to the adjournment proposal or the compensation proposal, or if you fail to vote or fail to instruct your bank or broker how to vote with respect to the adjournment proposal or the compensation proposal, it will have no effect on the adjournment proposal or the compensation proposal.

Shares Held by Officers and Directors

As of the record date, directors and executive officers of Peoples and their affiliates beneficially owned and were entitled to vote approximately 1,160,029 shares of Peoples common stock, representing approximately 16.4% of the shares of Peoples common stock outstanding on that date, and held options to purchase 37,913 shares of Peoples common stock and 16,000 shares underlying restricted stock awards. Each of the directors of Peoples and Alexander C. Dye, Director of Expansion and Development of Peoples, have entered into voting agreements with SCBT, pursuant to which they have agreed, solely in their capacity as Peoples shareholders, to vote all of their shares of Peoples common stock in favor of the proposals to be presented at the special meeting. As of the record date, the Peoples directors that are party to the voting agreements and Alexander C. Dye owned and were entitled to vote an aggregate of approximately 1,136,608 shares of Peoples common stock, representing approximately 16.1% of the shares of Peoples common stock outstanding on that date. As of the record date, SCBT and its subsidiaries held no shares of Peoples common stock (other than shares held as fiduciary, custodian or agent), and its directors and executive officers or their affiliates held no shares of Peoples common stock. See "The Merger Interests of Peoples' Directors and Executive Officers in the Merger."

Voting of Proxies; Incomplete Proxies

Each copy of this proxy statement/prospectus mailed to holders of Peoples common stock is accompanied by a form of proxy with instructions for voting. If you hold stock in your name as a shareholder of record, you should complete and return the proxy card accompanying this proxy statement/prospectus, regardless of whether you plan to attend the special meeting.

If you hold your stock 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.

Do not send your Peoples stock certificates with your proxy card. After the merger is completed, you will be mailed a transmittal form with instructions on how to exchange your Peoples stock certificates for the merger consideration.

Table of Contents

All shares represented by valid proxies that Peoples receives through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted "FOR" the approval of the merger agreement, "FOR" the approval of the adjournment proposal and "FOR" the approval of the advisory compensation proposal. 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 the special meeting. *However, if other business properly comes before the special meeting, the proxy agents will, in their discretion, vote upon such matters in their best judgment.*

Shares Held in "Street Name"; Broker Non-Votes

Under stock exchange rules, banks, brokers and other nominees who hold shares of Peoples common stock in "street name" for a beneficial owner of those shares typically have the authority to vote in their discretion on "routine" proposals when they have not received instructions from beneficial owners. However, banks, brokers and other nominees are not allowed to exercise their voting discretion with respect to the approval of matters determined to be "non-routine," such as approval of the merger agreement and approval of the advisory compensation proposal, without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker, bank or other nominee that are represented at the Peoples special meeting, but with respect to which the broker or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on such proposal. If your broker, bank or other nominee holds your shares of Peoples common stock in "street name," your broker, bank or other nominee will vote your shares of Peoples common stock only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker, bank or other nominee with this proxy statement/prospectus.

Revocability of Proxies and Changes to a Peoples Shareholder's Vote

If you hold stock in your name as a shareholder of record, 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 Peoples' corporate secretary or (3) attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting.

Any shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence (without notifying Peoples' corporate secretary) of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

Written notices of revocation and other communications about revoking your proxy should be addressed to:

Peoples Bancorporation, Inc.
1818 East Main Street
Easley, South Carolina 29640
Attention: Corporate Secretary

If your shares are held in "street name" by a bank or broker, you should follow the instructions of your bank or broker regarding the revocation of proxies.

Solicitation of Proxies

Peoples is soliciting your proxy in conjunction with the merger. Peoples will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, Peoples will request that

Table of Contents

banks, brokers and other record holders send proxies and proxy material to the beneficial owners of Peoples common stock and secure their voting instructions. Peoples will reimburse the record holders for their reasonable expenses in taking those actions. If necessary, Peoples may use its directors and several of its regular employees, who will not be specially compensated, to solicit proxies from the Peoples shareholders, either personally or by telephone, facsimile, letter or electronic means.

Attending the Meeting

All holders of Peoples common stock, 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. Shareholders of record 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. Peoples reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the special meeting is prohibited without Peoples' express written consent.

Assistance

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 Peoples common stock, please contact Robert E. Dye, Jr., Corporate Secretary:

1818 East Main Street
Easley, South Carolina 29640
(864) 859-2265

Table of Contents

INFORMATION ABOUT SCBT

SCBT is a bank holding company incorporated under South Carolina law in 1985. Until February of 2004, SCBT was named "First National Corporation." SCBT currently holds all of the stock of its subsidiary, SCBT, N.A., a national bank that opened for business in 1934. SCBT operates as South Carolina Bank and Trust, North Carolina Bank and Trust, and Community Bank and Trust. SCBT coordinates the financial resources of the consolidated enterprise and thereby maintains financial, operational and administrative systems that allow centralized evaluation of subsidiary operations and coordination of selected policies and activities. SCBT's operating revenues and net income are derived primarily from cash dividends received from SCBT, N.A. At December 31, 2011, SCBT had consolidated total assets of approximately $3.90 billion, gross loans of approximately $2.87 billion and total deposits of approximately $3.25 billion.

SCBT, N.A. provides a full range of retail and commercial banking services, mortgage lending services, trust and investment services, and consumer finance loans through 46 financial centers in 17 South Carolina counties, three financial centers in Mecklenburg County, North Carolina, and 27 financial centers in 10 counties in Northeast Georgia. SCBT, N.A. has served the Carolinas for more than 76 years. SCBT, N.A. began operating in 1934 in Orangeburg, South Carolina and has maintained its ability to provide superior customer service while also leveraging its size to offer many products more common to super-regional banks. SCBT has pursued a growth strategy that relies primarily on organic growth, supplemented by the acquisition of select financial institutions or branches in certain market areas. In recent years, SCBT has continued to grow its business in South Carolina, and has expanded into North Carolina and Georgia through, among other things, its acquisitions of Habersham Bank, a full service Georgia state-chartered community bank, in February of 2011 and of Community Bank & Trust, a full service Georgia state-chartered community bank, in January of 2010.

The principal executive offices of SCBT are located at 520 Gervais Street, Columbia, South Carolina 29201, and its telephone number is (800) 277-2175. SCBT's website can be accessed at http://www.scbtonline.com. Information contained in SCBT's website does not constitute part of, and is not incorporated into, this proxy statement/prospectus. SCBT common stock is quoted on the NASDAQ Global Market under the symbol "SCBT."

The directors and executive officers of SCBT immediately prior to the closing of the merger will continue to be the directors and executive officers of SCBT, as the surviving corporation of the merger, after the merger.

Additional information about SCBT and its subsidiaries is included in documents incorporated by reference in this proxy statement/prospectus. See "Where You Can Find More Information."

Table of Contents

INFORMATION ABOUT PEOPLES

Peoples is a bank holding company incorporated in South Carolina in March of 1992. Peoples was originally incorporated for the purposes of holding all of the stock of its subsidiary, The Peoples National Bank, and commenced operations on July 1, 1992. Peoples now has three wholly-owned subsidiaries: The Peoples National Bank, a national bank that commenced business operations in August 1986; Bank of Anderson, National Association, a national bank that commenced business operations in September 1998; and Seneca National Bank, a national bank that commenced business operations in February 1999. Peoples engages in no significant operations other than the ownership of its three subsidiaries and the support thereof. Peoples conducts its business from eight banking offices located in the Upstate Area of South Carolina. At December 31, 2011, Peoples had assets of approximately $549.7 million, gross loans of approximately $286.4 million and total deposits of approximately $476.5 million.

Peoples' principal executive offices are located at 1818 East Main Street, Easley, South Carolina 29640, and its telephone number is (864) 859-2265. Peoples' website can be accessed at http://www.peoplesbc.com. Information contained in Peoples' website does not constitute part of, and is not incorporated into, this proxy statement/prospectus.

General Business

Some of the major services which Peoples provides through its banking subsidiaries include checking accounts; NOW accounts; savings and other time deposits of various types; daily repurchase agreements; alternative investment products such as annuities, mutual funds, stocks and bonds; loans for business, agriculture, real estate, personal uses, home improvement and automobiles; residential mortgage loan origination; credit cards; letters of credit; home equity lines of credit; safe deposit boxes; wire transfer services; Internet banking and use of ATM facilities. Peoples' subsidiary banks do not have trust powers. Peoples has no material concentration of deposits from any single customer or group of customers. No significant portion of its loans is concentrated within a single industry or group of related industries and Peoples does not have any foreign loans. Peoples does, however, have a geographic concentration of customers and borrowers because most of its customers and borrowers are located in the Upstate area of South Carolina, and most of the real estate securing mortgage loans is located in this area. There are no material seasonal factors that would have an adverse effect on Peoples.

As a bank holding company, Peoples is a legal entity separate and distinct from its subsidiaries. Peoples coordinates the financial resources of the consolidated enterprises and maintains financial, operational and administrative systems that allow centralized evaluation of subsidiary operations and coordination of selected policies and activities. Peoples' operating revenues and net income are derived primarily from its subsidiaries through dividends and fees for services performed.

Territory Served and Competition

The Peoples National Bank serves its customers from five locations; two offices in the city of Easley and one office in the city of Pickens, South Carolina, which are located in Pickens County; one office in the unincorporated community of Powdersville, South Carolina, which is located in the northeast section of Anderson County; and one office in the city of Greenville, South Carolina, which is located in Greenville County. Easley, South Carolina is located approximately 10 miles west of Greenville, South Carolina. Pickens, South Carolina is located approximately 8 miles north of Easley, and Powdersville, South Carolina is located approximately 12 miles southeast of Easley.

Bank of Anderson, National Association, serves its customers from one location in the City of Anderson and another location in Anderson County, South Carolina. Anderson is located

Table of Contents

approximately 25 miles southwest of Greenville, South Carolina and approximately 25 miles south of Easley in Anderson County, South Carolina.

Seneca National Bank serves its customers from one location in the City of Seneca, South Carolina. Seneca is located approximately 30 miles northwest of Easley, South Carolina in Oconee County, South Carolina.

Each subsidiary of Peoples is a separately chartered bank, and therefore each bank is responsible for developing and maintaining its own customers and accounts. Located in Easley, South Carolina, The Peoples National Bank's customer base is primarily derived from Greenville and Pickens Counties, South Carolina and the northeast section of Anderson County, South Carolina. Bank of Anderson's primary service area is Anderson County, South Carolina, and more particularly the City of Anderson. Seneca National Bank derives most of its customer base from the City of Seneca and surrounding Oconee County, South Carolina.

Peoples' subsidiary banks compete with several large national banks, which dominate the commercial banking industry in their service areas and in South Carolina generally. In addition, Peoples' subsidiary banks compete with other community banks, savings institutions and credit unions. In Pickens County, there are thirty-two competitor bank offices, one savings institution office, and one credit union office. In Anderson County there are fifty-nine competitor bank offices, no savings institution offices, and four credit union offices. In Oconee County, there are twenty-one competitor bank offices, four savings institution offices, and one credit union office. In Greenville County there are one hundred fifty-seven competitor bank offices, six savings institution offices, and eight credit union offices. The Peoples National Bank had approximately 12.7% of the deposits of Federal Deposit Insurance Corporation (FDIC)-insured institutions in Pickens County and 0.4% in Greenville County. The Peoples National Bank and Bank of Anderson, combined, had approximately 7.9% of the deposits of FDIC-insured institutions in Anderson County. Seneca National Bank had approximately 7.8% of the deposits of FDIC-insured institutions in Oconee County. The foregoing information is as of June 30, 2011, the most recent date for which such information is available from the FDIC.

Many competitor institutions have substantially greater resources and higher lending limits than Peoples' subsidiary banks, and they perform certain functions for their customers, including trust services and investment banking services, which none of Peoples' subsidiary banks is equipped to offer directly. However, Peoples' subsidiary banks do offer some of these services through correspondent banks. In addition to commercial banks, savings institutions and credit unions, Peoples' subsidiary banks compete with other financial intermediaries and investment alternatives, including, but not limited to, mortgage companies, consumer finance companies, money market mutual funds, brokerage firms, insurance companies, leasing companies and other financial institutions. Several of these non-bank competitors are not subject to the same regulatory restrictions as Peoples and its subsidiaries and many have substantially greater resources than Peoples.

The extent to which other types of financial institutions compete with commercial banks has increased significantly over the years as a result of federal and state legislation that has, in several respects, deregulated financial institutions. The full impact of existing legislation and subsequent laws that deregulate or regulate the financial services industry cannot be fully assessed or predicted.

Table of Contents

Distribution of Assets, Liabilities and Shareholders' Equity; Interest Rates and Interest Differential

The following is a presentation of the average consolidated balance sheets of Peoples for the years ended December 31, 2011, 2010 and 2009. This presentation includes all major categories of interest-earning assets and interest-bearing liabilities:

	AVERAGE CONSOLIDATED BALANCE SHEETS (dollars in thousands) For the years ended December 31,		
	2011	2010	2009
Assets			
Cash and Due from Banks	$ 8,808	$ 9,257	$ 12,344
Taxable Securities	106,979	87,071	73,088
Tax-Exempt Securities	64,609	38,029	38,242
Federal Funds Sold	9,746	13,027	5,937
Gross Loans	315,890	359,828	388,359
Less: Allowance for Loan Losses	(7,925)	(8,214)	(7,969)
Net Loans	307,965	351,614	380,390
Other Assets	48,717	49,031	40,138
Total Assets	$ 546,824	$ 548,029	$ 550,139
Liabilities and Shareholders' Equity			
Noninterest-bearing Deposits	$ 51,425	$ 48,881	$ 46,320
Interest-bearing Deposits:			
Interest Checking	72,795	63,684	62,622
Savings Deposits	11,270	10,659	10,327
Money Market	87,112	83,507	52,707
Certificates of Deposit	214,608	232,828	249,556
Individual Retirement Accounts	38,853	36,221	31,991
Total Interest-bearing Deposits	424,638	426,899	407,203
Short-term Borrowings	11,616	13,994	37,547
Notes Payable Other	167		3,385
Other Liabilities	4,065	4,278	4,605
Total Liabilities	491,911	494,052	499,060
Preferred Stock	12,878	12,745	8,754
Common Stock	7,781	7,773	7,808
Additional Paid-in Capital	41,715	41,675	41,691
Retained Earnings (Deficit)	(7,461)	(8,216)	(7,174)
Total Shareholders' Equity	54,913	53,977	51,079
Total Liabilities and Shareholders' Equity	$ 546,824	$ 548,029	$ 550,139

Table of Contents

The following is a presentation of an analysis of the net interest income of Peoples for the years ended December 31, 2011, 2010 and 2009 with respect to each major category of interest-earning assets and each major category of interest-bearing liabilities:

	Year Ended December 31, 2011 (dollars in thousands)		
	Average Amount	Interest Earned/Paid	Average Yield/Rate
Assets			
Interest-bearing Deposits at Other Banks	$	$	0.00%
Securities Taxable	106,979	3,999	3.74%
Tax-Exempt	64,609	2,387	5.60%(1)
Federal Funds Sold	9,746	23	0.24%
Gross Loans(2)	315,890	18,508	5.86%
Total Earning Assets	$ 497,224	$ 24,917	5.26%(1)
Liabilities			
Interest Checking	$ 72,795	$ 524	0.72%
Savings Deposits	11,270	25	0.22%
Money Market	87,112	760	0.87%
Certificates of Deposit	214,608	3,228	1.50%
Individual Retirement Accounts	38,853	728	1.87%
	424,638	5,265	
Short-term Borrowings	11,783	76	0.64%
Long-term Borrowings			0.00%
Total Interest-bearing Liabilities	$ 436,421	$ 5,341	1.22%
Excess of Interest-earning Assets over Interest-bearing Liabilities	$ 60,803		
Net Interest Income		$ 19,576	
Interest Rate Spread			4.04%(1)
Net Yield on Earning Assets(3)			4.18%(1)

(1) Includes a tax-equivalent adjustment of $1,230 to reflect the federal tax benefit of the tax-exempt securities using a federal tax rate of 34%.

(2) For purposes of these analyses, non-accruing loans are included in the average balances. Loan fees included in interest earned are not material to the presentation.

(3) Net yield on interest-earning assets is calculated by dividing net interest income by total interest-earning assets.

Table of Contents

	Year Ended December 31, 2010 (dollars in thousands)		
	Average Amount	Interest Earned/Paid	Average Yield/Rate
Assets			
Interest-bearing Deposits at Other Banks	$ 111	$ 2	1.80%
Securities Taxable	87,071	3,430	3.94%
Tax-Exempt	38,029	1,441	5.74%(1)
Federal Funds Sold	13,027	38	0.29%
Gross Loans(2)	359,828	21,341	5.93%
Total Earning Assets	$ 498,066	$ 26,252	5.42%(1)
Liabilities			
Interest Checking	$ 63,684	$ 530	0.83%
Savings Deposits	10,659	32	0.30%
Money Market	83,507	1,181	1.41%
Certificates of Deposit	232,828	4,537	1.95%
Individual Retirement Accounts	36,221	898	2.48%
	426,899	7,178	
Short-term Borrowings	13,994	95	0.67%
Long-term Borrowings			0.00%
Total Interest-bearing Liabilities	$ 440,893	$ 7,273	1.65%
Excess of Interest-earning Assets over Interest-bearing Liabilities	$ 57,173		
Net Interest Income		$ 18,979	
Interest Rate Spread			3.77%(1)
Net Yield on Earning Assets(3)			3.96%(1)

(1) Includes a tax-equivalent adjustment of $742 to reflect the federal tax benefit of the tax-exempt securities using a federal tax rate of 34%.

(2) For purposes of these analyses, non-accruing loans are included in the average balances. Loan fees included in interest earned are not material to the presentation.

(3) Net yield on interest-earning assets is calculated by dividing net interest income by total interest-earning assets.

Table of Contents

	Year Ended December 31, 2009 (dollars in thousands)		
	Average Amount	Interest Earned/Paid	Average Yield/Rate
Assets			
Interest-bearing Deposits at Other Banks	$ 569	$ 23	4.04%
Securities Taxable	73,088	3,445	4.71%
Tax-Exempt	38,242	1,498	5.94%(1)
Federal Funds Sold	5,937	9	0.15%
Gross Loans(2)	388,359	23,190	5.97%
Total Earning Assets	$ 506,195	$ 28,165	5.72%(1)
Liabilities			
Interest Checking	$ 62,622	$ 468	0.75%
Savings Deposits	10,327	47	0.46%
Money Market	52,707	1,126	2.14%
Certificates of Deposit	249,556	7,205	2.89%
Individual Retirement Accounts	31,991	1,061	3.32%
	407,203	9,907	
Short-term Borrowings	37,547	181	0.48%
Long-term Borrowings	3,385	182	5.38%
Total Interest-bearing Liabilities	$ 448,135	$ 10,270	2.29%
Excess of Interest-earning Assets over Interest-bearing Liabilities	$ 58,060		
Net Interest Income		$ 17,895	
Interest Rate Spread			3.43%(1)
Net Yield on Earning Assets(3)			3.69%(1)

(1) Includes a tax-equivalent adjustment of $774 to reflect the federal tax benefit of the tax-exempt securities using a federal tax rate of 34%.

(2) For purposes of these analyses, non-accruing loans are included in the average balances. Loan fees included in interest earned are not material to the presentation.

(3) Net yield on interest-earning assets is calculated by dividing net interest income by total interest-earning assets.

Table of Contents

Rate/Volume Analysis of Net Interest Income

The effect of changes in average balances (volume) and rates on interest income, interest expense and net interest income, for the periods indicated, is shown in the tables below. The effect of a change in volume has been determined by applying the average rate in the two periods to the change in average balances between the two periods. The effect of a change in rate has been determined by applying the average balance of the two periods to the change in the average rate between the two periods.

	Year Ended December 31, 2011 compared to 2010 (dollars in thousands)		
	Change in Volume	**Change in Rate**	**Total Change**
Interest earned on:			
Interest-bearing Deposits at Other Banks	$ (1)	$ (1)	$ (2)
Securities			
Taxable	764	(195)	569
Tax-Exempt(1)	995	(49)	946
Federal Funds Sold	(9)	(6)	(15)
Gross Loans(2)	(2,590)	(243)	(2,833)
Total Interest Income	(841)	(494)	(1,335)
Interest paid on:			
Interest Checking	71	(77)	(6)
Savings Deposits	2	(9)	(7)
Money Market	41	(462)	(421)
Certificates of Deposit	(315)	(994)	(1,309)
Individual Retirement Accounts	57	(227)	(170)
	(144)	(1769)	(1,913)
Short-term Borrowings	(15)	(4)	(19)
Notes Payable Other			
Total Interest Expense	(159)	(1773)	(1,932)
Change in Net Interest Income	$ (682)	$ 1,279	$ 597

(1) Tax-exempt income is shown on an actual, rather than taxable equivalent, basis.

(2) For purposes of these analyses, non-accruing loans are included in the average balances. Loan fees included in interest earned are not material to the presentation.

As reflected in the table above, less interest was earned during 2011 compared to 2010 due to lower rates and decreased volume of loans and other earning assets, partially offset by increased volume of investment securities. Interest expense was also lower in 2011 compared to 2010 due

Table of Contents

primarily to lower market rates and a decrease in interest bearing liabilities. The net effect of these differences was an overall increase in Peoples' net interest income.

	Year Ended December 31, 2010 compared to 2009 (dollars in thousands)		
	Change in Volume	Change in Rate	Total Change
Interest earned on:			
Interest-bearing Deposits at Other Banks	$ (13)	$ (8)	$ (21)
Securities			
Taxable	605	(620)	(15)
Tax-Exempt(1)	(8)	(49)	(57)
Federal Funds Sold	16	13	29
Gross Loans(2)	(1,698)	(151)	(1,849)
Total Interest Income	(1,098)	(815)	(1,913)
Interest paid on:			
Interest Checking	8	54	62
Savings Deposits	1	(16)	(15)
Money Market	547	(492)	55
Certificates of Deposit	(404)	(2,264)	(2,668)
Individual Retirement Accounts	123	(286)	(163)
	275	(3,004)	(2,729)
Short-term Borrowings	(137)	51	(86)
Notes Payable Other	(91)	(91)	(182)
Total Interest Expense	47	(3,044)	(2,997)
Change in Net Interest Income	$ (1,145)	$ 2,229	$ 1,084

(1) Tax-exempt income is shown on an actual, rather than taxable equivalent, basis

(2) For purposes of these analyses, non-accruing loans are included in the average balances. Loan fees included in interest earned are not material to the presentation.

As reflected in the table above, less interest was earned during 2010 compared to 2009 due to lower rates and decreased volume of loans and other earning assets. Interest expense was also lower in 2010 compared to 2009 due to lower market rates, and was partially offset by increased volume of deposits and other interest-bearing liabilities. The net effect of these differences was an overall increase in Peoples' net interest income.

Loan Portfolio

Peoples engages, through its subsidiary banks, in a full complement of lending activities, including commercial, consumer, installment, and real estate loans.

Table of Contents

Types of Loans

Commercial. Commercial loans are available to various types of businesses such as manufacturing, service industry and professional services and are made on either a secured or an unsecured basis. When taken collateral usually consists of liens on receivables, equipment, inventories, furniture, fixtures and equipment (FF&E), and cash instruments. Unsecured commercial loans are characteristically short-term in duration and based on the financial strength of the borrowing entity and guarantors and low debt-to-worth ratios. Commercial lending involves significant credit risk because repayment usually depends on the cash flows generated by a borrower's business, and the debt service capacity of a business can deteriorate as a result of downturns in economic conditions. To control risk, these loans require more in-depth underwriting of past and future expected cash flows and other indicators of the borrower's ability to repay on a timely basis. The borrower must provide at least two years of financial statements and tax returns of the borrower and any guarantors, as well as projections of expected business results of the borrower. Annual financial statements and tax returns are also required during the life of each loan. Peoples typically advances 75% to 80% of the value of marketable equipment, and 50% to 70% on receivables, inventories and FF&E. Valuations of the receivables and inventories are required either quarterly or annually.

Residential Real Estate. Residential real estate loans consist mainly of first and second mortgage loans on single family homes, with some multifamily homes. These real estate loans involve credit risk since the repayment of residential real estate loans is dependent primarily on the income of the borrowers, with real estate serving as a secondary or liquidation source of repayment, which involves the risk of negative changes in the value of the underlying collateral. Peoples does not originate high-risk mortgage loans such as so-called option ARMs and loans with high loan-to-value ratios without requiring the purchaser to obtain private mortgage insurance.

Commercial Real Estate. Commercial real estate loans generally have terms of five years or less, although payments may be structured on a longer amortization basis. Peoples evaluates each borrower on an individual basis and attempts to determine the business risk and credit profile of each borrower. Peoples attempts to reduce credit risk in the commercial real estate portfolio by emphasizing loans on owner-occupied office and retail buildings where the loan-to-value ratio, established by independent appraisals, does not exceed 80%. Generally a borrower is required to have cash flow exceeding 115% of monthly debt service obligations. In order to ensure secondary sources of payment and liquidity to support a loan request, typically the personal financial statements and tax returns of the principal owners are reviewed, and often their personal guarantees are required.

Construction. Construction loans characteristically consist of the financing of one-to-four family dwellings and some nonfarm, nonresidential real estate for certain builder borrowers or the end-user of the construction project. The lesser of loan-to-cost and loan-to-value is generally restricted to 80% and permanent financing commitments are usually required prior to the advancement of loan proceeds. Construction loans generally carry a higher degree of credit risk than long-term financing of existing properties because repayment depends on the ultimate completion of the project and sometimes on the sale of the property. Specific risks are derived from cost overruns, mismanaged construction, inferior or improper construction techniques, economic changes or downturns during construction, rising interest rates which may prevent the sale of the property, and failure to sell completed projects in a timely manner. In an attempt to reduce risk associated with construction loans, we require in-depth underwriting to include an analysis of the project cost, plans and marketability of the ending collateral.

Consumer and other. Peoples' subsidiary banks make a variety of loans to individuals for personal and household purposes, including secured and unsecured installment loans and revolving lines of credit. Consumer loans are underwritten based on the borrower's income, existing debt level, past credit history, and the availability and value of collateral. Interest rates are fixed and terms are commensurate with the use of the funds and collateral provided. Typically installment loans amortize

Table of Contents

over periods up to 60 months. Consumer loans are offered with a single maturity date when a specific source of repayment is available. Monthly payments of interest and a portion of the principal are typically required on revolving loan products. Consumer loans are generally considered to have greater credit risk than first or second mortgages on real estate because they may be unsecured, or if they are secured, the value of the collateral may be difficult to assess and more likely to decrease in value than real estate.

Distribution and Maturities of Loan Portfolio

Management believes the loan portfolio is adequately diversified. The largest component of the loan portfolio continues to be loans secured by real estate located primarily in the Upstate area of South Carolina, including certain commercial and industrial loans secured by real estate, mortgage loans, and construction loans. These loans represent $256,364,000 or 89.5% of total loans at December 31, 2011, compared to $305,262,000 or 89.6% at December 31, 2010. There are no foreign loans and few if any agricultural loans. The following table presents various categories of loans contained in Peoples' loan portfolio and the total amount of all loans at year-end for 2011, 2010, 2009, 2008 and 2007.

	2011		2010		2009		2008		2007	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Commercial	$ 23,973	8%	$ 28,362	8%	$ 29,240	8%	$ 43,451	11%	$ 47,885	11%
Real Estate:										
Residential real estate	99,031	34%	106,759	31%	107,942	29%	124,445	31%	108,161	26%
Commercial real estate	154,647	54%	192,351	57%	212,812	57%	111,844	28%	107,531	26%
Construction	2,686	2%	6,152	2%	14,458	4%	104,390	26%	138,926	33%
Consumer and other	6,107	2%	7,089	2%	9,122	2%	14,581	4%	16,495	4%
Total Loans	$ 286,444	100%	$ 340,713	100%	$ 373,574	100%	$ 398,711	100%	$ 418,998	100%
Allowance for loan losses	(6,846)		(7,919)		(7,431)		(9,217)		(4,310)	
Net Loans	$ 279,598		$ 332,794		$ 366,143		$ 389,494		$ 414,688	

The following is a presentation of maturities of loans as of December 31, 2011:

Loan Maturity and Interest Sensitivity
(dollars in thousands)

Type of Loans	Due in 1 Year or less	Due After 1 Year up to 5 years	Due after 5 years	Total
Commercial	$ 10,721	$ 9,817	$ 3,435	$ 23,973
Real Estate	69,120	124,649	62,595	256,364
Consumer and other	3,154	2,873	80	6,107
Total	$ 82,995	$ 137,339	$ 66,110	$ 286,444

All loans are recorded according to contractual terms, and demand loans, overdrafts, and loans having no stated repayment terms or maturity are reported as due in one year or less.

At December 31, 2011, the amount of loans due after one year with predetermined interest rates totaled approximately $112,820,000, while the amount of loans due after one year with variable or floating interest rates totaled approximately $90,629,000.

Table of Contents

Non-Performing Loans and Real Estate Acquired in Settlement of Loans

The following table presents information on non-performing loans and real estate acquired in settlement of loans:

	December 31, (dollars in thousands)				
Non-performing Assets	**2011**	**2010**	**2009**	**2008**	**2007**
Non-performing loans:					
Non-accrual loans	$ 8,637	$ 15,734	$ 14,881	$ 16,950	$ 7,505
Past due 90 days or more and still accruing					
Total non-performing loans	8,637	15,734	14,881	16,950	7,505
Assets acquired in settlement of loans	15,103	13,344	11,490	5,428	1,023
Total non-performing assets	$ 23,740	$ 29,078	$ 26,371	$ 22,378	$ 8,528

Non-performing Assets	**2011**	**2010**	**2009**	**2008**	**2007**
Non-performing assets as a percentage of loans and real estate acquired in settlement of loans	7.87%	8.21%	6.85%	5.54%	2.03%
Allowance for loan losses as a percentage of non- performing loans	79%	50%	50%	54%	57%

In an effort to more accurately reflect the status of Peoples' loan portfolio, accrual of interest is discontinued on a loan that displays certain indications of problems which might jeopardize full and timely collection of principal and/or interest. Peoples' Loan Policy drives the administration of problem loans. Loans are monitored through continuing review by credit managers, monthly reviews of exception reports, and ongoing analysis of asset quality trends, economic and business factors. Credit management activities, including specific reviews of new large credits, are reviewed by the Directors' Loan Committees of each banking subsidiary, which meet monthly.

With respect to the loans accounted for on a non-accrual basis, the gross interest income that would have been recorded if the loans had been current in accordance with their original terms and outstanding throughout the period or since origination amounts to $493,000 for the year ended December 31, 2011. The interest on those loans that was included in net income for 2011 amounts to $555,000.

At December 31, 2011, there was $8,637,000 of non-accruing loans. The overall decrease in non-accruing loans since 2008 is due to the payoff or transfer of these loans into Other Real Estate Owned. For some of these non-accruing loans, management does not currently expect any loss of principal. Where principal losses are expected, these loans have already been written down by the expected amount of the loss. Furthermore, management believes that Peoples' allowance for loan losses is adequate to absorb any unidentified probable losses. At December 31, 2011, 92.5% of Peoples' non-accruing loans were secured by real estate.

At December 31, 2011, Peoples held $15,103,000 in assets acquired in settlement of loans. This compares to $13,344,000 at December 31, 2010. During 2011 real estate was obtained from thirty-two loan relationships through foreclosure or deeds in lieu of foreclosure, and forty-two properties were

Table of Contents

sold in 2011. The following table summarizes changes in assets acquired in settlement of loans during the periods noted:

	For the years ended December 31,	
	2011	2010
BALANCE, BEGINNING OF YEAR	$ 13,344	$ 11,490
Additions foreclosures	8,078	9,943
Sales	(4,122)	(7,017)
Write downs	(2,197)	(522)
Valuation reserve		(550)
BALANCE, END OF YEAR	$ 15,103	$ 13,344

Peoples' subsidiary banks use third-party appraisers to determine the fair value of collateral dependent loans. Peoples' current loan appraisal policy requires its subsidiary banks to obtain updated appraisals or evaluations on an annual basis. These documents are also reviewed for compliance with banking regulations. If any adjustments are needed, reductions are made to include projected market expenses to liquidate the collateral. Due to the timeliness of the appraisal process, no additional considerations for outdated appraisals are taken into account in determining the allowance for loans losses.

As of December 31, 2011, assets acquired in settlement of loans consisted of construction and land lots valued at $9,443,000, residential real estate valued at $3,817,000, and commercial real estate valued at $1,843,000. These assets are being actively marketed with the primary objective of liquidating the collateral at a level which most accurately approximates fair value and allows recovery of as much of the unpaid principal loan balance as possible upon the sale of the asset within a reasonable period of time. Based on currently available valuation information, the carrying value of these assets is believed to be representative of their fair value less estimated costs to sell, although there can be no assurance that the ultimate proceeds from the sale of these assets will be equal to or greater than their carrying values, particularly in the current real estate environment and with the continued downturn trend in third party values.

Potential Problem Loans

As of December 31, 2011, there were no potential problem loans classified for regulatory purposes as doubtful, substandard or special mention that are not included in non-accruing loans, which (i) represent or result from trends or uncertainties that management reasonably expects will materially impact future operating results, liquidity, or capital resources of Peoples, or (ii) represent material credits about which management is aware of any information that causes management to have serious doubts as to the ability of such borrowers to comply with the loan repayment terms. As of December 31, 2011, management had identified $29,688,000 of performing loans where information about the borrowers or other characteristics of the loans indicated an increased risk of non-performance justifying increased management attention.

Impaired Loans

Peoples uses practical methods to measure loan impairment as permitted by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). A loan is impaired when, based on current information and events, it is probable a creditor will be unable to collect all amounts due (interest as well as principal) according to the contractual terms of the loan agreement. A loan is also impaired when its original terms are modified in a troubled debt restructuring. The FASB ASC requires that impaired loans be measured based on the present value of expected future cash

Table of Contents

flows discounted at the loan's effective interest rate, the market price of the loan, if available, or the underlying collateral values as defined in the pronouncement. When the ultimate collectibility of an impaired loan's principal is in doubt, wholly or partially, all cash receipts are applied to principal. When this doubt does not exist, cash receipts are applied under the contractual terms of the loan agreement. Once the recorded principal balance has been reduced to zero, future cash receipts are recorded as recoveries on any amounts previously charged-off. Further cash receipts are applied to interest income, to the extent that any interest has been foregone. Impaired loans totaled approximately $9,395,000 at December 31, 2011 and $15,619,000 at December 31, 2010. See also Note 1, "Summary of Significant Accounting Policies and Activities Allowance for Loan Losses," and Note 4, "Loans," to Peoples' Consolidated Financial Statements for the year ended December 31, 2011 included elsewhere in this proxy statement/prospectus.

Impaired Loan Analysis (dollar amounts in thousands):

	2011			2010			2009			2008			2007		
	Outstanding		Amount Charged-	Outstanding		Amount Charged-	Outstanding		Amount Charged-	Outstanding		Amount Charged-	Outstanding		Amount Charged-
Type of Loans	#	Amount	off	#	Amount	off	#	Amount	off	#	Amount	off	#	Amount	off
Commercial	1	$ 78	$	2	$ 483	$	2	$ 70	$		$	$	1	$ 30	$
Real estate	41	9,278	4,117	55	15,111	3,058	36	14,667	4,082	20	16,659	7,092	7	1,964	95
Consumer and other	4	39	58	1	25		2	9	10	1	12	10	2	30	15
Total	46	$ 9,395	$ 4,175	58	$ 15,619	$ 3,058	40	$ 14,746	$ 4,092	21	$ 16,671	$ 7,102	10	$ 2,024	$ 110

Troubled Debt Restructurings

In the course of working with borrowers, Peoples' subsidiary banks may choose to restructure the contractual terms of certain loans. In this scenario, Peoples' subsidiary banks attempt to work out an alternative payment schedule with the borrower in order to optimize collectibility of the loan. Any loans that are modified are reviewed by the banks to identify if a troubled debt restructuring (TDR) has occurred. This occurs when, for economic or legal reasons related to a borrower's financial difficulties, the bank grants a concession to the borrower that it would not otherwise consider. Terms may be modified to fit the ability of the borrower to repay in line with the borrower's current financial status, and the restructuring of the loan may include the transfer of assets from the borrower to satisfy the debt, a modification of loan terms, or a combination of the two. If such efforts by the bank do not result in a satisfactory arrangement, the loan is referred to legal counsel, at which time collection and/or foreclosure proceedings are initiated. At any time prior to a sale of property at foreclosure, the bank may terminate foreclosure proceedings if the borrower is able to work out a satisfactory payment plan.

At December 31, 2011 the principal balance of troubled debt restructurings totaled $3,808,000 representing eighteen loans, of which fourteen were in non accrual status. At December 31, 2010 the principal balance of troubled debt restructurings totaled $1,686,000 representing five loans, all of which were in non-accrual status. At December 31, 2009 the principal balance of troubled debt restructurings totaled $2,558,000 representing seven loans, of which three were in non-accrual status. At December 31, 2008 the principal balance of troubled debt restructurings totaled $477,000 representing one loan, which was not in non-accrual status. At December 31, 2007 the principal balance of troubled debt restructurings totaled $412,000 representing two loans, of which none were in nonaccrual status.

Provision and Allowance For Loan Losses, Loan Loss Experience

The purpose of Peoples' allowance for loan losses is to absorb loan losses that occur in the loan portfolios of its bank subsidiaries. Peoples complies with the FASB Accounting Standards Codification when determining the adequacy of the allowance for loan losses. Management determines the adequacy of the allowance quarterly and considers a variety of factors in establishing a level of the allowance for loan losses and the related provision, which is charged to expense. Factors considered in determining

Table of Contents

the adequacy of the allowance for loan losses include: historical loan losses experienced by Peoples, current economic conditions affecting a borrower's ability to repay, the volume of outstanding loans, the trends in delinquent, non-accruing and potential problem loans, and the quality of collateral securing non-performing and problem loans. By considering the above factors, management attempts to determine the amount of reserves necessary to provide for inherent losses in the loan portfolios of its subsidiaries. However, the amount of reserves may change in response to changes in the financial condition of larger borrowers, changes in Peoples' local economies, industry trends, and regulatory requirements.

The allowance for loan losses for each portfolio segment is set at an amount that reflects management's best judgment of the extent to which historical loss levels are more or less accurate indicators of current losses in the loan portfolios of its bank subsidiaries. While it is Peoples' policy to charge off in the current period loans in which a loss is considered probable, there are inherent losses that cannot be quantified precisely or attributed to particular loans or classes of loans. Because the state of the economy, industry trends, and conditions affecting individual borrowers may affect the amount of such losses, management's estimate of the appropriate amount of the allowance is necessarily approximate and imprecise. Peoples and its bank subsidiaries are also subject to regulatory examinations and determinations as to adequacy of the allowance for loan losses, which may take into account such factors as the methodology used to calculate the allowance for loan losses and the size of the allowance for loan losses in comparison to a group of peer companies identified by the regulatory agencies.

In assessing the adequacy of the allowance, management relies predominantly on its ongoing review of the loan portfolio, including historical charge-offs, which is undertaken both to ascertain whether there are probable losses that must be charged off and to assess the risk characteristics of the portfolio in the aggregate. Peoples utilizes its credit administration department, as well as the services of an outside consultant from time to time, to perform quality reviews of its loan portfolio. The reviews consider the judgments and estimates of management and also those of bank regulatory agencies that review the loan portfolio as part of their regular examination process. The OCC, as part of its routine examination process of national banks, including Peoples' subsidiary banks, may require additions to the allowance for loan losses based upon the regulator's credit evaluations differing from those of management. Peoples' management believes it has in place the controls and personnel needed to adequately monitor its loan portfolios and the adequacy of the allowance for loan losses.

At December 31, 2011, the allowance for loan losses was $6,846,000 or 2.39% of gross outstanding loans, compared to $7,919,000 or 2.32% of gross outstanding loans at December 31, 2010. During 2011, Peoples experienced net charge-offs of $4,176,000, or 1.32% of average loans, compared to net charge-offs of $6,137,000, or 1.71% of average loans during 2010. Peoples' provision for loan losses was $3,103,000 in 2011 compared to $6,625,000 in 2010.

Management continues to closely monitor the levels of non-performing and potential problem loans and will address the weaknesses in these credits to enhance the amount of ultimate collection or recovery on these assets. When increases in the overall level of non-performing and potential problem loans accelerates from the historical trend, management tends to adjust the methodology for determining the allowance for loan losses, which results in increases in the provision and the allowance for loan losses. This typically decreases net income.

Table of Contents

The following table summarizes the allowance for loan loss balances of Peoples at the beginning and end of each period, changes in the allowance arising from charge-offs and recoveries by category and additions to the allowance, which have been charged to expense.

Analysis of Allowance for Loan Losses
(dollars in thousands)
Year ended December 31,

	2011	2010	2009	2008	2007
Balance at beginning of period	$ 7,919	$ 7,431	$ 9,217	$ 4,310	$ 4,070
Provision charged to expense	3,103	6,625	4,958	13,820	900
Charge-offs	(4,293)	(6,572)	(6,989)	(9,037)	(706)
Recoveries	117	435	245	124	46
Balance as end of period	$ 6,846	$ 7,919	$ 7,431	$ 9,217	$ 4,310

The following table sets forth ratios of net charge-offs and the allowance for loan losses to the items stated:

Asset Quality Ratios:

	Year Ended December 31,				
	2011	2010	2009	2008	2007
Net charge-offs to average loans outstanding during the year	1.32%	1.71%	1.74%	2.14%	0.17%
Net charge-offs to total loans outstanding at end of year	1.46%	1.80%	1.81%	2.24%	0.16%
Allowance for loan losses to average loans	2.17%	2.20%	1.91%	2.21%	1.12%
Allowance for loan losses to total loans at end of year	2.39%	2.32%	1.99%	2.31%	1.03%
Net charge-offs to allowance for loan losses at end of year	61.00%	77.50%	90.75%	96.70%	15.31%
Net charge-offs to provision for loan losses	134.58%	92.63%	136.02%	64.49%	73.33%

Table of Contents

Allowance for Loan Losses Allocation

As of December 31, 2011:

(Dollars in thousands)	Commercial	Residential Real Estate	Commercial Real Estate	Commercial Construction	Consumer and Other	Total
Allowance for loan losses:						
Allowance for loan losses, beginning of period	$ 513	$ 1,086	$ 5,628	$ 527	$ 165	$ 7,919
Charge-offs	20	496	3,382	325	70	4,293
Recoveries	22	7	9		79	117
Net charge-offs	(2)	489	3,373	325	(9)	4,176
Provision	305	475	1,972	170	181	3,103
Allowance for loans losses, end of period	$ 820	$ 1,072	$ 4,227	$ 372	$ 355	$ 6,846
Specific Reserves:						
Impaired Loans	$ 41	$ 118	$ 10	$	$ 22	$ 170
General Reserve	779	954	4,217	372	333	6,676
Total	$ 820	$ 1,072	$ 4,227	$ 372	$ 355	$ 6,846
Loans individually evaluated for impairment	$ 78	$ 442	$ 8,359	$ 478	$ 38	$ 9,395
Loans collectively evaluated for impairment	23,895	98,589	146,288	2,208	6,069	277,049
Total	$ 23,973	$ 99,031	$ 154,647	$ 2,686	$ 6,107	$ 286,444

The following table reflects charge-offs and recoveries per loan category:

	December 31,									
	2011		2010		2009		2008		2007	
(Dollars in thousands)	Charge-offs	Recoveries	Charge-offs	Recoveries	Charge-offs	Recoveries	Charge-offs	Recoveries	Charge-offs	Recoveries
Commercial	$ 20	$ 22	$ 1,866	$ 329	$ 459	$ 36	$ 1,360	$ 42	$ 298	$ 9
Residential real estate	496	7	1,160	77	2,066	166	3,028	68	210	10
Commercial real estate	3,382	9	938	6	854	18	1,926	5		7
Commercial Construction	325		2,589	5	3,514	19	2,651		110	7
Consumer and other	70	79	19	18	96	6	72	9	88	13
Total	$ 4,293	$ 117	$ 6,572	$ 435	$ 6,989	$ 245	$ 9,037	$ 124	$ 706	$ 46

Table of Contents

The following table summarizes the allowance for loan loss balances of Peoples at the end of each period by loan category.

Allocation of Allowance for Loan Losses

(Dollars in thousands)	Amount 2011	% of Loans in each Loan Group 2011	Amount 2010	% of Loans in each Loan Group 2010	Amount 2009	% of Loans in each Loan Group 2009	Amount 2008	% of Loans in each Loan Group 2008	Amount 2007	% of Loans in each Loan Group 2007
Balance at end of period applicable to:										
Commercial	$ 820	12%	$ 513	6%	$ 527	7%	$ 747	8%	$ 1,368	32%
Residential real estate	1,072	16%	1,086	14%	1,136	15%	938	10%	969	22%
Commercial real estate	4,227	62%	5,628	71%	5,314	72%	5,500	60%	1,102	26%
Commercial construction	372	5%	527	7%	15	0%	996	11%	176	4%
Consumer and other	355	5%	165	2%	439	6%	1,036	11%	695	16%
Total	$ 6,846	100%	$ 7,919	100%	$ 7,431	100%	$ 9,217	100%	$ 4,310	100%

The allowance for loan losses is available to absorb future loan charge-offs in the entire loan portfolio. The allowance for loan losses is increased by direct charges to operating expense through the provision for loan losses. Losses on loans are charged against the allowance in the period in which management determines it is more likely than not that the full amounts of such loans have become uncollectible. Recoveries of previously charged-off loans are credited back to the allowance.

Management considers the allowance for loan losses adequate to cover inherent losses on the loans outstanding at December 31, 2011. In the opinion of management, there are no material risks or significant loan concentrations, other than loans secured by real estate, in the present portfolio. The allowance for loan losses uses Peoples' procedures and methods which include the following risk factors, though not intended to be an all inclusive list:

- The impact of changes in the international, national, regional and local economic and business conditions and developments that affect the collectibility of the loan portfolio, including those within Peoples' geographic market.

- The cumulative impact of the extended duration of this economic deterioration on Peoples' borrowers, in particular those with real estate related loans.

- Changes in the nature and volume in Peoples' loan portfolio.

- The impact of changes in the experience, ability, and depth of the lending management and other relevant staff.

- Changes in the value of underlying collateral for collateral-dependent loans.

- The impact of changes in the volume and severity of past due loans, the volume of non-accrual loans, and the volume and severity of adversely classified or graded loans.

- Changes in the quality of Peoples' loan review system.

No assurance can be given that Peoples will not sustain loan losses in any particular period which are sizable in relation to the amount reserved or that subsequent evaluation of the loan portfolio, in light of conditions and factors then prevailing, will not require significant changes in the allowance for loan losses or future charges to earnings. The allowance for loan losses is also subject to review and approval by various regulatory agencies through their periodic examinations of Peoples' subsidiaries. Such examinations could result in required changes to the allowance for loan losses.

Table of Contents

The local economy continues to struggle. The housing market, including construction and development projects, has demonstrated stress given reduced cash flows of individual borrowers, limited bank financing and credit availability, and slow property sales. Peoples continues to diligently assess its risk, particularly in the real estate market. Peoples' special assets department has been proactive in foreclosure actions and sales in 2011. These actions should decrease Peoples' non-performing assets levels.

Investments

Peoples invests primarily in obligations of the United States of America or obligations guaranteed as to principal and interest by the United States of America, other taxable securities and in certain obligations of states and municipalities. Peoples' subsidiary banks enter into federal funds transactions with their principal correspondent banks and usually act as net sellers of such funds. The sale of federal funds amounts to a short-term loan from the selling bank to the purchasing bank.

The following table summarizes the amortized cost and market values of investment securities held by Peoples at December 31, 2011, 2010 and 2009.

Securities Portfolio Composition
(dollars in thousands)

	2011		2010		2009	
	Amortized Cost	Market Value	Amortized Cost	Market Value	Amortized Cost	Market Value
TRADING ASSETS						
Other Securities	$ 160	$ 160	$ 76	$ 76	$ 128	$ 128
AVAILABLE FOR SALE						
Government Sponsored Enterprises	1,379	1,524	1,588	1,726	6,792	7,132
Mortgage Backed Securities	85,996	88,504	95,660	95,906	63,813	66,132
Other Securities	89	89	601	577	604	565
State and Political Subdivisions	98,803	103,001	32,585	32,441	28,950	29,398
Total Available for Sale	186,267	193,118	130,434	130,650	100,159	103,227
HELD TO MATURITY						
State and Political Subdivisions	4,530	4,817	7,249	7,375	8,402	8,621
OTHER INVESTMENTS	2,633	2,633	4,319	4,319	4,456	4,456
Total	$ 193,590	$ 200,728	$ 142,078	$ 142,420	$ 113,145	$ 116,432

Peoples accounts for investments in accordance with ASC Topic 320. Investments classified as available for sale are carried at market value. Unrealized holding gains or losses are reported as a component of shareholders' equity net of deferred income taxes in comprehensive income. Securities classified as held to maturity are carried at amortized cost, adjusted for the amortization of premiums and the accretion of discounts. In order to qualify as held to maturity, Peoples must have the ability and intent to hold the securities to maturity. Trading securities are carried at market value. Unrealized holding gains or losses are recognized in income.

At December 31, 2011 Peoples' total investment portfolio classified as available for sale had a book value of $186,267,000 and a market value of $193,118,000 for a net unrealized gain of $6,851,000. The changes in the market valuation of the investment portfolio were directly related to the changes in market interest rates during the year. Management believes that maintaining most of its securities in the available for sale category provides greater flexibility in the management of the overall investment portfolio. In cases where the market value is less than book value, Peoples has the ability and intent to hold these securities until the value recovers or the securities mature.

Table of Contents

The following table indicates the respective maturities and weighted-average yields of securities as of December 31, 2011:

	Securities Maturity Schedule (dollars in thousands)	
	Amortized Cost	Weighted Average Yield**
TRADING ASSETS		
Other Securities		
Greater than 10 Years	$ 160	0.00%
AVAILABLE FOR SALE		
Government sponsored enterprises, mortgage backed securities and other securities:		
0 - 1 Years	$ 3,113	5.15%
1 - 5 Years	59,670	4.29%
5 - 10 Years	8,176	4.36%
Greater than 10 Years	16,505	3.66%
	87,464	4.28%
State and political subdivisions:		
0 - 1 Years	315	6.64%*
1 - 5 Years	1,297	5.82%*
5 - 10 Years	17,475	5.84%*
Greater than 10 Years	79,716	6.10%*
	98,803	6.06%*
Other investments		
No contractual maturity	2,633	n/a
Total	$ 188,900	5.22%*
HELD TO MATURITY		
State and political subdivisions:		
0 - 1 Year	$ 750	5.04%*
1 - 5 Years	1,498	4.69%*
5 - 10 Years	1,740	5.89%*
Greater than 10 Years	542	7.30%*
Total	$ 4,530	5.70%*

* Yield adjusted to a fully taxable equivalent basis using a federal tax rate of 34%.

** Weighted average yields on available for sale securities are based on amortized cost.

Deposits

Peoples offers a full range of interest-bearing and noninterest-bearing deposit accounts, including commercial and retail checking accounts, negotiable orders of withdrawal (NOW) accounts, public funds accounts, money market accounts, individual retirement accounts, including Keogh plans with stated maturities, regular interest-bearing statement savings accounts and certificates of deposit with fixed rates and a range of maturity date options. The primary sources of deposits are residents, businesses and employees of businesses within Peoples' market areas obtained through the personal solicitation of Peoples' officers and directors, direct mail solicitations and advertisements published in the local media. From time to time Peoples garners deposits from sources outside of its normal trade

Table of Contents

areas through the internet or through brokers. These deposits are short-term in nature and are used to manage Peoples' short-term liquidity position. These internet deposits and brokered deposits are sometimes considered to be more volatile than deposits acquired in the local market areas. There were no internet deposits at December 31, 2011 or December 31, 2010. There were $32,444,000 and $43,194,000 of brokered deposits at December 31, 2011 and December 31, 2010, respectively. Traditional brokered time deposits booked through the Depository Trust Company decreased $1,591,000 or 6.3% from $25,121,000 at December 31, 2010 to $23,530,000 at December 31, 2011. Brokered time deposits within the Certificate of Deposit Account Registry Service (CDARS) decreased $9,159,000 or 50.7% from $18,073,000 at December 31, 2010 to $8,914,000 at December 31, 2011. All of Peoples' deposits under the CDARS program are retail in nature and originate from Peoples' subsidiary banks' customer bases. Peoples considers these brokered funds to be an attractive alternative funding source available for use while it continues efforts to maintain and grow its local deposit base.

Peoples pays competitive interest rates on checking, savings, money market, time and individual retirement accounts. In addition, Peoples' subsidiary banks have implemented a service charge fee schedule competitive with other financial institutions in the banks' market areas, covering such matters as maintenance fees on checking accounts, per item processing fees on checking accounts, returned check charges, and the like.

Peoples' average deposits in 2011 were $476,063,000 compared to $475,780,000 the prior year, an increase of $283,000 or 0.06%. In 2011 the average noninterest-bearing deposits increased approximately $2,544,000 or 5.2%, average interest-bearing checking accounts decreased $9,111,000 or 14.3%, average savings accounts increased $611,000 or 5.7%, average money market accounts increased $3,605,000 or 4.3%, average certificates of deposit decreased $18,220,000 or 7.8%, and individual retirement accounts increased $2,632,000 or 7.3%. Competition for deposit accounts is primarily based on the interest rates paid, service charge structure, location convenience and other services offered.

The following table presents, for the years ended December 31, 2011, 2010 and 2009, the average amount of, and average rate paid on, each of the following deposit categories:

	Average Amount (dollars in thousands)			Average Rate Paid		
Deposit Category	**2011**	**2010**	**2009**	**2011**	**2010**	**2009**
Noninterest-bearing Deposits	$ 51,425	$ 48,881	$ 46,320			
Interest-bearing Deposits						
Interest Checking	72,795	63,684	62,622	0.72%	0.83%	0.75%
Savings Deposits	11,270	10,659	10,327	0.22%	0.30%	0.46%
Money Market	87,112	83,507	52,707	0.87%	1.41%	2.14%
Certificates of Deposit	214,608	232,828	249,556	1.50%	1.95%	2.89%
Individual Retirement Accounts	38,843	36,221	31,991	1.87%	2.48%	3.32%

Peoples' core deposit base consists of consumer time deposits less than $100,000, savings accounts, NOW accounts, money market accounts and checking accounts. Although such core deposits are becoming increasingly interest-sensitive for both Peoples and the industry as a whole, such core deposits still continue to provide Peoples with a large and stable source of funds. Core deposits as a percentage of average total deposits averaged approximately 77% in 2011 and 71% in 2010. Peoples closely monitors its reliance on certificates of deposit greater than $100,000, which are generally considered less stable and less reliable than core deposits.

Table of Contents

The following table indicates amounts outstanding of time certificates of deposit of $100,000 or more, excluding IRAs, and respective maturities as of December 31, 2011:

	Time Certificates of Deposit (dollars in thousands)
3 months or less	$ 23,880
4 - 6 months	15,096
7 - 12 months	24,453
Over 12 months	23,774
Total	$ 87,203

Return On Equity and Assets

Returns on average consolidated assets and average consolidated equity for the years ended December 31, 2011, 2010 and 2009 are as follows:

	2011	2010	2009
Return on average assets	0.54%	0.07%	0.06%
Return on average total equity	5.36%	0.71%	0.63%
Return on average common equity	5.04%	(1.07)%	(0.53)%
Average equity to average assets ratio	10.04%	9.85%	9.28%
Dividend payout ratio:			
Preferred stock	23.45%	180.63%	120.31%
Common stock	(2)	(2)	(2)

(1) Preferred stock was issued in 2009.

(2) No cash dividends were paid on common stock in 2011, 2010 or 2009.

Table of Contents

Short-Term Borrowings

The following table summarizes Peoples' short-term borrowings for the years ended December 31, 2011, 2010 and 2009. These borrowings consist of federal funds purchased and securities sold under agreements to repurchase, which generally mature on a one-business-day basis.

Year Ended December 31,	Maximum Outstanding at any Month End	Annual Average Balance	Weighted Average Interest Rate	Year End Balance	Weighted Average Interest Rate at Year End
			(dollars in thousands)		
2011:					
Federal funds purchased	$	$	0.00%	$	0.00%
Securities sold under repurchase agreements	$ 15,137	$ 11,616	0.64%	$ 10,191	0.44%
Advances from Federal Home Loan Bank	$	$ 167	0.60%	$	0.00%
2010:					
Federal funds purchased	$	$ 77	0.64%	$	0.00%
Securities sold under repurchase agreements	$ 16,572	$ 13,809	0.68%	$ 10,362	0.71%
Advances from Federal Home Loan Bank	$ 2,000	$ 154	0.38%	$	0.00%
2009:					
Federal funds purchased	$ 399	$ 226	0.83%	$ 399	0.19%
Securities sold under repurchase agreements	$ 19,671	$ 16,122	0.53%	$ 12,785	0.52%
Advances from Federal Home Loan Bank	$ 49,500	$ 21,315	0.44%	$	0.00%

Market Risk Interest Rate Sensitivity

Market risk is the risk of loss arising from adverse changes in the fair value of financial instruments due to a change in interest rates, exchange rates and equity prices. Peoples' primary type of market risk is interest-rate risk.

The primary objective of Asset/Liability Management at Peoples is to manage interest-rate risk and achieve reasonable stability in net interest income throughout interest-rate cycles in order to maintain adequate liquidity. Peoples seeks to achieve this objective by maintaining the proper balance of rate-sensitive earning assets and rate-sensitive liabilities. The relationship of rate-sensitive earning assets to rate-sensitive liabilities is the principal factor in projecting the effect that fluctuating interest rates will have on future net interest income. Rate-sensitive assets and rate-sensitive liabilities are those that can be repriced to current market rates within a relatively short time period. Management monitors the rate sensitivity of earning assets and interest-bearing liabilities over the entire life of these instruments, but places particular emphasis on the first year.

Each of Peoples' banking subsidiaries has established an Asset/Liability Management Committee. These committees use a variety of tools to analyze interest-rate sensitivity, including a static gap presentation and a simulation model. A static gap presentation reflects the difference between total interest-sensitive assets and liabilities within certain time periods. While the static gap is a widely used measure of interest-rate sensitivity, it is not, in management's opinion, the best indicator of a company's true sensitivity position. Accordingly, Peoples' banking subsidiaries also use an earnings simulation model that estimates the variations in interest income under different interest-rate environments to measure and manage the banks' short-term interest-rate risk. According to the model, as of December 31, 2011 Peoples was positioned so that net interest income would increase by approximately $1,136,000 over the next twelve months if market interest rates were to rise by 300 basis points at the beginning of the same period. Conversely, net interest income would decline by approximately $742,000 over the next twelve months if interest rates were to decline by 300 basis points at the beginning of the same period. Computation of prospective effects of hypothetical interest-rate changes are based on numerous assumptions, including relative levels of market interest rates and loan prepayment, and should not be relied upon as indicative of actual results. Further, the computations do not contemplate all of the actions Peoples and its customers could undertake in response to changes in interest rates.

Additionally, each of Peoples' banking subsidiaries measures anticipated changes in its economic value of equity in order to ascertain its long-term interest rate risk. This is done by calculating the difference between the theoretical market value of the subsidiary bank's assets and liabilities and subjecting the balance sheet to different interest-rate environments to measure and manage long-term interest rate risk.

It is the responsibility of the Asset/Liability Committees to establish parameters for various interest risk measures, to set strategies to control interest rate risk within those parameters, to seek adequate and stable net interest income, and to direct the implementation of tactics to facilitate achieving their objectives.

Liquidity

Liquidity management involves meeting the cash flow requirements of Peoples. Peoples' liquidity position is primarily dependent upon its need to respond to short-term demand for funds caused by withdrawals from deposit accounts and upon the liquidity of its assets. Peoples' primary liquidity sources include cash and due from banks, federal funds sold and "securities available for sale." In addition, Peoples (through its subsidiary banks) has the ability, on a short-term basis, to borrow funds from the Federal Reserve System and to purchase federal funds from other financial institutions. At December 31, 2011 Peoples' subsidiary banks in aggregate had unused federal funds lines of credit totaling $22,000,000 with various correspondent banks. Peoples' subsidiary banks are also members of the Federal Home Loan Bank System and have the ability to borrow both short- and long-term funds on a secured basis. At December 31, 2011 Peoples' subsidiary banks in the aggregate had no long-term borrowings, no short-term borrowings, and $59,302,000 in unused borrowing capacity from the Federal Home Loan Bank of Atlanta. The Federal Home Loan Bank requires that investment securities, qualifying mortgage loans, and stock of the Federal Home Loan Bank owned by Peoples' subsidiary banks be pledged to secure any advances from them. The unused borrowing capacity currently available assumes that Peoples' subsidiary banks' $1,556,000 investment in Federal Home Loan Bank stock as well as certain securities and qualifying mortgages would be pledged to secure future borrowings. Management believes that it could obtain additional borrowing capacity from the Federal Home Loan Bank by identifying additional qualifying collateral that could be pledged. Peoples' subsidiary banks also have the ability to borrow funds from the Federal Reserve Bank through the Discount Window. This short-term borrowing relationship is collateralized by qualifying 1-4 family construction real estate, residential and commercial land, and commercial and industrial loans, aggregating approximately $12,378,000 at December 31, 2011. Peoples' subsidiary banks had no Discount Window advances at December 31, 2011.

Peoples Bancorporation, Inc., the parent holding company, has limited liquidity needs outside of those of its subsidiaries. Peoples Bancorporation requires liquidity to pay limited operating expenses and cash dividends on preferred stock. For further discussion of cash dividends on preferred stock see Note 16, "Preferred Stock And Restrictions On Dividends," to Peoples' Consolidated Financial Statements for the year ended December 31, 2011 included elsewhere in this proxy statement/prospectus.

Peoples plans to meet its future cash needs through the liquidation of temporary investments, maturities or sales of loans and investment securities, generation of deposits, and Federal Home Loan Bank advances. Peoples management believes its liquidity sources are adequate to meet its operating

Table of Contents

needs and does not know of any trends that may result in Peoples' liquidity materially increasing or decreasing.

Off-Balance Sheet Arrangements and Derivative Financial Instruments

Peoples, through the operations of its subsidiary banks, makes contractual commitments to extend credit in the ordinary course of its business activities. These commitments are legally binding agreements to lend money to customers of Peoples' subsidiary banks at predetermined interest rates for a specified period of time. At December 31, 2011, unfunded commitments to extend credit were $63,232,000, of which $58,105,000 was at variable rates and $5,127,000 was at fixed rates. These commitments included $1,483,000 of unfunded amounts of construction loans, $46,974,000 of undisbursed amounts of home equity lines of credit, $9,182,000 of unfunded amounts under commercial lines of credit, and $5,593,000 of other commitments to extend credit. Peoples evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by Peoples upon extension of credit, is based on management's credit evaluation of the borrower. Collateral varies but may include accounts receivable, inventory, property, plant and equipment, and commercial and residential real estate.

At December 31, 2011 Peoples' subsidiary banks had issued commitments to extend credit through various types of arrangements, described further in the table below.

	December 31, 2011 (dollars in thousands)
Unused Commitments	
Lines of credit secured by residential properties	$ 47,056
Lines of credit secured by commercial properties	1,919
Other unused commitments	14,257
Total	$ 63,232

The commitments generally expire in one year. Past experience indicates that many of these commitments to extend credit will expire not fully used. However, as described under " Liquidity," Peoples believes that it has adequate sources of liquidity to fund commitments that are drawn upon by the borrowers.

In addition to commitments to extend credit, Peoples' subsidiary banks also issue letters of credit. A letter of credit is an assurance to a third party that it will not suffer a loss if the bank's customer fails to meet his contractual obligation to the third party. At December 31, 2011, $1,808,000 was committed under letters of credit. Past experience indicates that many of these letters of credit will expire unused. However, through its various sources of liquidity, Peoples believes that it will have the necessary resources to meet these obligations should the need arise. Various types of collateral secure most of the letters of credit. Peoples believes that the risk of loss associated with letters of credit is comparable to the risk of loss associated with its loan portfolio. Moreover, the fair value associated with any letters of credit issued by Peoples is immaterial to Peoples.

Neither Peoples nor its subsidiaries are involved in any other off-balance sheet arrangements or transactions that could result in liquidity needs or other commitments or significantly impact earnings. Peoples did not have any obligations under non-cancelable operating lease agreements at December 31, 2011. Refer to Note 12 and Note 13 of Peoples' consolidated financial statements, included elsewhere in this proxy statement/prospectus, for a discussion of financial instruments with off-balance sheet risk and commitments and contingencies.

Table of Contents

Capital Adequacy and Resources

The capital needs of Peoples have been met through the retention of earnings and from the proceeds of prior public stock offerings, as well as the sale of Fixed Rate Cumulative Perpetual Preferred Stock to the U. S. Treasury, pursuant to its Capital Purchase Program.

For publicly held bank holding companies, such as Peoples, capital adequacy is evaluated on a consolidated basis. Peoples' banking subsidiaries must separately meet additional regulatory capital requirements imposed by the OCC. Generally, the Federal Reserve Board expects bank holding companies to operate above minimum capital levels.

The Federal Reserve Board has adopted a risk-based capital rule that requires bank holding companies to have qualifying capital to risk-weighted assets of at least 8%, with at least 4% being "Tier 1" capital. Tier 1 capital consists principally of common shareholders' equity, non-cumulative preferred stock, qualifying perpetual preferred stock, and minority interests in equity accounts of consolidated subsidiaries, less goodwill and certain intangible assets. "Tier 2" (or supplementary) capital consists of general loan loss reserves (subject to certain limitations), certain types of preferred stock and subordinated debt, and certain hybrid capital instruments and other debt securities such as equity commitment notes. A bank holding company's qualifying capital base for purposes of its risk-based capital ratio consists of the sum of its Tier 1 and Tier 2 capital components, provided that the maximum amount of Tier 2 capital that may be treated as qualifying capital is limited to 100% of Tier 1 capital.

The OCC's regulations establish the minimum leverage capital ratio (Tier 1 capital to adjusted total assets) requirement for national banks at 3% in the case of a national bank that has the highest regulatory examination rating and is not contemplating significant growth or expansion. For all other national banks, the minimum leverage capital ratio requirement is 4%. Furthermore, the OCC reserves the right to require higher capital ratios in individual banks on a case-by-case basis when, in its judgment, additional capital is warranted by a deterioration of financial condition or when high levels of risk otherwise exist. Accordingly, the OCC has established individual minimum capital ratios for Peoples' three bank subsidiaries. Additionally, two of Peoples' three bank subsidiaries, have entered into formal agreements with the OCC for the banks to take various actions with respect to the operations of the banks. For further discussion of the higher individual minimum capital ratios and the formal agreements see footnote 1 to the table below and Note 19, "Regulatory Matters," to Peoples' Consolidated Financial Statements for the year ended December 31, 2011 included elsewhere in this proxy statement/prospectus.

Table of Contents

Peoples' and its subsidiary banks' capital ratios are presented as follows:

	December 31, 2011	December 31, 2010
Peoples Bancorporation, Inc.		
Risk-based capital ratio	16.13%	14.12%
Tier 1 capital (to risk weighted assets)	14.87%	12.86%
Tier 1 capital (to adjusted total assets)	9.08%	8.92%
Peoples National Bank(1)		
Risk-based capital ratio	15.95%	13.29%
Tier 1 capital (to risk weighted assets)	14.68%	12.03%
Tier 1 capital (to adjusted total assets)	9.48%	8.91%
Bank of Anderson(1)		
Risk-based capital ratio	16.70%	15.53%
Tier 1 capital (to risk weighted assets)	15.45%	14.28%
Tier 1 capital (to adjusted total assets)	8.47%	8.33%
Seneca National Bank(1)		
Risk-based capital ratio	14.82%	13.71%
Tier 1 capital (to risk weighted assets)	13.56%	12.46%
Tier 1 capital (to adjusted total assets)	8.52%	8.82%

(1) The OCC has established individual minimum capital ratios for Peoples' three subsidiary banks pursuant to 12 C.F.R Section 3.10. These minimum requirements exceed the normal regulatory requirements to be well capitalized. Currently each of Peoples' subsidiary banks is required to maintain 12% total risk-based capital, 10% tier 1 risk-based capital, and an 8% leverage ratio.

See Note 19 to Peoples' Consolidated Financial Statements for the year ended December 31, 2011, included elsewhere in this proxy statement/prospectus, for more information about regulatory capital ratios.

Payment of Dividends

Payment of dividends by Peoples is within the discretion of its Board of Directors subject to certain regulatory requirements, including prior approval by the Federal Reserve Board. Peoples' primary sources of funds with which to pay dividends to shareholders are the dividends it receives from its subsidiary banks.

The directors of a national bank may declare a dividend of so much of the undivided profits of the bank as the directors judge to be expedient, subject to certain limitations. A national bank may not declare and pay dividends in any year in excess of an amount equal to the sum of the total of the net income of the bank for that year and the retained net income of the bank for the preceding two years, minus the sum of any transfers required by the OCC and any transfers required to be made to a fund for the retirement of any preferred stock, unless the OCC approves the declaration and payment of dividends in excess of such amount. Two of Peoples' subsidiary banks are subject to formal agreements that require the OCC's prior approval to pay cash dividends.

The payment of dividends by Peoples' subsidiary banks may also be affected or limited by other factors, such as the requirements to maintain adequate capital above regulatory guidelines. If, in the opinion of the OCC, a bank under its jurisdiction is engaged in or is about to engage in an unsafe or unsound practice (which, depending on the financial condition of the bank, could include the payment

Table of Contents

of dividends), the OCC may require, after notice and hearing, that such bank cease and desist from such practice. The OCC has indicated that paying dividends that deplete a national bank's capital base to an inadequate level would be an unsafe and unsound banking practice. The Federal Reserve Board, the OCC and the FDIC have issued policy statements that provide that bank holding companies and insured banks should generally only pay dividends out of current operating earnings.

Peoples has outstanding shares of Fixed Rate Cumulative Perpetual Preferred Stock, Series T and Series W, which are owned by the U. S. Treasury pursuant to its Capital Purchase Program. Peoples declared and paid $690,000 in preferred stock dividends to the U.S. Treasury in 2011. The terms of the preferred stock limit Peoples' ability to pay common stock dividends or make repurchases of common stock under certain circumstances. Peoples did not pay any cash dividends to its common shareholders in 2011.

For further information see Note 16, "Preferred Stock and Restrictions on Dividends," to Peoples' Consolidated Financial Statements for the year ended December 31, 2011 included elsewhere in this proxy statement/prospectus

Monetary Policies and Effect of Inflation

The earnings of bank holding companies are affected by the policies of regulatory authorities, including the Federal Reserve Board, in connection with its regulation of the money supply. Various methods employed by the Federal Reserve Board include open market operations in U.S. Government securities, changes in the discount rate on member bank borrowings and changes in reserve requirements against member bank deposits. These methods are used in varying combinations to influence overall growth and distribution of bank loans, investments and deposits, and their use may also affect interest rates charged on loans or paid on deposits. The monetary policies of the Federal Reserve Board have had a significant effect on the operating results of commercial banks in the past and are expected to continue to do so in the future.

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which require the measurement of financial position and results of operations in terms of historical dollars, without consideration of changes in the relative purchasing power over time due to inflation. Unlike companies in most other industries, virtually all of the assets and liabilities of financial institutions are monetary in nature. As a result, interest rates generally have a more significant effect on a financial institution's performance than does the effect of inflation. Interest rates do not necessarily change in the same magnitude as do the prices of goods and services.

While the effect of inflation on banks is normally not as significant as is its influence on those businesses that have large investments in plant and inventories, it does have some effect. During periods of high inflation, there are normally corresponding increases in the money supply, and banks will normally experience above-average growth in assets, loans and deposits. Also, general increases in the prices of goods and services will result in increased operating expenses. Inflation that affects Peoples' subsidiary banks' customers may also have an indirect effect on the banks.

Correspondent Banking

Correspondent banking involves the provision of services by one bank to another bank, which cannot provide that service for itself, or chooses not to, from an economic, regulatory or practical standpoint. Peoples' subsidiary banks purchase correspondent services offered by larger banks, including check collections, the sale and purchase of federal funds, security safekeeping, investment services, over-line and liquidity loan participations and sales of loans to or participations with correspondent banks.

Table of Contents

Peoples' subsidiary banks have the option to sell loan participations to correspondent banks with respect to loans that exceed the banks' lending limits. Managements of Peoples' subsidiary banks have established correspondent banking relationships with South Carolina Bank and Trust, N.A., Columbia, South Carolina; CenterState Bank, N.A., Winter Haven, Florida; Community Bankers Bank, Midlothian, Virginia; and Wells Fargo Bank, N.A., Charlotte, North Carolina. As compensation for services provided by correspondents, Peoples' subsidiary banks may maintain certain balances with such correspondents in non-interest bearing accounts.

Data Processing

Peoples has a data-processing department, which performs a full range of data-processing services for its subsidiary banks. Such services include an automated general ledger, deposit accounting, loan accounting and data processing.

Regulatory Considerations

Bank holding companies and banks are extensively regulated under federal and state law. To the extent that the following information describes statutory and regulatory provisions, it is qualified in its entirety by reference to such statutes and regulations. Any change in applicable law or regulation may have a material effect on the business of Peoples and its subsidiary banks.

General

Peoples and its subsidiary banks operate in a highly regulated environment, and their business activities are governed by statute, regulation, and administrative policies, and supervised by a number of federal regulatory agencies, including the Federal Reserve Board, the OCC, and the FDIC. Peoples is also subject to limited regulation by the South Carolina State Board of Financial Institutions. The following discussion summarizes some of the relevant aspects of the laws and regulations that affect Peoples and its subsidiary banks. It is important to note that these laws and regulations are intended primarily for the benefit and protection of Peoples' subsidiary banks' depositors and the Depository Insurance Fund, and not for the protection of Peoples' shareholders or creditors. Proposals to change the laws and regulations that govern the banking industry are frequently raised in Congress, state legislatures, and various bank regulatory agencies, and such proposals have significantly increased in the wake of the recent financial crisis.

Financial institutions are being subjected to increased scrutiny and enforcement activity by state and federal banking agencies, the United States Department of Justice, the Securities and Exchange Commission, and other state and federal regulatory agencies. This increased scrutiny and enforcement activity entails significant potential increases in compliance requirements and associated costs. The banking regulators periodically examine Peoples and its subsidiary banks to assess compliance with applicable requirements and the level of risk existing with respect to Peoples' and the banks' capital, asset quality, management, earnings, liquidity and sensitivity to market risk. When the results of examinations are less than satisfactory, the regulators are authorized to require Peoples and its subsidiary banks to take appropriate corrective actions through the mechanisms of agreements with Peoples or the banks, or through enforcement orders. The regulators also have the power to enforce compliance with laws, regulations, regulatory policies and agreements as well as regulatory orders by the imposition of civil money penalties.

Regulation of Peoples by the Federal Reserve and State Board

Peoples is regulated by the Federal Reserve Board under the Federal Bank Holding Company Act of 1956, as amended (which we refer to as the BHC Act). Under the BHC Act, a bank holding company is generally prohibited from acquiring control of any company that is not a bank or engaged

Table of Contents

in permissible activities and from engaging in any business other than the business of banking or managing and controlling banks. However, there are certain activities which have been identified by the Federal Reserve Board to be so closely related to banking as to be a proper incident thereto, and are thus permissible for bank holding companies, directly or through subsidiaries, including the following activities: acting as an investment or financial advisor to subsidiaries and certain outside companies; leasing personal and real property or acting as a broker with respect thereto; providing management consulting advice to nonaffiliated banks and non-bank depository institutions; operating collection agencies and credit bureaus; acting as a futures commission merchant; providing data processing and data transmission services; acting as an insurance agent or underwriter with respect to limited types of insurance; performing real estate appraisals; arranging commercial real estate equity financing; providing securities brokerage services; and underwriting and dealing in obligations of the United States of America, the states and their political subdivisions.

A bank holding company may engage in a broader range of activities if it becomes a "financial holding company" pursuant to the Gramm-Leach-Bliley Act, which is described below under the caption "Gramm-Leach-Bliley Act." Although Peoples elected to become a financial holding company as of June 23, 2000, neither Peoples nor its subsidiary banks used any of the additional powers, and in 2008 Peoples changed its status back to that of a bank holding company. Accordingly, the following discussion relates to the supervisory and regulatory provisions that apply to Peoples and its subsidiary banks as they currently operate.

The BHC Act also requires every bank holding company to obtain the prior approval of the Federal Reserve Board before acquiring more than 5% of the voting shares of any bank or all or substantially all of the assets of a bank, and before merging or consolidating with another bank holding company.

As noted above, Peoples also is subject to limited regulation by the State Board. Consequently, Peoples must give notice to, or receive the approval of, the State Board pursuant to applicable law and regulations prior to engaging in the acquisition of South Carolina banking institutions or holding companies, or merging with a South Carolina bank holding company. Peoples also may be required to file with the State Board periodic reports with respect to its financial condition and operation, management and inter-company relations between Peoples and its subsidiaries.

Obligations of Peoples to its Subsidiary Banks

A number of obligations and restrictions are imposed on bank holding companies and their depository institution subsidiaries by Federal law and regulatory policy that are designed to reduce potential loss exposure to the depositors of such depository institutions and to the FDIC insurance funds in the event the depository institution is in danger of becoming insolvent or is insolvent. For example, under the policy of the Federal Reserve Board and the Dodd-Frank Act, a bank holding company is required to serve as a source of financial strength to its subsidiary depository institutions and to commit resources to support such institutions in circumstances where it might not do so absent such policy. In addition, the "cross-guarantee" provisions of the Federal Deposit Insurance Act, as amended (FDIA), require insured depository institutions under common control to reimburse the FDIC for any loss suffered or reasonably anticipated by the Deposit Insurance Fund of the FDIC as a result of the default of a commonly controlled insured depository institution or for any assistance provided by the FDIC to a commonly controlled insured depository institution in danger of default. The FDIC may decline to enforce the cross-guarantee provisions if it determines that a waiver is in the best interest of the Deposit Insurance Fund. The FDIC's claim for damages is superior to claims of shareholders of the insured depository institution or its holding company but is subordinate to claims of depositors, secured creditors and holders of subordinated debt (other than affiliates) of the commonly controlled insured depository institutions.

Table of Contents

The FDIA also provides that amounts received from the liquidation or other resolution of any insured depository institution by any receiver must be distributed (after payment of secured claims) to pay the deposit liabilities of the institution prior to payment of any other general or unsecured senior liability, subordinated liability, general creditor or shareholder. This provision gives depositors a preference over general and subordinated creditors and shareholders in the event a receiver is appointed to distribute the assets of any of Peoples' subsidiary banks.

Any capital loans by a bank holding company to any of its subsidiary banks are subordinate in right of payment to deposits and to certain other indebtedness of such subsidiary bank. In the event of a bank holding company's bankruptcy, any commitment by the bank holding company to a federal bank regulatory agency to maintain the capital of a subsidiary bank will be assumed by the bankruptcy trustee and entitled to a priority of payment.

Under the National Bank Act, if the capital stock of a national bank is impaired by losses or otherwise, the OCC is authorized to require payment of the deficiency by assessment upon the bank's shareholders, pro rata, and to the extent necessary, if any such assessment is not paid by any shareholder after three months notice, to sell the stock of such shareholder to make good the deficiency.

Certain Transactions by Peoples with its Affiliates

Federal law regulates transactions among Peoples and its affiliates, including the amount of Peoples' subsidiary banks' loans to or investments in nonbank affiliates and the amount of advances to third parties collateralized by securities of an affiliate. Further, a bank holding company and its affiliates are prohibited from engaging in certain tie-in arrangements in connection with any extension of credit, lease or sale of property or furnishing of services.

Capital Adequacy Guidelines for Bank Holding Companies and National Banks

Both Peoples and its subsidiary banks are subject to regulatory capital requirements imposed by the Federal Reserve Board and the OCC (see " Capital Adequacy and Resources"). These requirements define what qualifies as capital and establish minimum capital standards in relation to assets and off-balance sheet exposures, as adjusted for credit risks. In addition, the OCC may establish individual minimum capital requirements for a national bank that are different from the general requirements. Failure to meet capital guidelines could subject Peoples' subsidiary banks to a variety of enforcement remedies, ranging, for example, from a prohibition on the taking of brokered deposits to the termination of deposit insurance by the FDIC and placing the banks in receivership.

The risk-based capital standards of both the Federal Reserve Board and the OCC explicitly identify concentrations of credit risk and the risk arising from non-traditional activities, as well as an institution's ability to manage these risks, as important factors to be taken into account by the agencies in assessing an institution's overall capital adequacy. The capital guidelines also provide that an institution's exposure to a decline in the economic value of its capital due to changes in interest rates should be considered by the agencies as a factor in evaluating a bank's capital adequacy. The Federal Reserve Board also has issued additional capital guidelines for bank holding companies that engage in certain trading activities.

Bank regulators have continued to indicate their desire to raise capital requirements beyond current levels. Under the Dodd-Frank Act, regulatory authorities are required to impose new capital requirements on bank holding companies, which may be higher than current levels. However, management of Peoples is unable to predict when any such higher capital requirements would be imposed, and if so, at what levels, and the total impact of such requirements on Peoples.

Table of Contents

Peoples and each of its subsidiary banks exceeded all applicable capital requirements at December 31, 2011. The OCC currently requires that all three of Peoples' bank subsidiaries maintain the following minimum capital ratios: Tier-1 capital of at least 8% of adjusted total assets, Tier-1 capital of at least 10% of risk-weighted assets, and total risk-based capital of at least 12% of risk-weighted assets.

Payment of Dividends

Peoples is a legal entity separate and distinct from Peoples' subsidiary banks. Most of the revenues of Peoples are expected to continue to result from dividends paid to Peoples by its subsidiary banks. There are statutory and regulatory requirements applicable to the payment of dividends by subsidiary banks as well as by Peoples to its shareholders. See " Payment of Dividends," above.

Regulation of Peoples' Subsidiary Banks

As national banks, Peoples' subsidiary banks are subject to supervision by the OCC and, to a limited extent, the FDIC, the Federal Reserve Board and the Bureau of Consumer Financial Protection. With respect to expansion, the banks may establish branch offices anywhere in the United States with the prior approval of the OCC. In addition, the banks are subject to various other state and federal laws and regulations, including state usury laws, laws relating to fiduciaries, consumer credit and laws relating to branch banking. Peoples' subsidiary banks' loan operations are subject to certain federal consumer credit laws and regulations promulgated thereunder, including, but not limited to; the federal Truth-In-Lending Act, governing disclosures of credit terms to consumer borrowers; the Home Mortgage Disclosure Act, requiring financial institutions to provide certain information concerning their mortgage lending; the Equal Credit Opportunity Act and the Fair Housing Act, prohibiting discrimination on the basis of certain prohibited factors in extending credit; and the Fair Debt Collection Act, governing the manner in which consumer debts may be collected by collection agencies. The deposit operations of the banks are subject to the Truth in Savings Act, requiring certain disclosures about rates paid on savings accounts; the Expedited Funds Availability Act, which deals with disclosure of the availability of funds deposited in accounts and the collection and return of checks by banks; the Right to Financial Privacy Act, which imposes a duty to maintain confidentiality of consumer financial records and the Electronic Funds Transfer Act and regulations promulgated thereunder, which govern automatic deposits to and withdrawals from deposit accounts and customers' rights and liabilities arising from the use of automated teller machines and other electronic banking services. Peoples' subsidiary banks are also subject to the Fair Credit Reporting Act, governing the use and provision of information to credit reporting agencies; the Bank Secrecy Act, dealing with, among other things, the reporting of certain currency transactions; and the USA Patriot Act, dealing with, among other things, requiring the establishment of anti-money laundering programs including standards for verifying customer information at account opening.

Peoples' subsidiary banks are also subject to the requirements of the Community Reinvestment Act (which we refer to as the CRA). The CRA imposes on financial institutions an affirmative and ongoing obligation to meet the credit needs of their local communities, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of those institutions. Each financial institution's actual performance in meeting community credit needs is evaluated as part of the examination process, and also is considered in evaluating mergers, acquisitions and applications to open a branch or facility.

Loans and extensions of credit by national banks are subject to legal lending limitations. Under federal law, a national bank may grant unsecured loans and extensions of credit in an amount up to 15% of its unimpaired capital, surplus and allowance for loan losses to any person or entity. In addition, a national bank may grant loans and extensions of credit to a single person up to 10% of its unimpaired capital, surplus and allowance for loan losses, provided that the transactions are fully

Table of Contents

secured by readily marketable collateral having a market value determined by reliable and continuously available price quotations. This 10% limitation is separate from, and in addition to, the 15% limitation for unsecured loans. Loans and extensions of credit may exceed the general lending limits if they qualify under one of several exceptions. Such exceptions include, among others, certain loans or extensions of credit arising from the discount of commercial or business paper, the purchase of banker's acceptances, loans secured by documents of title, loans secured by U. S. obligations and loans to or guaranteed by the federal government.

As national banks, Peoples' subsidiary banks are subject to examinations and reviews by the OCC. These examinations are typically completed on site, and the banks are subject to off-site review as well. Peoples' subsidiary banks also submit to the FDIC quarterly reports of condition, as well as such additional reports as the national banking laws may require.

FDIC Insurance Assessments

During the first quarter of 2009, the FDIC announced a special one-time emergency assessment. Peoples' bank subsidiaries paid $247,000 on September 30, 2009 for the one-time emergency assessment. On November 12, 2009, the FDIC Board of Directors adopted a final rule requiring insured depository institutions to prepay their quarterly risk-based deposit insurance assessment for all of 2010, 2011 and 2012. On December 31, 2009, Peoples' subsidiary banks paid $3,981,000 for these quarterly assessments, of which $3,517,000 was booked as a prepaid expense. The FDIC also voted to adopt a uniform three-basis point increase in assessment rates effective January 1, 2011.

In November 2010, the FDIC approved two proposals that amend the deposit insurance assessment regulations. The first proposal implements a provision in the Dodd-Frank Act that changes the assessment base from one based on domestic deposits (as it has been since 1935) to one based on assets. The assessment base changes from adjusted domestic deposits to average consolidated total assets minus average tangible equity. The second proposal changes the deposit insurance assessment system for large institutions in conjunction with the guidance given in the Dodd-Frank Act. Since the new base would be much larger than the current base, the FDIC will lower assessment rates, which achieves the FDIC's goal of not significantly altering the total amount of revenue collected from the industry. Risk categories and debt rating will be eliminated from the assessment calculation for large banks which will instead use scorecards. The scorecards will include financial measures that are predictive of long-term performance. A large financial institution will continue to be defined as an insured depository institution with at least $10 billion in assets. Both changes in the assessment system will be effective as of April 1, 2011, and assessments will be payable at the end of September. In December 2010, the FDIC voted to increase the required amount of reserves for the designated reserve ratio (DRR) to 2.0%. The ratio is higher than the 1.35% set by the Dodd-Frank Act in July 2010 and is an integral part of the FDIC's comprehensive, long-range management plan for the DIF. In February 2011, the FDIC approved the final rules that, as noted above, change the assessment base from domestic deposits to average assets minus average tangible equity, adopt a new score-card based assessment system for financial institutions with more than $10 billion in assets, and finalize the DRR target size at 2.0% of insured deposits.

On December 29, 2010 the Dodd-Frank Act was amended to include full FDIC insurance on Interest on Lawyers Trust Accounts (IOLTAs). IOLTAs will receive unlimited insurance coverage as non-interest bearing transaction accounts for two years ending December 31, 2012.

Other Safety and Soundness Regulations

Prompt Corrective Action. The federal banking agencies have broad powers under current federal law to take prompt corrective action to resolve problems of insured depository institutions. The extent

Table of Contents

of these powers depends upon whether the institutions in question are "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" or "critically undercapitalized."

A bank that is "undercapitalized" becomes subject to the prompt corrective action provisions of the FDIA: restricting payment of capital distributions and management fees; requiring the FDIC to monitor the condition of the bank; prohibiting the acceptance of employee benefit plan deposits; requiring submission by the bank of a capital restoration plan; restricting the growth of the bank's assets and requiring prior approval of certain expansion proposals. A bank that is "significantly undercapitalized" is additionally subject to restrictions on compensation paid to senior management of the bank. A bank that is "critically undercapitalized" is further subject to restrictions on the activities of the bank, restrictions on payments of subordinated debt of the bank, and is required to be placed in receivership within 90 days absent certain extensive circumstances. The purpose of these provisions is to require banks with less than adequate capital to act quickly to restore their capital and to have the FDIC move promptly to take over banks that are unwilling or unable to take such steps.

Under current FDIC regulations, "well capitalized" banks may accept brokered deposits without restriction, "adequately capitalized" banks may accept brokered deposits with a waiver from the FDIC (subject to certain restrictions on payment of rates), while "undercapitalized" banks may not accept brokered deposits. The regulations provide that the definitions of "well capitalized," "adequately capitalized" and "undercapitalized" are the same as the definitions adopted by the agencies to implement the prompt corrective action provisions described in the previous paragraph.

Pursuant to formal agreements with the OCC, neither Bank of Anderson, N.A. nor The Peoples National Bank may accept brokered deposits without the prior written advice of "no supervisory objection" from the Assistant Deputy Comptroller.

Interstate Banking

Under the Riegel-Neal Interstate Banking and Branching Efficiency Act of 1994, Peoples, and any other adequately capitalized bank holding company located in South Carolina can acquire a bank located in any other state, and a bank holding company located outside South Carolina can acquire any South Carolina-based bank, in either case subject to certain deposit percentages and other restrictions. The Dodd-Frank Act discussed below expanded the provisions of the Riegle-Neal Act relating to authority of banks to branch across state lines. Under the Dodd-Frank Act, the authority of a bank to establish and operate branches within a state continues to be subject to applicable state branching laws, but interstate branching is permitted to the same extent it would be permitted under state law if the branching bank's home office were located in the state in which the branch will be located.

The Riegel-Neal Act, together with legislation adopted in South Carolina, resulted in a number of South Carolina banks being acquired by large out-of-state bank holding companies. Size gives the larger banks certain advantages in competing for business from larger customers. These advantages include higher lending limits and the ability to offer services in other areas of South Carolina and the region. As a result, Peoples does not generally attempt to compete for the banking relationships of large corporations and businesses, but concentrates its efforts on small to medium-sized businesses and on individuals. Peoples believes it has competed effectively in this market segment by offering quality, personal service.

Gramm-Leach-Bliley Act

The Gramm-Leach-Bliley Act expanded the activities in which a bank holding company and a bank can engage through affiliations created under a holding company structure or through a financial subsidiary if certain conditions are met. Significantly, the permitted financial activities for financial holding companies include authority to engage in merchant banking and insurance activities, including insurance portfolio investing. The Act also established a minimum federal standard of privacy to

Table of Contents

protect the confidentiality of a consumer's personal financial information and gives the consumer the power to choose how personal financial information may be used by financial institutions. The regulations adopted pursuant to the Act govern the consumer's right to opt-out of further disclosure of nonpublic personal financial information and require Peoples' subsidiary banks to provide initial and annual privacy notices. The Act and regulations also required Peoples' subsidiary banks to develop and maintain comprehensive plans for the safeguarding of customer information, which encompasses all aspects of the banks' technological environment, business practices, and facilities.

As noted previously, although Peoples initially took advantage of the opportunity to become a financial holding company so that it would have power to offer expanded services, neither Peoples nor its subsidiary banks used the additional power, and in 2008 Peoples reverted its status back to that of a bank holding company. Although the Act has increased competition from larger financial institutions that are currently more capable than Peoples of taking advantage of the opportunity to provide a broader range of services, Peoples continues to believe that its commitment to providing high-quality, personalized service to customers will permit it to remain competitive in its market area.

Governmental Response to 2008 Financial Crisis

During the fourth quarter of 2008 and continuing throughout 2009 the FDIC, the Federal Reserve Board, the Department of the Treasury and Congress took a number of actions designed to alleviate or correct mounting problems in the financial services industry. A number of these initiatives were directly applicable to community banks.

Congress enacted the Emergency Economic Stabilization Act of 2008 which, among other things, temporarily increased the maximum amount of FDIC deposit insurance from $100,000 to $250,000 and created a Troubled Assets Relief Program (TARP) administered by Treasury. In October 2008, Treasury announced a Capital Purchase Program (CPP) under TARP to increase the capital of healthy banks. Under the CPP, Treasury purchased preferred stock with warrants from qualified banks and bank holding companies in an amount up to 3% of the seller's risk-weighted assets as of September 30, 2008. Peoples filed an application which received approval, and in 2009 Peoples sold preferred stock and warrants to the Treasury for $12,660,000.

The FDIC also implemented in October 2008 a Temporary Liquidity Guarantee Program consisting of a deposit insurance component pursuant to which it undertook to provide deposit insurance in an unlimited amount for non-interest bearing transaction accounts, and a debt guarantee component pursuant to which it undertook to fully guarantee senior, unsecured debt issued by banks or bank holding companies. Coverage of both components was automatic until December 5, 2008, at which time covered institutions could opt out of one or both of the components. Institutions not opting out would be charged fees for their participation in the components. Peoples' subsidiary banks did not opt out of either component.

An unfortunate consequence of the difficulties that have beset the banking industry since the latter part of 2008 has been a large increase in bank failures, which has led to substantial claims being made against the FDIC's Deposit Insurance Fund. In order to increase the amount in the DIF to reflect the increased risk of additional bank failures and insurance claims, the FDIC raised its assessments on banks for 2009, issued a special one-time assessment of 5 cents per $100 of assessable deposits paid in September, 2009 based on deposits at June 30, 2009, and adopted a final rule requiring insured depository institutions to prepay their quarterly risk-based deposit insurance assessments through 2012 on December 31, 2009. Peoples' subsidiary banks paid FDIC insurance in the amount of $4,814,000 in 2009 and expensed $1,297,000 in 2009. Peoples' subsidiary banks expensed $962,258 and $1,095,000 for FDIC insurance in 2011 and 2010, respectively. See also " FDIC Insurance Assessments."

Table of Contents

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

On July 21, 2010 the President signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (which we refer to as the Dodd-Frank Act), which significantly changes the regulation of financial institutions and the financial services industry. The Dodd-Frank Act will have extensive effects on all financial institutions, and includes provisions that will affect how community banks, thrifts, and small bank and thrift holding companies will be regulated in the future. Among other things, these provisions abolish the Office of Thrift Supervision and transfer its functions to the other federal banking agencies, relax rules regarding interstate branching, allow financial institutions to pay interest on business checking accounts, change the scope of federal deposit insurance coverage, and impose new capital requirements on bank and thrift holding companies. The Dodd-Frank Act also establishes the Bureau of Consumer Financial Protection as an independent entity within the Federal Reserve Board, which will be given the authority to promulgate consumer protection regulations applicable to all entities offering consumer financial services or products, including banks. Additionally, the Dodd-Frank Act includes a series of provisions covering mortgage loan origination standards affecting originator compensation, minimum repayment standards, and pre-payments.

The Dodd-Frank Act requires regulatory agencies to implement new regulations that will establish the parameters of the new regulatory framework and provide a clearer understanding of the legislation's effect on banks. We are in the process of evaluating this legislation and determining the impact it will have on Peoples' current and future operations. However, the manner and degree to which it affects Peoples' business will be significantly impacted by the implementing regulations that are ultimately adopted. Accordingly, at the present time we cannot fully assess the impact that the act will have on us, though we are confident it will increase Peoples' cost of doing business and the time spent by management on regulatory compliance matters.

Legislative Proposals

Proposed legislation that could significantly affect the business of banking is introduced in Congress and the General Assembly of South Carolina from time to time. For example, numerous bills are pending in Congress and the South Carolina Legislature to provide various forms of relief to homeowners from foreclosure of mortgages as a result of publicity surrounding economic problems resulting from subprime mortgage lending and the economic adjustments in national real estate markets. Broader problems in the financial sector of the economy, which became apparent in 2008, have led to numerous calls for, and legislative and regulatory proposals for, restructuring of the regulation of financial institutions. Management of Peoples cannot predict the future course of such legislative proposals or their impact on Peoples and its subsidiary banks should they be adopted.

Employees

Peoples and its subsidiary banks employed 105 full-time and 17 part-time persons as of December 31, 2011.

Description of Property

Peoples' corporate office is located at 1818 East Main Street in Easley, South Carolina. The property consists of a three-story brick building containing approximately 10,670 square feet on 0.665 acres of land owned by The Peoples National Bank. This building houses some of Peoples' support functions, including administration, accounting, financial reporting, human resources, marketing, risk management, internal audit, compliance, facilities management, security, and purchasing. Peoples also utilizes an adjacent office building located at 1814 East Main Street in Easley, South Carolina. The property consists of a two-story brick building containing approximately 6,624 square feet on 0.566 acres of land owned by The Peoples National Bank. This building houses some of Peoples' support

Table of Contents

functions including operations, data processing, and information technology. The Peoples National Bank also owns an adjacent office building located at 1824 East Main Street in Easley, South Carolina. The property consists of approximately 6,600 square feet of office space located in a one-story brick building containing approximately 9,000 square feet on 0.704 acres of land. The Peoples National Bank is using portions of this facility as office space and file storage, and a portion is currently being leased to a tenant.

The main office of The Peoples National Bank is located at 1800 East Main Street in Easley, South Carolina, adjacent to Peoples' corporate office. The property consists of a two-story brick building of approximately 10,412 square feet, which is constructed on 1.75 acres of land owned by The Peoples National Bank. Improvements include a three-lane drive-through teller installation, vault, night depository, safe-deposit facilities, and a drive-through automated teller machine.

The Peoples National Bank owns and operates four branch facilities: one in Powdersville, South Carolina located at 4 Hood Road approximately seven miles east of the bank's main office containing approximately 3,158 square feet in a one-story brick building situated on 0.812 acres of land; a second branch office in Pickens, South Carolina located at 424 Hampton Avenue approximately ten miles west of the bank's main office containing approximately 6,688 square feet in a two-story building on 0.925 acres of land; a third branch office in Easley located at 1053 Pendleton Street approximately 2 miles west of the bank's main office containing approximately 3,523 square feet in a one and one-half story building situated on l.077 acres of land; and a fourth branch office in Greenville, South Carolina located at 45 East Antrim Drive approximately thirteen miles east of the bank's main office containing approximately 7,000 square feet in a two-story brick building situated on 1.321 acres of land. All branch facilities have improvements including drive-through teller installations, drive-through automated teller machines, vault, night depository, and safe deposit facilities. The Peoples National Bank closed a branch office in Greenville, South Carolina located at 300 Mills Avenue on November 11, 2010.

The main office of Bank of Anderson, National Association is located at 201 East Greenville Street in Anderson, South Carolina. The property consists of a two-story brick building with approximately 11,696 square feet, which is constructed on 1.935 acres of land owned by Bank of Anderson. Improvements include a three-lane drive-through teller installation, vault, night depository, safe-deposit facilities, and a drive-through automated teller machine.

Bank of Anderson owns and operates one branch facility in Anderson County, South Carolina located at 1434 Pearman Dairy Road approximately five miles northwest of the bank's main office containing approximately 3,036 square feet in a one-story brick building situated on 0.86 acres of land. The branch facility has improvements including a drive-through teller installation, drive-through automated teller machine, vault, night depository, and safe deposit box facilities.

Bank of Anderson owns a 0.99-acre lot, without improvements, on Highway 81 North in Anderson County, South Carolina for the purpose of building an additional branch facility in the future.

Seneca National Bank, located at 201 By-Pass 123, Seneca, South Carolina, operates out of a two-story brick building containing approximately 6,688 square feet situated on 1.097 acres of land in Seneca, South Carolina, which is owned by Seneca National Bank.

All locations of Peoples and its subsidiary banks are considered suitable and adequate for their intended purposes. Management believes that insurance coverage on the foregoing properties is adequate.

Legal Proceedings

Peoples is subject to various legal proceedings and claims that arise in the ordinary course of its business. In the opinion of Peoples' management based on consultation with external legal counsel, the outcome of any currently pending litigation is not expected to materially affect Peoples' consolidated financial position or results of operations. See also "The Merger Litigation Relating to the Merger."

Table of Contents

THE MERGER

The following discussion contains certain information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement attached as Annex A to this proxy statement/prospectus. We urge you to read carefully this entire proxy statement/prospectus, including the merger agreement attached as Annex A, for a more complete understanding of the merger.

Terms of the Merger

Each of SCBT's and Peoples' respective boards of directors have approved the merger agreement. The merger agreement provides for the merger of Peoples with and into SCBT, with SCBT continuing as the surviving entity. In the merger, each share of Peoples common stock, par value $1.11 per share, issued and outstanding immediately prior to the completion of the merger, except for specified shares of Peoples common stock held by Peoples or SCBT, will be converted into the right to receive 0.1413 of a share of SCBT common stock. Immediately following the merger, The Peoples National Bank, Bank of Anderson, N.A. and Seneca National Bank, each a wholly-owned bank subsidiary of Peoples, will merge with SCBT, N.A., a wholly-owned bank subsidiary of SCBT, with SCBT, N.A. continuing as the surviving bank. No fractional shares of SCBT common stock will be issued in connection with the merger, and holders of Peoples common stock will be entitled to receive cash in lieu thereof.

Peoples shareholders are being asked to approve the merger agreement. See "The Merger Agreement" for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to the completion of the merger and the provisions for terminating or amending the merger agreement.

Background of the Merger

Each of SCBT's and Peoples' boards of directors has from time to time engaged with its respective senior management in reviews and discussions of potential strategic alternatives, and has considered ways to enhance its performance and prospects in light of competitive and other relevant developments. Over the last few years, these reviews have focused on the volatile industry and economic conditions and have involved discussion of potential strategic initiatives intended to best position the respective companies to anticipate and respond to such conditions.

Various senior officers and directors of Peoples and SCBT have known each other over many years through their prior employment, trade group involvement, and civic activities. SCBT, N.A., has been a correspondent bank for Peoples' subsidiary banks since 2006. In early 2009, representatives of Peoples and SCBT discussed the possibility of a merger, but terminated their discussions when the turmoil in the financial markets became more pronounced. After the termination of those discussions in February 2009, Peoples and SCBT stayed in touch with each other about various business matters.

In late August and September, 2011, SCBT reinitiated contact with Peoples and communicated interest in a potential strategic business combination transaction, and representatives of SCBT and Peoples began to engage in high level preliminary due diligence.

Thereafter, in November 2011, representatives of SCBT contacted Peoples to discuss the possibility of SCBT making a presentation to the Peoples board of directors regarding the possibility of a strategic business combination transaction. SCBT and Peoples agreed to hold a meeting on December 7, 2011. Also during this period, the parties began conducting more comprehensive mutual due diligence.

On November 29, 2011, the Peoples board of directors met and received a presentation from Peoples' outside financial advisor, Scott & Stringfellow, LLC ("Scott & Stringfellow"), in which the condition of the southeastern United States merger market and the value that Peoples' shareholders might be able to achieve in a merger were reviewed. Scott & Stringfellow also reviewed with the board the challenges that Peoples could expect to face if it remained independent, including challenges related to increasing regulatory burdens and overhead expense, Peoples' ability to increase capital to

Table of Contents

support growth and redeem its preferred stock held by the United States Department of the Treasury before the dividend on such stock increased from five percent to nine percent and Peoples' ability to compete against larger, better capitalized institutions.

On December 6, 2011, SCBT's board of directors held a special meeting and discussed the status of the discussions with Peoples. In the course of that meeting, SCBT's board of directors received presentations from management. Following a full discussion among the SCBT directors, the board approved the transaction as described in that meeting and authorized and directed a special transaction committee of SCBT, consisting of the Chief Executive Officer, the Chairman of the Board and the Chairman of the Audit Committee of the Board, and SCBT management to continue negotiations with Peoples and its representatives towards reaching a definitive merger agreement regarding such a strategic business combination.

On December 7, 2011, the Peoples board of directors met and received a presentation from SCBT's Chief Executive Officer and Chief Operating Officer. The SCBT representatives outlined an indicative proposal regarding a merger of Peoples with and into SCBT in which each of the outstanding shares of Peoples common stock would be converted into 0.1325 shares of SCBT common stock having a value, based on the then recent trading prices of SCBT common stock, of approximately $3.75 per share of Peoples common stock. The presentation included a review of the recent history of SCBT highlighting recent organic growth and acquisitions, its growth strategy for the future and how Peoples and its employees would fit into that strategy. SCBT's Chief Executive Officer expressed his belief that SCBT had been able to display leadership in the midst of turbulent economic times, as evidenced by its ability both to raise capital and redeem SCBT's preferred stock held by the United States Department of the Treasury and by SCBT's relative historical common stock performance during this period, and to execute acquisitions by giving thoughtful consideration to, and exercising discipline with respect to, proposed transactions. He also discussed certain financial aspects of SCBT's performance, including its performance in relation to some comparable institutions. A representative of Scott & Stringfellow attended the presentation and met with the Peoples board of directors after the presentation had concluded and the SCBT officers had left. The Scott & Stringfellow representative advised the board that the presentation had been consistent with the information available to Scott & Stringfellow and that the consideration offered was within the range Scott & Stringfellow had expected. The board excused the Scott & Stringfellow representative and discussed the proposal. Peoples' Chairman of the Board of Directors was directed to advise SCBT that the board was favorably inclined to the proposal but believed that the consideration would need to be raised in order to move forward in discussions.

Following the meeting, Peoples' Chairman discussed SCBT's indicative proposal with SCBT's Chief Executive Officer. During the course of such discussions, Peoples' Chairman indicated that in order to proceed with discussions regarding a potential transaction, the Peoples board of directors would require an increase in the stock consideration over the level initially communicated by SCBT. On December 8, 2011, SCBT presented a revised proposal regarding a potential merger, including an increased indicative exchange ratio level of 0.1413 shares of SCBT common stock for each share of Peoples common stock, representing approximately $4.00 per share of Peoples common stock based on the then-recent trading price of SCBT common stock.

On December 8, 2011, representatives of Wachtell, Lipton, Rosen & Katz ("Wachtell Lipton"), special counsel to SCBT, provided Haynsworth Sinkler Boyd ("Haynsworth"), counsel to Peoples, with a draft merger agreement. Over the next several days, representatives of Wachtell Lipton and Haynsworth discussed the terms and conditions set forth in the draft merger agreement, including, among other things, the treatment of the Peoples equity awards and provisions related to the conditions to closing under and termination of the merger agreement. During this time, representatives of Peoples and representatives of SCBT engaged in a number of additional due diligence conversations.

On December 9, 2011, the Peoples board of directors met again with its outside financial advisor and its legal counsel to consider the SCBT proposal. Scott & Stringfellow made a presentation which

Table of Contents

summarized the financial matters associated with the proposed transaction and included comparisons to certain publicly traded companies similar to SCBT and Peoples, an analysis of recently completed mergers and acquisitions similar to the merger, an analysis of the estimated future earnings and terminal value of Peoples and other analyses relevant to the financial terms of the merger. The presentation also described a model used to estimate the impact of the proposed transaction on SCBT and on hypothetical alternative acquirors identified by Scott & Stringfellow. Scott & Stringfellow explained that their analysis showed that hypothetical alternative acquirors would, in their view, not be willing to engage in an equivalent or better transaction, or would be expected to offer lesser consideration than the value of the consideration in the proposed SCBT transaction. Scott & Stringfellow advised the Peoples board of directors that the transaction appeared, on a preliminary basis, to be fair to Peoples' shareholders from a financial standpoint. Haynsworth outlined for the board the terms of a draft definitive merger agreement that had been received from SCBT. During a break, Peoples' Chairman spoke with SCBT's Chief Executive Officer by phone in an attempt to increase the consideration to be received by the Peoples shareholders and to propose certain other modifications, including modifications relating to the termination fee, to the preliminary offer. SCBT's Chief Executive Officer indicated that SCBT was unwilling to make such changes at that time and that its continued interest in a transaction was contingent upon reaching a signed merger agreement on the existing terms of the proposal in the near term. The Chairman informed the Peoples board of directors of these matters and the board of directors voted to continue negotiation of the terms of the definitive merger agreement and authorized the board's Executive Committee to work with management and Peoples' counsel to negotiate the terms.

During the week of December 12, 2011, Peoples' management and legal counsel negotiated the final terms of the merger agreement with SCBT's management and legal counsel.

On December 14, 2011, Haynsworth reviewed with the Executive Committee of the Peoples' board of directors the terms of the most recent draft of the merger agreement and a copy of the most recent draft was distributed to all of the members of the Peoples board of directors on December 15, 2011.

On December 15, 2011, the Executive Committee of SCBT's board of directors held a regularly-scheduled meeting. At the meeting, senior management of SCBT and a representative from Wachtell Lipton discussed the status of the potential transaction with Peoples and reviewed a summary of the terms and conditions set forth in the draft merger agreement.

On Friday, December 16, 2011, the Peoples board of directors met and heard an updated presentation by Scott & Stringfellow which discussed the basis for Scott & Stringfellow's opinion that the proposed merger transaction was fair from a financial point of view to Peoples' shareholders. The Scott & Stringfellow presentation also contained an analysis of the hypothetical proposals other potential acquirors would be able, or would likely be willing, to make, and concluded that the SCBT proposal was superior to any proposal the other potential acquirors could be expected to make. Haynsworth reviewed the terms of the most recent draft of the merger agreement with the board of directors, as well as resolutions to approve and authorize the signing of the merger agreement and the submission of the merger agreement to Peoples' shareholders for approval with the board's recommendation that the shareholders vote for approval of the merger agreement. After discussion, Peoples' board of directors voted to adopt the resolutions and approve the signing of the merger agreement.

Thereafter, on Monday evening, December 19, 2011, the merger agreement was executed by officers of SCBT and Peoples, and, before market open on December 20, 2011, SCBT and Peoples issued a joint press release announcing the execution of the agreement and the terms of the proposed acquisition of Peoples by SCBT.

Table of Contents

Peoples' Reasons for the Merger; Recommendation of Peoples' Board of Directors

After careful consideration, at its meetings on November 29, 2011, December 7, 2011, December 9, 2011, December 14, 2011 (Executive Committee), and December 16, 2011, Peoples' board of directors determined that the plan of merger contained in the merger agreement is in the best interests of Peoples and its shareholders and that the consideration to be received in the merger is fair to the common shareholders of Peoples. Accordingly, Peoples' board of directors adopted and approved the merger agreement and unanimously recommends that Peoples shareholders vote "FOR" the approval of the merger agreement.

In reaching its decision to adopt and approve the merger agreement and recommend the merger to its shareholders, Peoples' board of directors consulted with Peoples' management, as well as its legal and financial advisors, and considered a number of positive factors, including the following material factors:

- Its knowledge of Peoples' business, operations, financial condition, earnings and prospects, and of SCBT's business, operations, financial condition, earnings and prospects, taking into account the presentations of SCBT officers, the results of Peoples' due diligence review of SCBT and information provided by Scott & Stringfellow.

- Its knowledge of the current environment in the financial services industry, including national, regional and local economic conditions, continued consolidation, increased regulatory burdens, evolving trends in technology and increasing nationwide and global competition, the current financial market conditions, and the likely effects of these factors on the companies' potential growth, development, productivity, profitability and strategic options, and the historical market prices of Peoples and SCBT common shares.

- The careful review undertaken by Peoples' board of directors and management, with the assistance of Peoples' financial advisors, with respect to the strategic challenges and alternatives available to Peoples, if it remained an independent community bank.

- The complementary aspects of the Peoples and SCBT businesses, including customer focus, geographic coverage, business orientation and compatibility of the companies' management and operating styles.

- Its understanding of SCBT's commitment to enhancing its strategic position in the State of South Carolina.

- The potential expense-saving and revenue-enhancing opportunities in connection with the merger, the related potential impact on the combined company's earnings and the fact that the nature of the merger consideration would allow former Peoples shareholders to participate as SCBT shareholders in the benefits of such savings opportunities and the future performance of the combined company generally.

- The terms of the merger agreement, and the presentation by Peoples' outside legal advisors regarding the merger and the merger agreement.

- The prospect of Peoples' shareholders becoming shareholders of a company with a long history of paying cash dividends.

- SCBT's successful track record and Peoples' board of directors' belief that the combined enterprise would benefit from application of SCBT's ability to take advantage of economies of scale and grow in the current economic environment, making SCBT an attractive partner for Peoples.

The oral opinion delivered to Peoples by Scott & Stringfellow on December 16, 2011, which was subsequently confirmed in a written opinion delivered to Peoples by Scott & Stringfellow, to the effect that, as of December 16, 2011, and based upon and subject to the assumptions,