UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended March 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 001-39325

ATLANTIC UNION BANKSHARES CORPORATION
(Exact name of registrant as specified in its charter)

Virginia	**54-1598552**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

4300 Cox Road
Glen Allen, Virginia 23060
(Address of principal executive offices) (Zip Code)

(804) 633-5031
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value $1.33 per share	**AUB**	**The New York Stock Exchange**
Depositary Shares, Each Representing a 1/400th Interest in a Share of 6.875% Perpetual Non-Cumulative Preferred Stock, Series A	**AUB.PRA**	**The New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐		
		Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The number of shares of common stock outstanding as of April 25, 2024 was 89,766,691.

ATLANTIC UNION BANKSHARES CORPORATION
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Glossary of Acronyms and Defined Terms

In this Quarterly Report on Form 10-Q, unless the context suggests otherwise, the terms "we", "us", and "our" refer to Atlantic Union Bankshares Corporation and its direct and indirect subsidiaries, including Atlantic Union Bank.

2023 Form 10-K	–	Annual Report on Form 10-K for the year ended December 31, 2023
ACL	–	Allowance for credit losses
AFS	–	Available for sale
ALCO	–	Asset liability management committee
ALLL	–	Allowance for loan and lease losses, a component of ACL
American National	–	American National Bankshares Inc.
AOCI	–	Accumulated other comprehensive income (loss)
ASC	–	Accounting Standards Codification
ASU	–	Accounting Standards Update
AUB	–	Atlantic Union Bankshares Corporation
the Bank	–	Atlantic Union Bank
BOLI	–	Bank-owned life insurance
bps	–	Basis points
BTFP	–	Bank Term Funding Program
CECL	–	Current expected credit losses
CFPB	–	Consumer Financial Protection Bureau
CME SOFR	–	Chicago Mercantile Exchange Secured Overnight Financing Rate
the Company	–	Atlantic Union Bankshares Corporation and its subsidiaries
depositary shares	–	Depositary shares, each representing a 1/400th ownership interest in a share of the Company's Series A preferred stock, with a liquidation preference of $10,000 per share of Series A preferred stock (equivalent to $25 per depositary share)
EPS	–	Earnings per common share
Exchange Act	–	Securities Exchange Act of 1934, as amended
FASB	–	Financial Accounting Standards Board
FDIC	–	Federal Deposit Insurance Corporation
Federal Reserve	–	Board of Governors of the Federal Reserve System
FHLB	–	Federal Home Loan Bank of Atlanta
FHLMC	–	Federal Home Loan Mortgage Corporation
FNB	–	FNB Corporation
FNMA	–	Federal National Mortgage Association
FOMC	–	Federal Open Market Committee
FRB	–	Federal Reserve Bank of Richmond
FR Y9-C	–	Consolidated financial statements for a U.S. bank holding company, a savings and loan holding company, a U.S. intermediate holding company, and a securities holding company
FTE	–	Fully taxable equivalent
GAAP	–	Accounting principles generally accepted in the United States
GNMA	–	Government National Mortgage Association
HTM	–	Held to maturity
LHFI	–	Loans held for investment
LHFS	–	Loans held for sale
MBS	–	Mortgage-Backed Securities
merger agreement	–	Agreement and Plan of Merger dated July 24, 2023 by and between Atlantic Union Bankshares Corporation and American National Bankshares Inc.
merger	–	Proposed merger of American National Bankshares Inc. with and into Atlantic Union Bankshares Corporation pursuant to the merger agreement
MFC	–	Middleburg Financial Corporation
NPA	–	Nonperforming assets

NYSE	–	New York Stock Exchange
OCI	–	Other comprehensive (loss) income
ROU asset	–	Right of Use Asset
RPAs	–	Risk Participation Agreements
SEC	–	Securities and Exchange Commission
Series A preferred stock	–	6.875% Perpetual Non-Cumulative Preferred Stock, Series A, par value $10.00 per share
SOFR	–	Secured Overnight Financing Rate
TLM	–	Troubled loan modification
VFG	–	Virginia Financial Group, Inc.

PART I – FINANCIAL INFORMATION

ITEM 1 – FINANCIAL STATEMENTS

ATLANTIC UNION BANKSHARES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2024 AND DECEMBER 31, 2023
(Dollars in thousands, except share data)

	March 31, 2024	December 31, 2023
ASSETS	*(unaudited)*	*(audited)*
Cash and cash equivalents:		
Cash and due from banks	$ **168,850**	$ 196,754
Interest-bearing deposits in other banks	**225,386**	167,601
Federal funds sold	**2,434**	13,776
Total cash and cash equivalents	**396,670**	378,131
Securities available for sale, at fair value	**2,202,216**	2,231,261
Securities held to maturity, at carrying value	**828,928**	837,378
Restricted stock, at cost	**110,272**	115,472
Loans held for sale	**12,200**	6,710
Loans held for investment, net of deferred fees and costs	**15,851,628**	15,635,043
Less: allowance for loan and lease losses	**136,190**	132,182
Total loans held for investment, net	**15,715,438**	15,502,861
Premises and equipment, net	**90,126**	90,959
Goodwill	**925,211**	925,211
Amortizable intangibles, net	**17,288**	19,183
Bank owned life insurance	**455,885**	452,565
Other assets	**623,886**	606,466
Total assets	$ **21,378,120**	$ 21,166,197
LIABILITIES		
Noninterest-bearing demand deposits	$ **3,845,191**	$ 3,963,181
Interest-bearing deposits	**13,433,244**	12,854,948
Total deposits	**17,278,435**	16,818,129
Securities sold under agreements to repurchase	**66,405**	110,833
Other short-term borrowings	**600,000**	810,000
Long-term borrowings	**391,319**	391,025
Other liabilities	**493,033**	479,883
Total liabilities	**18,829,192**	18,609,870
Commitments and contingencies (Note 7)		
STOCKHOLDERS' EQUITY		
Preferred stock, $10.00 par value	**173**	173
Common stock, $1.33 par value	**99,399**	99,147
Additional paid-in capital	**1,782,809**	1,782,286
Retained earnings	**1,040,845**	1,018,070
Accumulated other comprehensive loss	**(374,298)**	(343,349)
Total stockholders' equity	**2,548,928**	2,556,327
Total liabilities and stockholders' equity	$ **21,378,120**	$ 21,166,197
Common shares outstanding	**75,381,740**	75,023,327
Common shares authorized	**200,000,000**	200,000,000
Preferred shares outstanding	**17,250**	17,250
Preferred shares authorized	**500,000**	500,000

See accompanying notes to consolidated financial statements.

ATLANTIC UNION BANKSHARES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Dollars in thousands, except share and per share data)

	Three Months Ended	
	March 31, 2024	March 31, 2023
Interest and dividend income:		
Interest and fees on loans	$ 234,600	$ 189,992
Interest on deposits in other banks	1,280	1,493
Interest and dividends on securities:		
Taxable	18,879	16,753
Nontaxable	8,156	9,308
Total interest and dividend income	262,915	217,546
Interest expense:		
Interest on deposits	101,864	51,834
Interest on short-term borrowings	8,161	7,563
Interest on long-term borrowings	5,065	4,706
Total interest expense	115,090	64,103
Net interest income	147,825	153,443
Provision for credit losses	8,239	11,850
Net interest income after provision for credit losses	139,586	141,593
Noninterest income:		
Service charges on deposit accounts	8,569	7,902
Other service charges, commissions and fees	1,731	1,746
Interchange fees	2,294	2,325
Fiduciary and asset management fees	4,838	4,262
Mortgage banking income	867	854
Gain (loss) on sale of securities	3	(13,400)
Bank owned life insurance income	3,245	2,828
Loan-related interest rate swap fees	1,216	1,439
Other operating income	2,789	1,672
Total noninterest income	25,552	9,628
Noninterest expenses:		
Salaries and benefits	61,882	60,529
Occupancy expenses	6,625	6,356
Furniture and equipment expenses	3,309	3,752
Technology and data processing	8,127	8,142
Professional services	3,081	3,413
Marketing and advertising expense	2,318	2,351
FDIC assessment premiums and other insurance	5,143	3,899
Franchise and other taxes	4,501	4,498
Loan-related expenses	1,323	1,552
Amortization of intangible assets	1,895	2,279
Other expenses	7,069	11,503
Total noninterest expenses	105,273	108,274
Income before income taxes	59,865	42,947
Income tax expense	10,096	7,294
Net Income	$ 49,769	$ 35,653
Dividends on preferred stock	2,967	2,967
Net income available to common shareholders	46,802	32,686
Basic earnings per common share	$ 0.62	$ 0.44
Diluted earnings per common share	$ 0.62	$ 0.44
Dividends declared per common share	$ 0.32	$ 0.30
Basic weighted average number of common shares outstanding	75,197,113	74,832,141
Diluted weighted average number of common shares outstanding	75,197,376	74,835,514

See accompanying notes to consolidated financial statements.

ATLANTIC UNION BANKSHARES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (UNAUDITED)
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Dollars in thousands)

	Three Months Ended March 31,	
	2024	**2023**
Net income	**$ 49,769**	$ 35,653
Other comprehensive (loss) income:		
Cash flow hedges:		
Change in fair value of cash flow hedges (net of tax, $2,726 and $3,645 for the three months ended March 31, 2024 and 2023, respectively)	**(10,253)**	13,714
AFS securities:		
Unrealized holding (losses) gains arising during period (net of tax, $5,450 and $8,525 for the three months ended March 31, 2024 and 2023, respectively)	**(20,501)**	32,068
Reclassification adjustment for (gains) losses included in net income (net of tax, $1 and $2,814 for the three months ended March 31, 2024 and 2023, respectively) (1)	**(2)**	10,586
HTM securities:		
Reclassification adjustment for accretion of unrealized gain on AFS securities transferred to HTM (net of tax) (2)	**(2)**	(3)
Bank owned life insurance:		
Unrealized holding (losses) gains arising during the period (net of tax)	**(16)**	10
Reclassification adjustment for gains included in net income (3)	**(175)**	(22)
Other comprehensive (loss) income:	**(30,949)**	56,353
Comprehensive income	**$ 18,820**	$ 92,006

(1) *The gross amounts reclassified into earnings are reported as "Other operating income" on the Company's Consolidated Statements of Income with the corresponding income tax effect being reflected as a component of income tax expense.*

(2) *The gross amounts reclassified into earnings are reported within interest income on the Company's Consolidated Statements of Income with the corresponding income tax effect being reflected as a component of income tax expense.*

(3) *Reclassifications in earnings are reported in "Salaries and benefits" expense on the Company's Consolidated Statements of Income.*

See accompanying notes to consolidated financial statements.

ATLANTIC UNION BANKSHARES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Dollars in thousands, except share and per share amounts)

	Common Stock	Preferred Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance - December 31, 2023	**$ 99,147**	**$ 173**	**$ 1,782,286**	**$ 1,018,070**	**$ (343,349)**	**$ 2,556,327**
Net Income				**49,769**		**49,769**
Other comprehensive income (net of taxes of $8,182)					**(30,949)**	**(30,949)**
Dividends on common stock ($0.32 per share)				**(24,027)**		**(24,027)**
Dividends on preferred stock ($171.88 per share)				**(2,967)**		**(2,967)**
Issuance of common stock under Equity Compensation Plans, stock issuance for services rendered, and vesting of restricted stock, net of shares held for taxes (189,503 shares)	**252**		**(2,458)**			**(2,206)**
Stock-based compensation expense			**2,981**			**2,981**
Balance - March 31, 2024	**$ 99,399**	**$ 173**	**$ 1,782,809**	**$ 1,040,845**	**$ (374,298)**	**$ 2,548,928**

	Common Stock	Preferred Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance - December 31, 2022	$ 98,873	$ 173	$ 1,772,440	$ 919,537	$ (418,286)	$ 2,372,737
Net Income				35,653		35,653
Other comprehensive income (net of taxes of $14,983)					56,353	56,353
Dividends on common stock ($0.30 per share)				(22,417)		(22,417)
Dividends on preferred stock ($171.88 per share)				(2,967)		(2,967)
Issuance of common stock under Equity Compensation Plans, stock issuance for services rendered, and vesting of restricted stock, net of shares held for taxes (149,684 shares)	199		(1,654)			(1,455)
Stock-based compensation expense			2,332			2,332
Balance - March 31, 2023	$ 99,072	$ 173	$ 1,773,118	$ 929,806	$ (361,933)	$ 2,440,236

See accompanying notes to consolidated financial statements.

ATLANTIC UNION BANKSHARES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Dollars in thousands)

	2024	2023
Operating activities:		
Net income	$ **49,769**	$ 35,653
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	**8,239**	11,850
Depreciation of premises and equipment	**2,961**	3,427
Amortization, net	**6,542**	6,417
Amortization related to acquisitions, net	**2,869**	1,288
(Gains) losses on securities sales, net	**(3)**	13,400
BOLI income	**(3,245)**	(2,828)
Writedown of ROU assets, foreclosed properties, and equipment	**—**	112
Loans held for sale:		
Originations and purchases	**(41,244)**	(286,526)
Proceeds from sales	**35,770**	283,316
Changes in operating assets and liabilities:		
Net (increase) decrease in other assets	**(11,368)**	18,840
Net increase (decrease) in other liabilities	**6,721**	(22,441)
Net cash provided by operating activities	**57,011**	62,508
Investing activities:		
Securities available for sale and restricted stock:		
Purchases	**(115,674)**	(45,633)
Proceeds from sales	**61,943**	558,466
Proceeds from maturities, calls, and paydowns	**60,985**	47,338
Securities held to maturity:		
Purchases	**—**	(13,826)
Proceeds from maturities, calls, and paydowns	**7,374**	5,218
Net change in other investments	**(6,724)**	(2,941)
Net increase in LHFI	**(220,677)**	(145,260)
Net purchases of premises and equipment	**(2,124)**	(1,624)
Proceeds from BOLI settlements	**—**	353
Proceeds from sales of foreclosed properties and former bank premises	**—**	533
Net cash (used in) provided by investing activities	**(214,897)**	402,624
Financing activities:		
Net increase (decrease) in:		
Non-interest-bearing deposits	**(117,990)**	(305,230)
Interest-bearing deposits	**578,294**	829,449
Short-term borrowings	**(254,428)**	(910,077)
Common stock:		
Issuance	**227**	474
Dividends paid	**(26,994)**	(25,384)
Vesting of restricted stock, net of shares held for taxes	**(2,684)**	(2,116)
Net cash provided by (used in) financing activities	**176,425**	(412,884)
Increase in cash and cash equivalents	**18,539**	52,248
Cash, cash equivalents and restricted cash at beginning of the period	**378,131**	319,948
Cash, cash equivalents and restricted cash at end of the period	**$ 396,670**	$ 372,196

ATLANTIC UNION BANKSHARES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Dollars in thousands)

	2024	2023
Supplemental Disclosure of Cash Flow Information		
Cash payments for:		
Interest	**$ 109,148**	$ 58,678
Supplemental schedule of noncash investing and financing activities		
Transfer from LHFI to LHFS	**—**	7,087

See accompanying notes to consolidated financial statements.

ATLANTIC UNION BANKSHARES CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company
Headquartered in Richmond, Virginia, Atlantic Union Bankshares Corporation (NYSE: AUB) is the holding company for Atlantic Union Bank, which provides banking and related financial products and services to consumers and businesses.

Basis of Financial Information
The accounting policies and practices of Atlantic Union Bankshares Corporation and subsidiaries conform to GAAP and follow general practices within the banking industry. The consolidated financial statements include the accounts of the Company, which is a financial holding company and a bank holding company that owns all of the outstanding common stock of its banking subsidiary, Atlantic Union Bank, which owns Union Insurance Group, LLC, Atlantic Union Financial Consultants, LLC, and Atlantic Union Equipment Finance, Inc.

The unaudited consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. The preparation of the unaudited consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the ACL and the fair value of financial instruments. The results of operations for the interim periods are not necessarily indicative of the results that may be expected for the full year or any other period.

The unaudited consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto included in the Company's 2023 Form 10-K. Certain prior period amounts have been reclassified to conform to current period presentation. None of these reclassifications had a material effect on the Company's financial statements. See Note 1 "Summary of Significant Accounting Policies" in the "Notes to the Consolidated Financial Statements" contained in Item 8 "Financial Statements and Supplementary Data" in the Company's 2023 Form 10-K for additional information on the Company's accounting policies. There have not been any significant changes to the Company's accounting policies from those disclosed in the Company's 2023 Form 10-K that could have a material effect on the Company's financial statements.

2. SECURITIES AND OTHER INVESTMENTS

Available for Sale

The amortized cost, gross unrealized gains and losses, and estimated fair values of AFS securities for the periods ended are as follows (dollars in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
March 31, 2024				
U.S. government and agency securities	**$ 62,561**	**$ 208**	**$ (33)**	**$ 62,736**
Obligations of states and political subdivisions	**585,749**	**14**	**(123,913)**	**461,850**
Corporate and other bonds [1]	**267,621**	**83**	**(17,440)**	**250,264**
Commercial MBS				
Agency	**231,296**	**160**	**(42,609)**	**188,847**
Non-agency	**58,243**	**—**	**(1,756)**	**56,487**
Total commercial MBS	**289,539**	**160**	**(44,365)**	**245,334**
Residential MBS				
Agency	**1,322,392**	**350**	**(220,742)**	**1,102,000**
Non-agency	**83,437**	**213**	**(5,397)**	**78,253**
Total residential MBS	**1,405,829**	**563**	**(226,139)**	**1,180,253**
Other securities	**1,779**	**—**	**—**	**1,779**
Total AFS securities	**$ 2,613,078**	**$ 1,028**	**$ (411,890)**	**$ 2,202,216**

[1] *Other bonds include asset-backed securities.*

The amortized cost, gross unrealized gains and losses, and estimated fair values of AFS securities for the periods ended are as follows (dollars in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
December 31, 2023				
U.S. government and agency securities	$ 62,367	$ 1,023	$ (34)	$ 63,356
Obligations of states and political subdivisions	586,865	33	(111,451)	475,447
Corporate and other bonds [1]	261,656	7	(19,774)	241,889
Commercial MBS				
Agency	233,775	274	(41,181)	192,868
Non-agency	66,743	—	(1,965)	64,778
Total commercial MBS	300,518	274	(43,146)	257,646
Residential MBS				
Agency	1,312,538	114	(205,635)	1,107,017
Non-agency	89,840	141	(5,827)	84,154
Total residential MBS	1,402,378	255	(211,462)	1,191,171
Other securities	1,752	—	—	1,752
Total AFS securities	$ 2,615,536	$ 1,592	$ (385,867)	$ 2,231,261

[1] *Other bonds include asset-backed securities.*

The following table shows the gross unrealized losses and fair value of the Company's AFS securities with unrealized losses, which are aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position for the following periods ended (dollars in thousands).

	Less than 12 months		More than 12 months		Total	
	Fair Value	Unrealized Losses	Fair Value[2]	Unrealized Losses	Fair Value	Unrealized Losses
March 31, 2024						
U.S. government and agency securities	**$ —**	**$ —**	**$ 1,808**	**$ (33)**	**$ 1,808**	**$ (33)**
Obligations of states and political subdivisions	**14,061**	**(2,301)**	**443,557**	**(121,612)**	**457,618**	**(123,913)**
Corporate and other bonds[1]	**78,546**	**(348)**	**144,239**	**(17,092)**	**222,785**	**(17,440)**
Commercial MBS						
Agency	**35,287**	**(548)**	**140,475**	**(42,061)**	**175,762**	**(42,609)**
Non-agency	**14,536**	**(257)**	**41,951**	**(1,499)**	**56,487**	**(1,756)**
Total commercial MBS	**49,823**	**(805)**	**182,426**	**(43,560)**	**232,249**	**(44,365)**
Residential MBS						
Agency	**43,155**	**(273)**	**974,263**	**(220,469)**	**1,017,418**	**(220,742)**
Non-agency	**16,963**	**(48)**	**35,832**	**(5,349)**	**52,795**	**(5,397)**
Total residential MBS	**60,118**	**(321)**	**1,010,095**	**(225,818)**	**1,070,213**	**(226,139)**
Total AFS securities	**$ 202,548**	**$ (3,775)**	**$ 1,782,125**	**$ (408,115)**	**$ 1,984,673**	**$ (411,890)**
December 31, 2023						
U.S. government and agency securities	$ —	$ —	$ 1,980	$ (34)	$ 1,980	$ (34)
Obligations of states and political subdivisions	11,758	(2,090)	455,931	(109,361)	467,689	(111,451)
Corporate and other bonds[1]	89,450	(531)	144,155	(19,243)	233,605	(19,774)
Commercial MBS						
Agency	35,665	(547)	143,657	(40,634)	179,322	(41,181)
Non-agency	—	—	64,778	(1,965)	64,778	(1,965)
Total commercial MBS	35,665	(547)	208,435	(42,599)	244,100	(43,146)
Residential MBS						
Agency	59,707	(491)	1,011,809	(205,144)	1,071,516	(205,635)
Non-agency	9,022	(41)	40,085	(5,786)	49,107	(5,827)
Total residential MBS	68,729	(532)	1,051,894	(210,930)	1,120,623	(211,462)
Total AFS securities	$ 205,602	$ (3,700)	$ 1,862,395	$ (382,167)	$ 2,067,997	$ (385,867)

[1] *Other bonds include asset-backed securities.*
[2] *Comprised of 759 and 757 individual securities as of March 31, 2024 and December 31, 2023, respectively.*

The Company has evaluated AFS securities in an unrealized loss position for credit related impairment at March 31, 2024 and December 31, 2023 and concluded no impairment existed based on several factors which included: (1) the majority of these securities are of high credit quality, (2) unrealized losses are primarily the result of market volatility and increases in market interest rates, (3) the contractual terms of the investments do not permit the issuer(s) to settle the securities at a price less than the cost basis of each investment, (4) issuers continue to make timely principal and interest payments, and (5) the Company does not intend to sell any of the investments and the accounting standard of "more likely than not" has not been met for the Company to be required to sell any of the investments before recovery of its amortized cost basis.

Additionally, the majority of the Company's MBS are issued by FNMA, FHLMC, and GNMA and do not have credit risk given the implicit and explicit government guarantees associated with these agencies. In addition, the non-agency mortgage-backed and asset-backed securities generally received a 20% simplified supervisory formula approach rating. The Company's AFS investment portfolio is generally highly-rated or agency backed. At March 31, 2024 and December 31, 2023, all AFS securities were current with no securities past due or on non-accrual and no ACL was held against the Company's AFS securities portfolio.

The following table presents the amortized cost and estimated fair value of AFS securities as of the periods ended, by contractual maturity (dollars in thousands). Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	March 31, 2024		December 31, 2023	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due in one year or less	**$ 35,082**	**$ 34,745**	$ 52,427	$ 51,936
Due after one year through five years	**168,601**	**167,029**	150,271	149,545
Due after five years through ten years	**253,073**	**234,773**	282,309	261,720
Due after ten years	**2,156,321**	**1,765,668**	2,130,529	1,768,060
Total AFS securities	**$ 2,613,078**	**$ 2,202,216**	$ 2,615,536	$ 2,231,261

Refer to Note 7 “Commitments and Contingencies” within this Item 1 of this Quarterly Report for information regarding the estimated fair value of AFS securities that were pledged to secure public deposits, repurchase agreements, and for other purposes as permitted or required by law as of March 31, 2024 and December 31, 2023 .

Accrued interest receivable on AFS securities totaled $9.1 million and $9.5 million at March 31, 2024 and December 31, 2023, respectively, and is included in “Other assets” on the Company’s Consolidated Balance Sheets. For the three months ended March 31, 2024 and 2023, accrued interest receivable write-offs were not material to the Company’s consolidated financial statements.

Held to Maturity

The Company reports HTM securities on the Company’s Consolidated Balance Sheets at carrying value. Carrying value is amortized cost, which includes any unamortized unrealized gains and losses recognized in AOCI prior to reclassifying the securities from AFS securities to HTM securities. The carrying value, gross unrealized gains and losses, and estimated fair values of HTM securities for the periods ended are as follows (dollars in thousands):

	Carrying Value	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
March 31, 2024				
Obligations of states and political subdivisions	**$ 695,952**	**$ 2,851**	**$ (27,308)**	**$ 671,495**
Corporate and other bonds[(1)]	**4,230**	**—**	**(182)**	**4,048**
Commercial MBS				
Agency	**27,377**	**—**	**(5,819)**	**21,558**
Non-agency	**23,437**	**14**	**(493)**	**22,958**
Total commercial MBS	**50,814**	**14**	**(6,312)**	**44,516**
Residential MBS				
Agency	**39,928**	**—**	**(6,365)**	**33,563**
Non-agency	**38,004**	**121**	**(402)**	**37,723**
Total residential MBS	**77,932**	**121**	**(6,767)**	**71,286**
Total HTM securities	**$ 828,928**	**$ 2,986**	**$ (40,569)**	**$ 791,345**

(1) *Other bonds include asset-backed securities.*

The carrying value, gross unrealized gains and losses, and estimated fair values of HTM securities for the periods ended are as follows (dollars in thousands):

	Carrying Value	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
December 31, 2023				
Obligations of states and political subdivisions	699,189	6,175	(23,464)	681,900
Corporate and other bonds[1]	4,349	—	(100)	4,249
Commercial MBS				
Agency	27,477	—	(5,570)	21,907
Non-agency	24,503	37	(449)	24,091
Total commercial MBS	51,980	37	(6,019)	45,998
Residential MBS				
Agency	40,562	—	(5,713)	34,849
Non-agency	41,298	122	(342)	41,078
Total residential MBS	81,860	122	(6,055)	75,927
Total HTM securities	$ 837,378	$ 6,334	$ (35,638)	$ 808,074

[1] *Other bonds include asset-backed securities*.

The following table presents the amortized cost of HTM securities as of the periods ended, by security type and credit rating (dollars in thousands):

	Obligations of states and political subdivisions	Corporate and other bonds	Mortgage-backed securities	Total HTM securities
March 31, 2024				
Credit Rating:				
AAA/AA/A	**$ 685,273**	**$ —**	**$ 9,186**	**$ 694,459**
BBB/BB/B	**1,160**	**—**	**—**	**1,160**
Not Rated – Agency[1]	**—**	**—**	**67,305**	**67,305**
Not Rated – Non-Agency[2]	**9,519**	**4,230**	**52,255**	**66,004**
Total	**$ 695,952**	**$ 4,230**	**$ 128,746**	**$ 828,928**
December 31, 2023				
Credit Rating:				
AAA/AA/A	$ 688,499	$ —	$ 9,720	$ 698,219
BBB/BB/B	1,166	—	—	1,166
Not Rated – Agency[1]	—	—	68,039	68,039
Not Rated – Non-Agency[2]	9,524	4,349	56,081	69,954
Total	$ 699,189	$ 4,349	$ 133,840	$ 837,378

[1] *Generally considered not to have credit risk given the government guarantees associated with these agencies.*
[2] *Non-agency mortgage-backed and asset-backed securities have limited credit risk, supported by most receiving a 20% simplified supervisory formula approach rating.*

The following table presents the amortized cost and estimated fair value of HTM securities as of the periods ended, by contractual maturity (dollars in thousands). Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	March 31, 2024		December 31, 2023	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Due in one year or less	**$ 1,048**	**$ 1,042**	$ 3,065	$ 3,058
Due after one year through five years	**31,730**	**32,080**	34,093	34,613
Due after five years through ten years	**67,865**	**66,426**	45,919	45,263
Due after ten years	**728,285**	**691,797**	754,301	725,140
Total HTM securities	**$ 828,928**	**$ 791,345**	$ 837,378	$ 808,074

Refer to Note 7 Commitments and Contingencies within this Item 1 of this Quarterly Report for information regarding the estimated fair value of HTM securities that were pledged to secure public deposits as permitted or required by law as of March 31, 2024 and December 31, 2023.

Accrued interest receivable on HTM securities totaled $6.7 million and $8.4 million at March 31, 2024 and December 31, 2023, respectively, and is included in “Other assets” on the Company’s Consolidated Balance Sheets. For the three months ended March 31, 2024 and 2023, accrued interest receivable write-offs were not material to the Company’s consolidated financial statements.

The Company’s HTM investment portfolio primarily consists of highly-rated municipal securities. At March 31, 2024 and December 31, 2023, the Company’s HTM securities were all current, with no securities past due or on non-accrual. The Company’s HTM securities ACL was immaterial at March 31, 2024 and December 31, 2023.

Restricted Stock, at cost

The FHLB required the Bank to maintain stock in an amount equal to 4.25% of outstanding borrowings and a specific percentage of the member’s total assets at March 31, 2024 and December 31, 2023, respectively. The FRB requires the Company to maintain stock with a par value equal to 6% of its outstanding capital. At March 31, 2024 and December 31, 2023, restricted stock consists of FRB stock in the amount of $67.0 million, respectively, and FHLB stock in the amount of $43.2 million and $48.4 million, respectively.

Realized Gains and Losses

The following table presents the gross realized gains and losses on and the proceeds from the sale of securities during the three months ended March 31, (dollars in thousands):

	2024	2023
Realized gains (losses)(1):		
Gross realized gains	**$ 3**	$ 1,346
Gross realized losses	**—**	(14,746)
Net realized gains (losses)	**$ 3**	$ (13,400)
Proceeds from sales of securities	**$ 61,943**	$ 558,466

(1) *Includes gains (losses) on sales and calls of securities.*

3. LOANS AND ALLOWANCE FOR LOAN AND LEASE LOSSES

The following tables exclude LHFS. The Company's LHFI are stated at their face amount, net of deferred fees and costs, and consisted of the following as of the periods ended (dollars in thousands):

	March 31, 2024	December 31, 2023
Construction and Land Development	$ 1,246,251	$ 1,107,850
Commercial Real Estate – Owner Occupied	1,981,613	1,998,787
Commercial Real Estate – Non-Owner Occupied	4,225,018	4,172,401
Multifamily Real Estate	1,074,957	1,061,997
Commercial & Industrial	3,561,971	3,589,347
Residential 1-4 Family – Commercial	515,667	522,580
Residential 1-4 Family – Consumer	1,081,094	1,078,173
Residential 1-4 Family – Revolving	616,951	619,433
Auto	440,118	486,926
Consumer	113,414	120,641
Other Commercial	994,574	876,908
Total LHFI, net of deferred fees and costs[1]	15,851,628	15,635,043
Allowance for loan and lease losses	(136,190)	(132,182)
Total LHFI, net	$ 15,715,438	$ 15,502,861

[1] *Total loans included unamortized premiums and discounts, and unamortized deferred fees and costs totaling $92.5 million and $79.7 million as of March 31, 2024 and December 31, 2023, respectively.*

Accrued interest receivable on LHFI totaled $72.8 million and $72.5 million, respectively, at March 31, 2024 and December 31, 2023. Accrued interest receivable write-offs were not material to the Company's consolidated financial statements for the three months ended March 31, 2024 and 2023.

The following table shows the aging of the Company's LHFI portfolio by class at March 31, 2024 (dollars in thousands):

	Current	30-59 Days Past Due	60-89 Days Past Due	Greater than 90 Days and still Accruing	Nonaccrual	Total Loans
Construction and Land Development	$ 1,242,478	$ 2,163	$ 1,097	$ 171	$ 342	$ 1,246,251
Commercial Real Estate – Owner Occupied	1,971,428	3,663	—	3,634	2,888	1,981,613
Commercial Real Estate – Non-Owner Occupied	4,210,657	2,271	558	1,197	10,335	4,225,018
Multifamily Real Estate	1,074,813	—	—	144	—	1,074,957
Commercial & Industrial	3,547,743	5,540	348	1,860	6,480	3,561,971
Residential 1-4 Family – Commercial	511,342	1,407	98	1,030	1,790	515,667
Residential 1-4 Family – Consumer	1,062,189	6,070	204	1,641	10,990	1,081,094
Residential 1-4 Family – Revolving	609,076	1,920	1,477	1,343	3,135	616,951
Auto	435,883	3,192	330	284	429	440,118
Consumer	112,658	418	197	141	—	113,414
Other Commercial	986,285	8,187	102	—	—	994,574
Total LHFI, net of deferred fees and costs	$ 15,764,552	$ 34,831	$ 4,411	$ 11,445	$ 36,389	$ 15,851,628
% of total loans	99.45 %	0.22 %	0.03 %	0.07 %	0.23 %	100.00 %

The following table shows the aging of the Company’s LHFI portfolio by class at December 31, 2023 (dollars in thousands):

	Current	30-59 Days Past Due	60-89 Days Past Due	Greater than 90 Days and still Accruing	Nonaccrual	Total Loans
Construction and Land Development	$ 1,107,183	$ 270	$ 24	$ 25	$ 348	$ 1,107,850
Commercial Real Estate – Owner Occupied	1,991,632	1,575	—	2,579	3,001	1,998,787
Commercial Real Estate – Non-Owner Occupied	4,156,089	545	184	2,967	12,616	4,172,401
Multifamily Real Estate	1,061,851	—	146	—	—	1,061,997
Commercial & Industrial	3,579,657	4,303	49	782	4,556	3,589,347
Residential 1-4 Family – Commercial	518,150	567	676	1,383	1,804	522,580
Residential 1-4 Family – Consumer	1,053,255	7,546	1,804	4,470	11,098	1,078,173
Residential 1-4 Family – Revolving	611,584	2,238	1,429	1,095	3,087	619,433
Auto	480,557	4,737	872	410	350	486,926
Consumer	119,487	770	232	152	—	120,641
Other Commercial	870,339	6,569	—	—	—	876,908
Total LHFI, net of deferred fees and costs	$ 15,549,784	$ 29,120	$ 5,416	$ 13,863	$ 36,860	$ 15,635,043
% of total loans	99.45 %	0.19 %	0.03 %	0.09 %	0.24 %	100.00 %

The following table shows the Company’s amortized cost basis of loans on nonaccrual status with no related ALLL, as of the periods ended (dollars in thousands):

	March 31, 2024	December 31, 2023
Commercial Real Estate – Non-Owner Occupied	**$ 8,003**	$ 4,835
Commercial & Industrial	**2,098**	—
Total LHFI	**$ 10,101**	$ 4,835

There was no interest income recognized on nonaccrual loans during the three months ended March 31, 2024 and 2023. See Note 1 “Summary of Significant Accounting Policies” in the “Notes to the Consolidated Financial Statements” contained in Item 8 “Financial Statements and Supplementary Data” in the Company’s 2023 Form 10-K for additional information on the Company’s policies for nonaccrual loans.

Troubled Loan Modifications

See Note 1 “Summary of Significant Accounting Policies” in the “Notes to Consolidated Financial Statements” contained in Item 8 “Financial Statements and Supplementary Data” of the Company’s 2023 Form 10-K for loan modifications to borrowers experiencing financial difficulty and how the Company defines TLMs.

TLMs for the quarter ended March 31, 2024 were not significant at approximately $36,000. The following table presents the amortized cost basis of TLMs for the quarter ended March 31, 2023 (dollars in thousands):

March 31, 2023	Amortized Cost	% of Total Class of Financing Receivable
Term Extension		
Construction and Land Development	$ 1,344	0.11 %
Commercial Real Estate – Non-Owner Occupied	18,792	0.47 %
Residential 1-4 Family – Consumer	168	0.02 %
Total Term Extension	$ 20,304	
Combination - Term Extension and Interest Rate Reduction		
Residential 1-4 Family – Consumer	$ 237	0.02 %
Total Combination - Term Extension and Interest Rate Reduction	$ 237	
Total	$ 20,541	

The following table describes the financial effects of TLMs on a weighted average basis for TLMs within that loan type for the period ended:

Three Months Ended March 31, 2023

Loan Type	Financial Effect
Term Extension	
Construction and Land Development	Added a weighted-average 0.5 years to the life of loans.
Commercial Real Estate – Non-Owner Occupied	Added a weighted-average 0.5 years to the life of loans.
Residential 1-4 Family – Consumer	Added a weighted-average 18.2 years to the life of loans.

Loan Type	Financial Effect
Combination - Term Extension and Interest Rate Reduction	
Residential 1-4 Family – Consumer	Added a weighted-average 20.7 years to the life of loans and changed interest rate from variable to fixed rates, which reduced the weighted average contractual interest rate from 7.5% to7.4%.

There was no material allowance on TLMs for the three months ended March 31, 2024 and 2023.

As of March 31, 2024 and 2023, unfunded commitments on loans modified and designated as TLMs were $1.1 million and $4.4 million, respectively.

The Company considers a default of a TLM to occur when the borrower is 90 days past due following the modification or a foreclosure and repossession of the applicable collateral occurs. During the three months ended March 31, 2024, the Company had three TLM loans for $1.0 million that went into default that had been designated as TLMs in the twelve-month period prior to the time of default. During the three months ended March 31, 2023, the Company did not have any significant loans either individually or in the aggregate that went into default that had been modified and designated as TLMs

The Company monitors the performance of TLMs in order to determine the effectiveness of the modifications. As of March 31, 2024, $3.4 million in loans that have been modified and designated as TLMs were past due. As of March 31, 2023, no loans that have been modified and designated as TLMs were past due.

Allowance for Loan and Lease Losses

ALLL on the loan portfolio is a material estimate for the Company. The Company estimates its ALLL on its loan portfolio on a quarterly basis. The Company models the ALLL using two primary segments, Commercial and Consumer. Each loan segment is further disaggregated into classes based on similar risk characteristics. The Company has identified the following classes within each loan segment:

- *Commercial:* Construction and Land Development, Commercial Real Estate – Owner Occupied, Commercial Real Estate – Non-Owner Occupied, Multifamily Real Estate, Commercial & Industrial, Residential 1-4 Family – Commercial, and Other Commercial
- *Consumer:* Residential 1-4 Family – Consumer, Residential 1-4 Family – Revolving, Auto, and Consumer

The following tables show the ALLL activity by loan segment for the periods presented (dollars in thousands):

	Three Months Ended March 31, 2024		
	Commercial	**Consumer**	**Total**
Balance at beginning of period	**$ 105,896**	**$ 26,286**	**$ 132,182**
Loans charged-off	**(4,939)**	**(955)**	**(5,894)**
Recoveries credited to allowance	**533**	**444**	**977**
Provision charged to operations	**9,038**	**(113)**	**8,925**
Balance at end of period	**$ 110,528**	**$ 25,662**	**$ 136,190**

	Three Months Ended March 31, 2023		
	Commercial	**Consumer**	**Total**
Balance at beginning of period	$ 82,753	$ 28,015	$ 110,768
Loans charged-off	(5,007)	(719)	(5,726)
Recoveries credited to allowance	515	652	1,167
Provision charged to operations	9,825	478	10,303
Balance at end of period	$ 88,086	$ 28,426	$ 116,512

Credit Quality Indicators

Credit quality indicators are used to help estimate the collectability of each loan class within the Commercial and Consumer loan segments. For classes of loans within the Commercial segment, the primary credit quality indicator used for evaluating credit quality and estimating the ALLL is risk rating categories of Pass, Watch, Special Mention, Substandard, and Doubtful. For classes of loans within the Consumer segment, the primary credit quality indicator used for evaluating credit quality and estimating ALLL is delinquency bands of Current, 30-59, 60-89, 90+, and Nonaccrual. While other credit quality indicators are evaluated and analyzed as part of the Company's credit risk management activities, these indicators are primarily used in estimating the ALLL. The Company evaluates the credit risk of its loan portfolio on at least a quarterly basis.

The Company presents loan and lease portfolio segments and classes by credit quality indicator and vintage year. The Company defines the vintage date for the purpose of this disclosure as the date of the most recent credit decision. Renewals are categorized as new credit decisions and reflect the renewal date as the vintage date, except for renewals of loans modified for borrowers experiencing financial difficulty or TLMs, which are presented in the original vintage.

Refer to Note 1 "Summary of Significant Accounting Policies" in the "Notes to the Consolidated Financial Statements" contained in Item 8 "Financial Statements and Supplementary Data" in the Company's 2023 Form 10-K for additional information on the Company's policies and for further information on the Company's credit quality indicators.

Commercial Loans

The Company uses a risk rating system as the primary credit quality indicator for classes of loans within the Commercial segment.

See Note 3 "Loans and Allowance For Loan and Lease Losses" in the "Notes to Consolidated Financial Statements" contained in Item 8 "Financial Statements and Supplementary Data" of the Company's 2023 Form 10-K for information on the Company's risk rating system.

The table below details the amortized cost and gross write-offs of the classes of loans within the Commercial segment by risk level and year of origination for the period presented (dollars in thousands):

	March 31, 2024							
	Term Loans Amortized Cost Basis by Origination Year						Revolving Loans	Total
	2024	2023	2022	2021	2020	Prior		
Construction and Land Development								
Pass	$ 57,737	$ 363,088	$ 457,043	$ 160,837	$ 24,735	$ 41,955	$ 78,319	$ 1,183,714
Watch	—	1,764	3,912	19,419	152	1,065	—	26,312
Special Mention	—	65	1,898	4,375	1,332	3,247	—	10,917
Substandard	—	1,290	1,245	899	20,646	1,228	—	25,308
Total Construction and Land Development	$ 57,737	$ 366,207	$ 464,098	$ 185,530	$ 46,865	$ 47,495	$ 78,319	$ 1,246,251
Current period gross write-off	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial Real Estate – Owner Occupied								
Pass	$ 23,705	$ 188,641	$ 252,826	$ 185,331	$ 226,092	$ 973,171	$ 27,960	$ 1,877,726
Watch	—	567	645	965	4,454	39,732	169	46,532
Special Mention	—	6,979	1,495	248	448	17,141	1,024	27,335
Substandard	—	166	—	—	2,356	27,498	—	30,020
Total Commercial Real Estate – Owner Occupied	$ 23,705	$ 196,353	$ 254,966	$ 186,544	$ 233,350	$ 1,057,542	$ 29,153	$ 1,981,613
Current period gross write-off	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial Real Estate – Non-Owner Occupied								
Pass	$ 64,412	$ 425,552	$ 573,545	$ 700,044	$ 321,526	$ 1,857,649	$ 38,073	$ 3,980,801
Watch	—	—	1,506	1,690	—	91,236	—	94,432
Special Mention	7	—	—	901	—	48,543	12,756	62,207
Substandard	—	4,929	—	2,098	14,428	66,123	—	87,578
Total Commercial Real Estate – Non-Owner Occupied	$ 64,419	$ 430,481	$ 575,051	$ 704,733	$ 335,954	$ 2,063,551	$ 50,829	$ 4,225,018
Current period gross write-off	$ —	$ —	$ —	$ —	$ (3,386)	$ —	$ —	$ (3,386)
Commercial & Industrial								
Pass	$ 266,562	$ 864,933	$ 573,762	$ 357,991	$ 152,907	$ 268,730	$ 878,394	$ 3,363,279
Watch	—	3,261	49,919	1,591	1,910	22,547	26,697	105,925
Special Mention	52	105	23,214	282	336	3,336	21,376	48,701
Substandard	—	96	2,682	475	4,297	2,705	33,811	44,066
Total Commercial & Industrial	$ 266,614	$ 868,395	$ 649,577	$ 360,339	$ 159,450	$ 297,318	$ 960,278	$ 3,561,971
Current period gross write-off	$ —	$ —	$ (30)	$ —	$ (114)	$ (7)	$ (512)	$ (663)
Multifamily Real Estate								
Pass	$ 3,268	$ 21,729	$ 129,418	$ 342,949	$ 220,749	$ 286,990	$ 51,382	$ 1,056,485
Watch	—	—	—	—	—	110	—	110
Special Mention	—	—	—	—	250	79	—	329
Substandard	—	14,219	—	—	—	3,814	—	18,033
Total Multifamily Real Estate	$ 3,268	$ 35,948	$ 129,418	$ 342,949	$ 220,999	$ 290,993	$ 51,382	$ 1,074,957
Current period gross write-off	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Residential 1-4 Family – Commercial								
Pass	$ 9,700	$ 38,830	$ 68,137	$ 75,323	$ 68,081	$ 238,145	$ 593	$ 498,809
Watch	—	149	675	575	217	7,847	105	9,568
Special Mention	—	—	—	36	—	1,455	—	1,491
Substandard	—	154	—	609	278	4,505	253	5,799
Total Residential 1-4 Family – Commercial	$ 9,700	$ 39,133	$ 68,812	$ 76,543	$ 68,576	$ 251,952	$ 951	$ 515,667
Current period gross write-off	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other Commercial								
Pass	$ 83,401	$ 200,038	$ 167,887	$ 153,248	$ 108,801	$ 185,488	$ 75,597	$ 974,460
Watch	—	—	7,064	7,485	29	4,205	—	18,783
Special Mention	—	90	—	—	—	617	99	806
Substandard	—	521	—	—	—	4	—	525
Total Other Commercial	$ 83,401	$ 200,649	$ 174,951	$ 160,733	$ 108,830	$ 190,314	$ 75,696	$ 994,574
Current period gross write-off	$ —	$ —	$ —	$ —	$ —	$ (890)	$ —	$ (890)
Total Commercial								
Pass	$ 508,785	$ 2,102,811	$ 2,222,618	$ 1,975,723	$ 1,122,891	$ 3,852,128	$ 1,150,318	$ 12,935,274
Watch	—	5,741	63,721	31,725	6,762	166,742	26,971	301,662
Special Mention	59	7,239	26,607	5,842	2,366	74,418	35,255	151,786
Substandard	—	21,375	3,927	4,081	42,005	105,877	34,064	211,329
Total Commercial	$ 508,844	$ 2,137,166	$ 2,316,873	$ 2,017,371	$ 1,174,024	$ 4,199,165	$ 1,246,608	$ 13,600,051
Total current period gross write-off	$ —	$ —	$ (30)	$ —	$ (3,500)	$ (897)	$ (512)	$ (4,939)

The table below details the amortized cost and gross write-offs of the classes of loans within the Commercial segment by risk level and year of origination for the period presented (dollars in thousands):

	December 31, 2023							
	Term Loans Amortized Cost Basis by Origination Year						Revolving	
	2023	2022	2021	2020	2019	Prior	Loans	Total
Construction and Land Development								
Pass	$ 289,786	$ 440,473	$ 192,148	$ 19,536	$ 10,934	$ 38,841	$ 64,137	$ 1,055,855
Watch	84	3,611	16,249	—	—	2,127	—	22,071
Special Mention	—	—	4,444	1,332	—	367	—	6,143
Substandard	114	1,244	1,248	20,705	205	265	—	23,781
Total Construction and Land Development	$ 289,984	$ 445,328	$ 214,089	$ 41,573	$ 11,139	$ 41,600	$ 64,137	$ 1,107,850
Current period gross write-off	$ —	$ —	$ —	$ —	$ —	$ (11)	$ —	$ (11)
Commercial Real Estate – Owner Occupied								
Pass	$ 175,627	$ 257,889	$ 194,030	$ 239,549	$ 259,502	$ 750,180	$ 23,689	$ 1,900,466
Watch	5,919	1,311	4,768	4,422	9,146	27,829	399	53,794
Special Mention	786	849	249	—	5,150	9,549	611	17,194
Substandard	362	—	—	326	—	26,645	—	27,333
Total Commercial Real Estate – Owner Occupied	$ 182,694	$ 260,049	$ 199,047	$ 244,297	$ 273,798	$ 814,203	$ 24,699	$ 1,998,787
Current period gross write-off	$ —	$ —	$ —	$ —	$ —	$ (141)	$ —	$ (141)
Commercial Real Estate – Non-Owner Occupied								
Pass	$ 374,221	$ 548,262	$ 710,122	$ 334,449	$ 492,782	$ 1,419,882	$ 35,276	$ 3,914,994
Watch	—	1,520	1,690	—	32,326	82,930	—	118,466
Special Mention	—	—	—	—	—	67,001	12,155	79,156
Substandard	4,837	—	2,121	17,956	5,899	28,972	—	59,785
Total Commercial Real Estate – Non-Owner Occupied	$ 379,058	$ 549,782	$ 713,933	$ 352,405	$ 531,007	$ 1,598,785	$ 47,431	$ 4,172,401
Current period gross write-off	$ —	$ —	$ —	$ —	$ —	$ (3,528)	$ —	$ (3,528)
Commercial & Industrial								
Pass	$ 981,290	$ 617,805	$ 409,973	$ 178,578	$ 122,160	$ 168,368	$ 923,359	$ 3,401,533
Watch	2,708	38,711	512	1,379	18,065	4,943	22,832	89,150
Special Mention	108	32,714	981	3,310	1,722	1,513	19,865	60,213
Substandard	—	146	343	2,000	925	3,181	31,856	38,451
Total Commercial & Industrial	$ 984,106	$ 689,376	$ 411,809	$ 185,267	$ 142,872	$ 178,005	$ 997,912	$ 3,589,347
Current period gross write-off	$ —	$ —	$ (101)	$ —	$ —	$ (17)	$ (1,812)	$ (1,930)
Multifamily Real Estate								
Pass	$ 21,911	$ 129,854	$ 321,918	$ 222,172	$ 45,879	$ 250,887	$ 50,060	$ 1,042,681
Watch	—	—	—	—	—	914	—	914
Special Mention	—	—	—	250	—	81	—	331
Substandard	14,222	—	—	—	3,703	146	—	18,071
Total Multifamily Real Estate	$ 36,133	$ 129,854	$ 321,918	$ 222,422	$ 49,582	$ 252,028	$ 50,060	$ 1,061,997
Current period gross write-off	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Residential 1-4 Family – Commercial								
Pass	$ 41,631	$ 67,495	$ 77,321	$ 69,779	$ 44,498	$ 203,125	$ 604	$ 504,453
Watch	49	387	580	220	757	8,854	107	10,954
Special Mention	47	—	—	—	—	1,302	—	1,349
Substandard	57	—	614	279	624	3,997	253	5,824
Total Residential 1-4 Family – Commercial	$ 41,784	$ 67,882	$ 78,515	$ 70,278	$ 45,879	$ 217,278	$ 964	$ 522,580
Current period gross write-off	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other Commercial								
Pass	$ 201,252	$ 180,346	$ 165,732	$ 114,838	$ 123,515	$ 62,284	$ 9,850	$ 857,817
Watch	14,355	—	—	32	4	3,977	—	18,368
Special Mention	93	—	—	—	—	630	—	723
Total Other Commercial	$ 215,700	$ 180,346	$ 165,732	$ 114,870	$ 123,519	$ 66,891	$ 9,850	$ 876,908
Current period gross write-off	$ —	$ (101)	$ —	$ —	$ —	$ (3,016)	$ —	$ (3,117)
Total Commercial								
Pass	$ 2,085,718	$ 2,242,124	$ 2,071,244	$ 1,178,901	$ 1,099,270	$ 2,893,567	$ 1,106,975	$ 12,677,799
Watch	23,115	45,540	23,799	6,053	60,298	131,574	23,338	313,717
Special Mention	1,034	33,563	5,674	4,892	6,872	80,443	32,631	165,109
Substandard	19,592	1,390	4,326	41,266	11,356	63,206	32,109	173,245
Total Commercial	$ 2,129,459	$ 2,322,617	$ 2,105,043	$ 1,231,112	$ 1,177,796	$ 3,168,790	$ 1,195,053	$ 13,329,870
Total current period gross write-off	$ —	$ (101)	$ (101)	$ —	$ —	$ (6,713)	$ (1,812)	$ (8,727)

Consumer Loans

For Consumer loans, the Company evaluates credit quality based on the delinquency status of the loan. The following table details the amortized cost and gross write-offs of the classes of loans within the Consumer segment based on their delinquency status and year of origination for the period presented (dollars in thousands):

	March 31, 2024							
	Term Loans Amortized Cost Basis by Origination Year						Revolving	
	2024	2023	2022	2021	2020	Prior	Loans	Total
Residential 1-4 Family – Consumer								
Current	$ 14,473	$ 123,570	$ 269,138	$ 261,624	$ 152,740	$ 240,630	$ 14	$ 1,062,189
30-59 Days Past Due	—	328	1,849	393	—	3,500	—	6,070
60-89 Days Past Due	—	—	—	—	—	204	—	204
90+ Days Past Due	—	—	—	—	104	1,537	—	1,641
Nonaccrual	—	409	887	860	—	8,834	—	10,990
Total Residential 1-4 Family – Consumer	$ 14,473	$ 124,307	$ 271,874	$ 262,877	$ 152,844	$ 254,705	$ 14	$ 1,081,094
Current period gross write-off	$ —	$ —	$ —	$ —	$ —	$ (19)	$ —	$ (19)
Residential 1-4 Family – Revolving								
Current	$ 4,229	$ 40,510	$ 52,726	$ 11,466	$ 4,183	$ 1,947	$ 494,015	$ 609,076
30-59 Days Past Due	—	180	70	—	—	—	1,670	1,920
60-89 Days Past Due	—	65	133	—	—	—	1,279	1,477
90+ Days Past Due	—	—	70	—	—	—	1,273	1,343
Nonaccrual	—	—	72	—	49	—	3,014	3,135
Total Residential 1-4 Family – Revolving	$ 4,229	$ 40,755	$ 53,071	$ 11,466	$ 4,232	$ 1,947	$ 501,251	$ 616,951
Current period gross write-off	$ —	$ —	$ —	$ (27)	$ —	$ —	$ (58)	$ (85)
Auto								
Current	$ 504	$ 71,604	$ 194,181	$ 97,178	$ 46,615	$ 25,801	$ —	$ 435,883
30-59 Days Past Due	—	368	1,398	652	424	350	—	3,192
60-89 Days Past Due	—	3	150	122	36	19	—	330
90+ Days Past Due	—	19	149	52	—	64	—	284
Nonaccrual	—	40	159	131	49	50	—	429
Total Auto	$ 504	$ 72,034	$ 196,037	$ 98,135	$ 47,124	$ 26,284	$ —	$ 440,118
Current period gross write-off	$ —	$ (47)	$ (192)	$ (82)	$ (38)	$ (21)	$ —	$ (380)
Consumer								
Current	$ 3,108	$ 10,997	$ 20,417	$ 9,404	$ 7,365	$ 35,959	$ 25,408	$ 112,658
30-59 Days Past Due	—	46	101	67	18	153	33	418
60-89 Days Past Due	—	26	59	3	33	60	16	197
90+ Days Past Due	—	12	85	39	—	3	2	141
Total Consumer	$ 3,108	$ 11,081	$ 20,662	$ 9,513	$ 7,416	$ 36,175	$ 25,459	$ 113,414
Current period gross write-off	$ —	$ (84)	$ (20)	$ (13)	$ (165)	$ (167)	$ (22)	$ (471)
Total Consumer								
Current	$ 22,314	$ 246,681	$ 536,462	$ 379,672	$ 210,903	$ 304,337	$ 519,437	$ 2,219,806
30-59 Days Past Due	—	922	3,418	1,112	442	4,003	1,703	11,600
60-89 Days Past Due	—	94	342	125	69	283	1,295	2,208
90+ Days Past Due	—	31	304	91	104	1,604	1,275	3,409
Nonaccrual	—	449	1,118	991	98	8,884	3,014	14,554
Total Consumer	$ 22,314	$ 248,177	$ 541,644	$ 381,991	$ 211,616	$ 319,111	$ 526,724	$ 2,251,577
Total current period gross write-off	$ —	$ (131)	$ (212)	$ (122)	$ (203)	$ (207)	$ (80)	$ (955)

The following table details the amortized cost and gross write-offs of the classes of loans within the Consumer segment based on their delinquency status and year of origination for the period presented (dollars in thousands):

	December 31, 2023							
	Term Loans Amortized Cost Basis by Origination Year						Revolving	
	2023	2022	2021	2020	2019	Prior	Loans	Total
Residential 1-4 Family – Consumer								
Current	$ 120,480	$ 266,261	$ 265,255	$ 154,440	$ 32,591	$ 214,214	$ 14	$ 1,053,255
30-59 Days Past Due	273	2,195	705	249	181	3,943	—	7,546
60-89 Days Past Due	208	—	—	—	—	1,596	—	1,804
90+ Days Past Due	—	—	1,713	—	—	2,757	—	4,470
Nonaccrual	205	875	870	—	38	9,110	—	11,098
Total Residential 1-4 Family – Consumer	$ 121,166	$ 269,331	$ 268,543	$ 154,689	$ 32,810	$ 231,620	$ 14	$ 1,078,173
Current period gross write-off	—	$ (16)	$ (21)	$ —	$ (69)	$ (95)	$ —	$ (201)
Residential 1-4 Family – Revolving								
Current	$ 42,593	$ 54,560	$ 11,756	$ 4,348	$ 937	$ 1,115	$ 496,275	$ 611,584
30-59 Days Past Due	—	14	—	—	39	—	2,185	2,238
60-89 Days Past Due	181	148	—	—	—	26	1,074	1,429
90+ Days Past Due	—	—	—	—	—	—	1,095	1,095
Nonaccrual	—	154	27	51	—	—	2,855	3,087
Total Residential 1-4 Family – Revolving	$ 42,774	$ 54,876	$ 11,783	$ 4,399	$ 976	$ 1,141	$ 503,484	$ 619,433
Current period gross write-off	—	$ —	$ (3)	$ —	$ —	$ —	$ (55)	$ (58)
Auto								
Current	$ 77,293	$ 210,692	$ 107,568	$ 52,742	$ 24,877	$ 7,385	$ —	$ 480,557
30-59 Days Past Due	526	2,022	1,095	612	292	190	—	4,737
60-89 Days Past Due	61	326	298	58	96	33	—	872
90+ Days Past Due	36	210	24	112	23	5	—	410
Nonaccrual	39	120	63	69	59	—	—	350
Total Auto	$ 77,955	$ 213,370	$ 109,048	$ 53,593	$ 25,347	$ 7,613	$ —	$ 486,926
Current period gross write-off	(64)	$ (487)	$ (295)	$ (145)	$ (69)	$ (80)	$ —	$ (1,140)
Consumer								
Current	$ 12,453	$ 23,303	$ 10,442	$ 7,999	$ 15,176	$ 24,056	$ 26,058	$ 119,487
30-59 Days Past Due	21	156	28	32	129	366	38	770
60-89 Days Past Due	11	82	40	14	47	21	17	232
90+ Days Past Due	63	72	10	—	—	4	3	152
Total Consumer	$ 12,548	$ 23,613	$ 10,520	$ 8,045	$ 15,352	$ 24,447	$ 26,116	$ 120,641
Current period gross write-off	(43)	$ (66)	$ (124)	$ (851)	$ (23)	$ (679)	$ (83)	$ (1,869)
Total Consumer								
Current	$ 252,819	$ 554,816	$ 395,021	$ 219,529	$ 73,581	$ 246,770	$ 522,347	$ 2,264,883
30-59 Days Past Due	820	4,387	1,828	893	641	4,499	2,223	15,291
60-89 Days Past Due	461	556	338	72	143	1,676	1,091	4,337
90+ Days Past Due	99	282	1,747	112	23	2,766	1,098	6,127
Nonaccrual	244	1,149	960	120	97	9,110	2,855	14,535
Total Consumer	$ 254,443	$ 561,190	$ 399,894	$ 220,726	$ 74,485	$ 264,821	$ 529,614	$ 2,305,173
Current period gross write-off	(107)	$ (569)	$ (443)	$ (996)	$ (161)	$ (854)	$ (138)	$ (3,268)

As of March 31, 2024 and December 31, 2023 the Company did not have any significant revolving loans convert to term.

4. GOODWILL AND INTANGIBLE ASSETS

The Company's intangible assets consist of core deposits, goodwill, and other intangibles arising from previous acquisitions. The Company has determined that core deposit intangibles have finite lives and amortizes them over their estimated useful lives. Core deposit intangibles are being amortized over the period of expected benefit, which ranges from four years to ten years, using an accelerated method. Other amortizable intangible assets are being amortized over the period of expected benefit, which ranges from four years to ten years, using various methods. The Company concluded that there was no impairment to the goodwill or intangible assets as of the balance sheet date. In the normal course of business, the Company routinely monitors the impact of the changes in the financial markets and includes these assessments in the Company's impairment process.

The following table presents the Company's goodwill and intangible assets by operating segment as of the periods ended (dollars in thousands):

	Wholesale Banking	Consumer Banking	Corporate Other	Total
March 31, 2024				
Goodwill	**$ 639,180**	**$ 286,031**	**$ —**	**$ 925,211**
Intangible Assets	**1,238**	**936**	**15,114**	**17,288**
December 31, 2023				
Goodwill	$ 639,180	$ 286,031	$ —	$ 925,211
Intangible Assets	1,302	989	16,892	19,183

Amortization expense of intangibles for the three months ended March 31, 2024 and 2023 totaled $1.9 million and $2.3 million, respectively.

As of March 31, 2024, the estimated remaining amortization expense of intangibles is as follows for the years ending (dollars in thousands):

For the remaining nine months of 2024	**$ 5,041**
2025	**5,289**
2026	**3,654**
2027	**2,068**
2028	**843**
Thereafter	**393**
Total estimated amortization expense	**$ 17,288**

5. LEASES

Lessor Arrangements

The Company's lessor arrangements consist of sales-type and direct financing leases for equipment, including vehicles and machinery, with terms ranging from 5 months to 122 months. At March 31, 2024 and December 31, 2023, the carrying value of residual assets covered by residual value guarantees and residual value insurance was $91.5 million and $84.1 million, respectively. For more information on the Company's lessor arrangements, refer to Note 1 "Summary of Significant Accounting Policies" in the "Notes to the Consolidated Financial Statements" contained in Item 8 "Financial Statements and Supplementary Data" in the Company's 2023 Form 10-K.

Total net investment in sales-type and direct financing leases consists of the following as of the periods ended (dollars in thousands):

	March 31, 2024	December 31, 2023
Sales-type and direct financing leases:		
Lease receivables, net of unearned income and deferred selling profit	**$ 451,861**	$ 409,264
Unguaranteed residual values, net of unearned income and deferred selling profit	**25,726**	21,484
Total net investment in sales-type and direct financing leases	**$ 477,587**	$ 430,748

Lessee Arrangements

The Company's lessee arrangements consist of operating and finance leases; however, the majority of the leases have been classified as non-cancellable operating leases and are primarily for real estate leases with remaining lease terms of up to 22 years. For more information on the Company's lessee arrangements, refer to Note 1 "Summary of Significant Accounting Policies" in the "Notes to the Consolidated Financial Statements" contained in Item 8 "Financial Statements and Supplementary Data" in the Company's 2023 Form 10-K.

The tables below provide information about the Company's lessee lease portfolio and other supplemental lease information for the following periods ended (dollars in thousands):

	March 31, 2024		December 31, 2023	
	Operating	Finance	Operating	Finance
ROU assets	**$ 70,704**	**$ 4,440**	$ 71,788	$ 4,669
Lease liabilities	**76,140**	**6,735**	78,043	7,052
Lease Term and Discount Rate of Operating leases:				
Weighted-average remaining lease term (years)	**11.72**	**4.83**	11.75	5.08
Weighted-average discount rate [(1)]	**6.25 %**	**1.17 %**	6.21 %	1.17 %

[(1)] *A lease implicit rate or an incremental borrowing rate is used based on information available at commencement date of lease or at remeasurement date.*

	Three months ended March 31,	
	2024	2023
Cash paid for amounts included in measurement of lease liabilities:		
Operating Cash Flows from Finance Leases	**$ 20**	$ 24
Operating Cash Flows from Operating Leases	**3,403**	2,812
Financing Cash Flows from Finance Leases	**317**	306
ROU assets obtained in exchange for lease obligations:		
Operating leases	**$ 1,007**	$ 852

	Three months ended March 31,	
	2024	2023
Net Operating Lease Cost	**$ 3,102**	$ 2,240
Finance Lease Cost:		
Amortization of right-of-use assets	**230**	230
Interest on lease liabilities	**20**	24
Total Lease Cost	**$ 3,352**	$ 2,494

The maturities of lessor and lessee arrangements outstanding are presented in the table below for the years ending (dollars in thousands):

	March 31, 2024		
	Lessor	Lessee	
	Sales-type and Direct Financing	Operating	Finance
For the remaining nine months of 2024	**$ 85,120**	**$ 10,009**	**$ 1,021**
2025	**100,667**	**12,670**	**1,392**
2026	**90,286**	**10,142**	**1,427**
2027	**90,176**	**8,776**	**1,462**
2028	**66,633**	**7,831**	**1,499**
Thereafter	**97,729**	**64,120**	**127**
Total undiscounted cash flows	**530,611**	**113,548**	**6,928**
Less: Adjustments [(1)]	**78,750**	**37,408**	**193**
Total [(2)]	**$ 451,861**	**$ 76,140**	**$ 6,735**

(1) *Lessor – unearned income and unearned guaranteed residual value; Lessee – imputed interest.*
(2) *Represents lease receivables for lessor arrangements and lease liabilities for lessee arrangements.*

6. BORROWINGS

Short-term Borrowings

The Company classifies all borrowings that will mature within a year from the date on which the Company enters into them as short-term borrowings. Total short-term borrowings consist primarily of securities sold under agreements to repurchase, which are secured transactions with customers and generally mature the day following the date sold, advances from the FHLB, federal funds purchased (which are secured overnight borrowings from other financial institutions), and other lines of credit.

Total short-term borrowings consist of the following as of the periods ended (dollars in thousands):

	March 31, 2024	December 31, 2023
Securities sold under agreements to repurchase	**$ 66,405**	$ 110,833
Federal Funds Purchased	**—**	90,000
FHLB Advances	**600,000**	720,000
Total short-term borrowings	**$ 666,405**	$ 920,833
Average outstanding balance during the period	**$ 614,681**	$ 573,553
Average interest rate during the period	**5.34 %**	4.73 %
Average interest rate at end of period	**5.33 %**	5.15 %

The Company maintains federal funds lines with several correspondent banks; the available balance was $752.0 million and $682.0 million, respectively, at March 31, 2024 and December 31, 2023. The Company also maintains an alternate line of credit at a correspondent bank, and the available balance was $25.0 million at both March 31, 2024 and December 31, 2023. Additionally, the Company had a collateral dependent line of credit with the FHLB of up to $6.3 billion at March 31, 2024 and $6.2 billion at December 31, 2023. The Company's secured line of credit capacity totaled $2.0 billion and $1.7 billion, of which $1.4 billion and $988.7 million were available at March 31, 2024 and December 31, 2023, respectively.

The Company was eligible to borrow from the Federal Reserve's BTFP, which provided additional contingent liquidity through the pledging of certain qualifying securities. The BTFP was a one-year program that began in the first quarter of 2023 and ended March 11, 2024. While the Company had access to the funds and pledged assets during the qualifying period; the Company did not borrow funds under the BTFP program.

Refer to Note 7 "Commitments and Contingencies" for additional information on the Company's pledged collateral. The Company has certain restrictive covenants related to certain asset quality, capital, and profitability metrics associated with these lines and was in compliance with these covenants as of March 31, 2024 and December 31, 2023.

Long-term Borrowings

Total long-term borrowings consist of the following as of March 31, 2024 (dollars in thousands):

	Principal	Spread to 3-Month SOFR [1]	Rate [2]	Maturity	Investment [3]
Trust Preferred Capital Securities					
Trust Preferred Capital Note – Statutory Trust I	$ 22,500	2.75 %	8.31 %	6/17/2034	$ 696
Trust Preferred Capital Note – Statutory Trust II	36,000	1.40 %	6.96 %	6/15/2036	1,114
VFG Limited Liability Trust I Indenture	20,000	2.73 %	8.29 %	3/18/2034	619
FNB Statutory Trust II Indenture	12,000	3.10 %	8.66 %	6/26/2033	372
Gateway Capital Statutory Trust I	8,000	3.10 %	8.66 %	9/17/2033	248
Gateway Capital Statutory Trust II	7,000	2.65 %	8.21 %	6/17/2034	217
Gateway Capital Statutory Trust III	15,000	1.50 %	7.06 %	5/30/2036	464
Gateway Capital Statutory Trust IV	25,000	1.55 %	7.11 %	7/30/2037	774
MFC Capital Trust II	5,000	2.85 %	8.41 %	1/23/2034	155
Total Trust Preferred Capital Securities	$ 150,500				$ 4,659
Subordinated Debt [4]					
2031 Subordinated Debt	250,000	— %	2.875 %	12/15/2031	
Total Subordinated Debt [5]	$ 250,000				
Fair Value Discount [6]	(13,840)				
Investment in Trust Preferred Capital Securities	4,659				
Total Long-term Borrowings	$ 391,319				

(1) *Three-Month CME SOFR + 0.262%.*
(2) *Rate as of March 31, 2024. Calculated using non-rounded numbers.*

(3) *Represents the junior subordinated debentures owned by the Company in trust and is reported in "Other assets" on the Company's Consolidated Balance Sheets.*

(4) *Subordinated notes qualify as Tier 2 capital for the Company for regulatory purposes.*
(5) *Fixed-to-floating rate notes. On December 15, 2026, the interest rate changes to a floating rate of the then current Three-Month Term SOFR plus a spread of 186 bps through its maturity date or earlier redemption. The notes may be redeemed before maturity on any interest payment date occurring on or after December 15, 2026.*
(6) *Remaining discounts of $11.4 million and $2.4 million on Trust Preferred Capital Securities and Subordinated Debt, respectively.*

Total long-term borrowings consist of the following as of December 31, 2023 (dollars in thousands):

	Principal	Spread to 3-Month SOFR (1)	Rate (2)	Maturity	Investment (3)
Trust Preferred Capital Securities					
Trust Preferred Capital Note – Statutory Trust I	$ 22,500	2.75 %	8.34 %	6/17/2034	$ 696
Trust Preferred Capital Note – Statutory Trust II	36,000	1.40 %	6.99 %	6/15/2036	1,114
VFG Limited Liability Trust I Indenture	20,000	2.73 %	8.32 %	3/18/2034	619
FNB Statutory Trust II Indenture	12,000	3.10 %	8.69 %	6/26/2033	372
Gateway Capital Statutory Trust I	8,000	3.10 %	8.69 %	9/17/2033	248
Gateway Capital Statutory Trust II	7,000	2.65 %	8.24 %	6/17/2034	217
Gateway Capital Statutory Trust III	15,000	1.50 %	7.09 %	5/30/2036	464
Gateway Capital Statutory Trust IV	25,000	1.55 %	7.14 %	7/30/2037	774
MFC Capital Trust II	5,000	2.85 %	8.44 %	1/23/2034	155
Total Trust Preferred Capital Securities	$ 150,500				$ 4,659
Subordinated Debt (4)					
2031 Subordinated Debt	250,000	— %	2.875 %	12/15/2031	
Total Subordinated Debt (5)	$ 250,000				
Fair Value Discount (6)	(14,134)				
Investment in Trust Preferred Capital Securities	4,659				
Total Long-term Borrowings	$ 391,025				

(1) *Three-Month CME SOFR + 0.262%.*
(2) *Rate as of December 31, 2023. Calculated using non-rounded numbers.*

(3) *Represents the junior subordinated debentures owned by the Company in trust and is reported in "Other assets" on the Company's Consolidated Balance Sheets.*

(4) *Subordinated notes qualify as Tier 2 capital for the Company for regulatory purposes.*
(5) *Fixed-to-floating rate notes. On December 15, 2026, the interest changes to a floating rate of the then current Three-Month Term SOFR plus a spread of 186 bps through its maturity date or earlier redemption. The notes may be redeemed before maturity on any interest payment date occurring on or after December 15, 2026.*

(6) *Remaining discounts of $11.7 million and $2.5 million on Trust Preferred Capital Securities and Subordinated Debt, respectively.*

As of March 31, 2024, the contractual maturities of long-term debt are as follows for the years ending (dollars in thousands):

	Trust Preferred Capital Notes	Subordinated Debt	Fair Value Discount (1)	Total Long-term Borrowings
For the remaining nine months of 2024	**$ —**	**$ —**	**$ (893)**	**$ (893)**
2025	**—**	**—**	**(1,211)**	**(1,211)**
2026	**—**	**—**	**(1,236)**	**(1,236)**
2027	**—**	**—**	**(1,263)**	**(1,263)**
2028	**—**	**—**	**(1,293)**	**(1,293)**
Thereafter	**155,159**	**250,000**	**(7,944)**	**397,215**
Total long-term borrowings	**$ 155,159**	**$ 250,000**	**$ (13,840)**	**$ 391,319**

(1) *Includes discount on Trust Preferred Capital Securities and Subordinated Debt.*

7. COMMITMENTS AND CONTINGENCIES

Litigation and Regulatory Matters

In the ordinary course of its operations, the Company and its subsidiaries are subject to loss contingencies related to legal and regulatory proceedings. The Company establishes accruals for those matters when a loss contingency is considered probable and the related amount is reasonably estimable. When applicable, the Company estimates loss contingencies and whether there is an accruable probable loss. When the Company is able to estimate such losses and when it is reasonably possible that the Company could incur losses in excess of the amounts accrued, the Company discloses the aggregate estimation of such possible losses.

As previously disclosed, on February 9, 2022, pursuant to the CFPB's Notice and Opportunity to Respond and Advise process, the CFPB Office of Enforcement notified the Bank that it was considering recommending that the CFPB take legal action against the Bank in connection with alleged violations of Regulation E, 12 C.F.R. § 1005.17, and the Consumer Financial Protection Act, 12 U.S.C. §§ 5531 and 5536, in connection with the Bank's overdraft practices and policies. In March 2023, the CFPB commenced settlement discussions with the Company to resolve the matter, and on December 7, 2023, the Bank entered into a Consent Order with the CFPB to resolve the matter. As of March 31, 2024, the Company has recorded a probable and estimable liability in connection with this matter

Financial Instruments with Off-Balance Sheet Risk

The Company is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates. These financial instruments include commitments to extend credit and letters of credit. These instruments involve elements of credit and interest rate risk in excess of the amount recognized on the Company's Consolidated Balance Sheets. The contractual amounts of these instruments reflect the extent of the Company's involvement in particular classes of financial instruments.

The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instruments for commitments to extend credit and letters of credit written is represented by the contractual amount of these instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments. Unless noted otherwise, the Company does not require collateral or other security to support off-balance sheet instruments with credit risk. The Company considers credit losses related to off-balance sheet commitments by undergoing a similar process in evaluating losses for loans that are carried on the balance sheet. The Company considers historical loss and funding information, current and future economic conditions, risk ratings, and past due status among other factors in the consideration of expected credit losses in the Company's off-balance sheet commitments to extend credit.

The Company also records an indemnification reserve based on historical statistics and loss rates related to mortgage loans previously sold. At March 31, 2024 and December 31, 2023, the Company's reserve for unfunded commitments and indemnification reserve totaled $15.8 million and $16.5 million, respectively.

Commitments to extend credit are agreements to lend to customers as long as there are no violations of any conditions established in the contracts. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Because many of the commitments may expire without being completely drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

Letters of credit are conditional commitments issued by the Company to guarantee the performance of customers to third parties. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loans to customers.

The following table presents the balances of commitments and contingencies as of the periods ended (dollars in thousands):

	March 31, 2024	December 31, 2023
Commitments with off-balance sheet risk:		
Commitments to extend credit [(1)]	**$ 5,865,505**	$ 5,961,238
Letters of credit	**126,106**	140,498
Total commitments with off-balance sheet risk	**$ 5,991,611**	$ 6,101,736

(1) *Includes unfunded overdraft protection*.

As of March 31, 2024 and December 31, 2023, the Company had approximately $220.1 million and $218.5 million, respectively, in deposits in other financial institutions of which $156.9 million and $154.4 million, respectively, served as collateral for cash flow, fair value and loan swap derivatives. The Company had approximately $60.1 million and $60.8 million, respectively, in deposits in other financial institutions that were uninsured at March 31, 2024 and December 31, 2023. At least annually, the Company's management evaluates the loss risk of its uninsured deposits in financial counterparties.

For asset/liability management purposes, the Company uses interest rate contracts to hedge various exposures or to modify the interest rate characteristics of various balance sheet accounts. For the over-the-counter derivatives cleared with the central clearinghouses, the variation margin is treated as a settlement of the related derivatives fair values. Refer to Note 8 "Derivatives" within this Item 1 of this Quarterly Report for additional information.

As part of the Company's liquidity management strategy, the Company pledges collateral to secure various financing and other activities that occur during the normal course of business. The following tables present the types of collateral pledged as of the periods ended (dollars in thousands):

	Pledged Assets as of March 31, 2024				
	Cash	**AFS Securities [(1)]**	**HTM Securities [(1)]**	**Loans [(2)]**	**Total**
Public deposits	**$ —**	**$ 754,132**	**$ 615,378**	**$ —**	**$ 1,369,510**
Repurchase agreements	**—**	**199,975**	**—**	**—**	**199,975**
FHLB advances	**—**	**46,448**	**—**	**3,244,890**	**3,291,338**
Derivatives	**156,891**	**60,868**	**—**	**—**	**217,759**
Federal Reserve Discount Window	**—**	**—**	**—**	**394,700**	**394,700**
Other purposes	**—**	**16,836**	**—**	**—**	**16,836**
Total pledged assets	**$ 156,891**	**$ 1,078,259**	**$ 615,378**	**$ 3,639,590**	**$ 5,490,118**

(1) *Balance represents market value.*
(2) *Balance represents book value.*

	Pledged Assets as of December 31, 2023				
	Cash	**AFS Securities [(1)]**	**HTM Securities [(1)]**	**Loans [(2)]**	**Total**
Public deposits	$ —	$ 749,398	$ 621,494	$ —	$ 1,370,892
Repurchase agreements	—	174,075	—	—	174,075
FHLB advances	—	48,718	—	2,960,926	3,009,644
Derivatives	154,382	61,311	—	—	215,693
Federal Reserve Discount Window [(3)]	—	411,661	17,356	418,468	847,485
Other purposes	—	15,591	—	—	15,591
Total pledged assets	$ 154,382	$ 1,460,754	$ 638,850	$ 3,379,394	$ 5,633,380

(1) *Balance represents market value.*
(2) *Balance represents book value.*
(3) *Includes AFS and HTM securities pledged under the BTFP program.*

8. DERIVATIVES

The Company has cash flow and fair value hedges that are derivatives designated as accounting hedges. The Company also has derivatives not designated as accounting hedges that include foreign exchange contracts, interest rate contracts, and RPAs. The Company's mortgage banking derivatives do not have a material impact to the Company and are not included within the derivatives disclosures noted below. See Note 1 "Summary of Significant Accounting Policies" in the "Notes to the Consolidated Financial Statements" contained in Item 8 "Financial Statements and Supplementary Data" in the Company's 2023 Form 10-K for additional information on the Company's polices regarding derivatives.

The following table summarizes key elements of the Company's derivative instruments as of the periods ended, segregated by derivatives that are considered accounting hedges and those that are not (dollars in thousands):

	March 31, 2024			December 31, 2023		
		Derivative [2]			Derivative [2]	
	Notional or Contractual Amount [1]	Assets	Liabilities	Notional or Contractual Amount [1]	Assets	Liabilities
Derivatives designated as accounting hedges:						
Interest rate contracts: [3]						
Cash flow hedges	**$ 900,000**	**$ —**	**$ 9,442**	$ 900,000	$ 1,419	$ 4,359
Fair value hedges:						
Loans	**76,830**	**1,922**	**—**	78,072	1,633	—
Securities	**50,000**	**1,898**	**—**	50,000	1,329	—
Derivatives not designated as accounting hedges:						
Interest rate contracts [3][4]	**6,603,129**	**95,427**	**216,438**	6,595,975	88,646	202,202
Foreign exchange contracts	**12,758**	**12**	**897**	12,726	16	1,219
Cash collateral (received)/pledged [5]	**—**	**$ (15,080)**	**$ —**	—	$ (14,879)	$ —

[1] *Notional amounts are not recorded on the Company's Consolidated Balance Sheets and are generally used only as a basis on which interest and other payments are determined.*
[2] *Balances represent fair value of derivative financial instruments.*
[3] *The Company's cleared derivatives are classified as a single-unit of accounting, resulting in the fair value of the designated swap being reduced by the variation margin, which is treated as settlement of the related derivatives fair value for accounting purposes and is reported on a net basis.*
[4] *Includes RPAs.*
[5] *The fair value of derivative assets and liabilities is presented on a gross basis. The Company has not applied collateral netting; as such the amounts of cash collateral received or pledged are not offset against the derivative assets and derivative liabilities in the Consolidated Balance Sheets.*

The following table summarizes the carrying value of the Company's hedged assets in fair value hedges and the associated cumulative basis adjustments included in those carrying values as of the periods ended (dollars in thousands):

	March 31, 2024		December 31, 2023	
	Carrying Amount of Hedged Assets/(Liabilities) Amount [1]	Cumulative Amount of Basis Adjustments Included in the Carrying Amount of the Hedged Assets/(Liabilities)	Carrying Amount of Hedged Assets/(Liabilities) Amount [1]	Cumulative Amount of Basis Adjustments Included in the Carrying Amount of the Hedged Assets/(Liabilities)
Line items on the Consolidated Balance Sheets in which the hedged item is included:				
Securities available-for-sale [1] [2]	**$ 80,236**	**$ (1,888)**	$ 82,203	$ (1,323)
Loans [3]	**76,830**	**(10,507)**	78,072	(9,392)

[1] *These amounts include the amortized cost basis of the investment securities designated in hedging relationships for which the hedged item is the last layer expected to be remaining at the end of the hedging relationship. The amount of the designated hedged item at March 31, 2024 and December 31, 2023 totaled $50 million.*
[2] *Carrying value represents amortized cost.*
[3] *The fair value of the swaps associated with the derivative related to hedged items at March 31, 2024 and December 31, 2023 was an unrealized gain of $10.7 million and $9.6 million, respectively.*

9. STOCKHOLDERS' EQUITY

Share Repurchase Programs

The Company's share repurchase program activity is dependent on management's determination of its capital deployment needs, subject to market, economic, and regulatory conditions. Authorized repurchase programs allow the Company to repurchase its common stock through either open market transactions or privately negotiated transactions. During the quarters ended March 31, 2024 and 2023, there were no active share repurchase programs.

Series A Preferred Stock

On June 9, 2020, the Company issued and sold 6,900,000 depositary shares, each representing a 1/400th ownership interest in a share of its Series A preferred stock, with a liquidation preference of $10,000 per share of Series A preferred stock (equivalent to $25 per depositary share), including 900,000 depositary shares pursuant to the exercise in full by the underwriters of their option to purchase additional depositary shares.

Accumulated Other Comprehensive Income (Loss)

The change in AOCI for the three months ended March 31, 2024 is summarized as follows, net of tax (dollars in thousands):

	Unrealized (Losses) on AFS Securities	Unrealized Gains (Losses) for AFS Securities Transferred to HTM	Change in Fair Value of Cash Flow Hedge	Unrealized Gains (Losses) on BOLI	Total
AOCI (loss) – December 31, 2023	**$ (302,532)**	**$ 6**	**$ (42,165)**	**$ 1,342**	**$ (343,349)**
Other comprehensive (loss) income:					
Other comprehensive loss before reclassification	**(20,501)**	**—**	**(10,253)**	**(16)**	**(30,770)**
Amounts reclassified from AOCI into earnings	**(2)**	**(2)**	**—**	**(175)**	**(179)**
Net current period other comprehensive loss	**(20,503)**	**(2)**	**(10,253)**	**(191)**	**(30,949)**
AOCI (loss) – March 31, 2024	**$ (323,035)**	**$ 4**	**$ (52,418)**	**$ 1,151**	**$ (374,298)**

The change in AOCI for the three months ended March 31, 2023 is summarized as follows, net of tax (dollars in thousands):

	Unrealized Gains (Losses) on AFS Securities	Unrealized Gain (Losses) for AFS Securities Transferred to HTM	Change in Fair Value of Cash Flow Hedge	Unrealized Gains (Losses) on BOLI	Total
AOCI (loss) – December 31, 2022	$ (363,919)	$ 17	$ (54,610)	$ 226	$ (418,286)
Other comprehensive (loss) income:					
Other comprehensive income before reclassification	32,068	—	13,714	10	45,792
Amounts reclassified from AOCI into earnings	10,586	(3)	—	(22)	10,561
Net current period other comprehensive income (loss)	42,654	(3)	13,714	(12)	56,353
AOCI (loss) – March 31, 2023	$ (321,265)	$ 14	$ (40,896)	$ 214	$ (361,933)

10. FAIR VALUE MEASUREMENTS

The Company follows ASC 820, *Fair Value Measurement* to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. ASC 820 clarifies that fair value of certain assets and liabilities is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants.

ASC 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. The three levels of the fair value hierarchy under ASC 820 based on these two types of inputs are as follows:

Level 1 Valuation is based on quoted prices in active markets for identical assets and liabilities.

Level 2 Valuation is based on observable inputs including quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets and liabilities in less active markets, and model-based valuation techniques for which significant assumptions can be derived primarily from or corroborated by observable data in the markets.

Level 3 Valuation is based on model-based techniques that use one or more significant inputs or assumptions that are unobservable in the market. These unobservable inputs reflect the Company's assumptions about what market participants would use and information that is reasonably available under the circumstances without undue cost and effort.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following describes the valuation techniques used by the Company to measure certain financial assets and liabilities recorded at fair value on a recurring basis in the financial statements. Refer to Note 1 "Summary of Significant Accounting Policies" in the "Notes to the Consolidated Financial Statements" contained in Item 8 "Financial Statements and Supplementary Data" in the Company's 2023 Form 10-K for additional information on the valuation techniques used by the Company.

- **AFS Securities:** AFS securities are recorded at fair value on a recurring basis. The Company's investment portfolio is primarily valued using fair value measurements that are Level 2. The Company has contracted with a third-party portfolio accounting service vendor for valuation of its securities portfolio; no material differences were identified during the valuations as of March 31, 2024 and December 31, 2023.

  The carrying value of restricted FRB and FHLB stock approximates fair value based on the redemption provisions of each entity and is therefore excluded from the fair value disclosure table below.

- **Loans Held for Sale:** Residential loans originated for sale in the open market are carried at fair value. Fair value is based on the price secondary markets are currently offering for similar loans using observable market data which is not materially different than cost due to the short duration between origination and sale (Level 2). Gains and losses on the sale of loans are recorded in current period earnings as a component of "Mortgage banking income" on the Company's Consolidated Statements of Income.

- **Derivative Instruments:** The Company records derivative instruments at fair value on a recurring basis. The Company utilizes derivative instruments as part of the management of interest rate risk to modify the re-pricing characteristics of certain portions of the Company's interest-bearing assets and liabilities, as well as to manage the Company's exposure to credit risk related to borrower's performance under interest rate derivatives. The Company has contracted with a third-party vendor to provide valuations for derivatives using standard valuation techniques and therefore classifies such valuations as Level 2. Third-party valuations are validated by the Company using the Bloomberg Valuation Service's derivative pricing functions. The Company determines the fair value of rate lock commitments, delivery contracts, and forward sales contracts of MBS by measuring the change in the value of the underlying asset, while taking into consideration the probability that the rate lock commitments will close or be funded. No significant differences were identified during the valuations as of March 31, 2024 and December 31, 2023. The Company has considered counterparty credit risk in the valuation of its derivative assets and has considered its own credit risk in the valuation of its derivative liabilities.

The following table presents the balances of financial assets and liabilities measured at fair value on a recurring basis as of the periods ended (dollars in thousands):

	Fair Value Measurements at March 31, 2024 using			
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Balance
ASSETS				
AFS securities:				
U.S. government and agency securities	$ 60,868	$ 1,868	$ —	$ 62,736
Obligations of states and political subdivisions	—	461,850	—	461,850
Corporate and other bonds [1]	—	250,264	—	250,264
MBS	—	1,425,587	—	1,425,587
Other securities	—	1,779	—	1,779
LHFS	—	12,200	—	12,200
Financial Derivatives [2]	—	99,259	—	99,259
LIABILITIES				
Financial Derivatives [2]	$ —	$ 226,777	$ —	$ 226,777

[1] *Other bonds include asset-backed securities.*
[2] *Includes hedged and non-hedged derivatives.*

	Fair Value Measurements at December 31, 2023 using			
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Balance
ASSETS				
AFS securities:				
U.S. government and agency securities	$ 61,311	$ 2,045	$ —	$ 63,356
Obligations of states and political subdivisions	—	475,447	—	475,447
Corporate and other bonds [(1)]	—	241,889	—	241,889
MBS	—	1,448,817	—	1,448,817
Other securities	—	1,752	—	1,752
LHFS	—	6,710	—	6,710
Financial Derivatives[(2)]	—	93,027	—	93,027
LIABILITIES				
Financial Derivatives[(2)]	$ —	$ 206,561	$ —	$ 206,561

[(1)] *Other bonds include asset-backed securities.*
[(2)] *Includes hedged and non-hedged derivatives.*

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets are measured at fair value on a nonrecurring basis in accordance with GAAP. Adjustments to the fair value of these assets usually result from the application of lower-of-cost-or-market accounting or write-downs of individual assets after they are evaluated for impairment. The primary assets accounted for at fair value on a nonrecurring basis are related to loans held for sale, foreclosed properties, former bank premises, and collateral-dependent loans that are individually assessed. When the asset is secured by real estate, the Company measures the fair value utilizing an income or market valuation approach based on an appraisal conducted by an independent, licensed appraiser using observable market data. Management may discount the value from the appraisal in determining the fair value if, based on its understanding of the market conditions, the collateral had been impaired below the appraised value (Level 3). The nonrecurring valuation adjustments for these assets did not have a significant impact on the Company's consolidated financial statements.

Fair Value of Financial Instruments

ASC 825, *Financial Instruments,* requires disclosure about fair value of financial instruments for interim periods and excludes certain financial instruments and all non-financial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Company. Refer to Note 1 "Summary of Significant Accounting Policies" in the "Notes to the Consolidated Financial Statements" contained in Item 8 "Financial Statements and Supplementary Data" in the Company's 2023 Form 10-K for additional information on the valuation techniques used by the Company to measure fair value.

- **Cash and Cash Equivalents:** The carrying amount is a reasonable estimate of fair value.
- **HTM Securities:** The Company's investment portfolio is primarily valued using fair value measurements that are considered to be Level 2; however, there are a few investments that are considered to be Level 3. The Company has contracted with a third-party portfolio accounting service vendor for valuation of its securities portfolio; no material differences were identified during the valuations as of March 31, 2024 and December 31, 2023.

- **Loans and Leases:** The fair value of loans and leases were estimated using an exit price, representing the amount that would be expected to be received if the Company sold the loans and leases. The fair value of performing loans and leases were estimated through use of discounted cash flows. Credit loss assumptions were based on market probability of default/loss given default for loan and lease cohorts. The discount rate was based primarily on recent market origination rates. Fair value of loans and leases individually assessed and their respective levels within the fair value hierarchy are described in the previous section related to fair value measurements of assets that are measured on a nonrecurring basis.
- **Accrued Interest:** The carrying amounts of accrued interest approximate fair value.
- **Bank Owned Life Insurance:** The carrying value of BOLI approximates fair value. The Company records these policies at their cash surrender value, which is estimated using information provided by insurance carriers.
- **Deposits:** The fair value of demand deposits, savings accounts, brokered deposits, and certain money market deposits is the amount payable on demand at the reporting date. The fair value of certificates of deposits were valued using a discounted cash flow calculation that includes a market rate analysis of the current rates offered by market participants for certificates of deposits that mature in the same period.
- **Borrowings:** The carrying amounts of federal funds purchased, borrowings under repurchase agreements and any other short-term borrowings approximate their fair value. The fair values of the Company's long-term borrowings, including trust preferred securities are estimated using discounted cash flow analyses, based on the current incremental borrowing rates for similar types of borrowing arrangements.

The carrying values and estimated fair values of the Company's financial instruments as of the periods ended are as follows (dollars in thousands):

		Fair Value Measurements at March 31, 2024 using			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	Balance
ASSETS					
Cash and cash equivalents	$ 396,670	$ 396,670	$ —	$ —	$ 396,670
AFS securities	2,202,216	60,868	2,141,348	—	2,202,216
HTM securities	828,928	—	790,123	1,222	791,345
Restricted stock	110,272	—	110,272	—	110,272
LHFS	12,200	—	12,200	—	12,200
LHFI, net of deferred fees and costs	15,851,628	—	—	15,235,459	15,235,459
Financial Derivatives (1)	99,259	—	99,259	—	99,259
Accrued interest receivable	90,299	—	90,299	—	90,299
BOLI	455,885	—	455,885	—	455,885
LIABILITIES					
Deposits	$ 17,278,435	$ —	$ 17,254,950	$ —	$ 17,254,950
Borrowings	1,057,724	—	990,347	—	990,347
Accrued interest payable	26,175	—	26,175	—	26,175
Financial Derivatives (1)	226,777	—	226,777	—	226,777

(1) *Includes hedged and non-hedged derivatives.*

		Fair Value Measurements at December 31, 2023 using			
	Carrying Value	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Fair Value Balance
ASSETS					
Cash and cash equivalents	$ 378,131	$ 378,131	$ —	$ —	$ 378,131
AFS securities	2,231,261	61,311	2,169,950	—	2,231,261
HTM securities	837,378	—	806,834	1,240	808,074
Restricted stock	115,472	—	115,472	—	115,472
LHFS	6,710	—	6,710	—	6,710
LHFI, net of deferred fees and costs	15,635,043	—	—	15,148,256	15,148,256
Financial Derivatives [1]	93,027	—	93,027	—	93,027
Accrued interest receivable	91,370	—	91,370	—	91,370
BOLI	452,565	—	452,565	—	452,565
LIABILITIES					
Deposits	$ 16,818,129	$ —	$ 16,799,791	$ —	$ 16,799,791
Borrowings	1,311,858	—	1,154,694	—	1,154,694
Accrued interest payable	20,528	—	20,528	—	20,528
Financial Derivatives [1]	206,561	—	206,561	—	206,561

[1] *Includes hedged and non-hedged derivatives.*

The Company assumes interest rate risk (the risk that general interest rate levels will change) as a result of its normal operations. As a result, the fair values of the Company’s financial instruments will change when interest rate levels change and that change may be either favorable or unfavorable to the Company. Management attempts to match maturities of assets and liabilities to the extent believed necessary to minimize interest rate risk. Borrowers with fixed rate obligations, however, are less likely to prepay in a rising rate environment and more likely to prepay in a falling rate environment. Conversely, depositors who are receiving fixed rates are more likely to withdraw funds before maturity in a rising rate environment and less likely to do so in a falling rate environment. Management monitors rates and maturities of assets and liabilities and attempts to minimize interest rate risk by adjusting terms of new loans and deposits and by investing in securities with terms that mitigate the Company’s overall interest rate risk.

11. EARNINGS PER SHARE

Basic EPS is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted EPS is computed using the weighted average number of common shares outstanding during the period, including the effect of dilutive potential common shares outstanding attributable to stock awards.

The following table presents basic and diluted EPS calculations for the periods ended (dollars in thousands except per share data):

	Three Months Ended March 31,	
	2024	**2023**
Net Income		
Net Income	**$ 49,769**	$ 35,653
Less: Preferred Stock Dividends	**2,967**	2,967
Net income available to common shareholders	**$ 46,802**	$ 32,686
Weighted average shares outstanding, basic	**75,197**	74,832
Dilutive effect of stock awards	**—**	3
Weighted average shares outstanding, diluted	**75,197**	74,835
Earnings per common share, basic	**$ 0.62**	$ 0.44
Earnings per common share, diluted	**$ 0.62**	$ 0.44

12. SEGMENT REPORTING AND REVENUE

Operating Segments

The Company has two reportable operating segments, Wholesale Banking and Consumer Banking, with corporate support functions and intercompany eliminations being presented within Corporate Other.

Segment Results

The following tables present the Company's operating segment results for the three months ended March 31, (dollars in thousands):

	Wholesale Banking	Consumer Banking	Corporate Other	Total
2024				
Net interest income	**$ 80,874**	**$ 69,237**	**$ (2,286)**	**$ 147,825**
Provision for credit losses	**5,366**	**2,873**	**—**	**8,239**
Net interest income after provision for credit losses	**75,508**	**66,364**	**(2,286)**	**139,586**
Noninterest income	**8,363**	**12,615**	**4,574**	**25,552**
Noninterest expenses	**44,299**	**55,536**	**5,438**	**105,273**
Income before income taxes	**$ 39,572**	**$ 23,443**	**$ (3,150)**	**$ 59,865**
2023				
Net interest income	$ 67,540	$ 63,145	$ 22,758	$ 153,443
Provision for credit losses	10,487	1,340	23	11,850
Net interest income after provision for credit losses	57,053	61,805	22,735	141,593
Noninterest income	7,414	12,178	(9,964)	9,628
Noninterest expenses	42,123	57,246	8,905	108,274
Income before income taxes	$ 22,344	$ 16,737	$ 3,866	$ 42,947

The following table presents the Company's operating segment results for key balance sheet metrics as of the periods ended (dollars in thousands):

	Wholesale Banking	Consumer Banking	Corporate Other	Total
March 31, 2024				
LHFI, net of deferred fees and costs [(1)]	**$ 12,941,541**	**$ 2,921,874**	**$ (11,787)**	**$ 15,851,628**
Goodwill	**639,180**	**286,031**	**—**	**925,211**
Deposits	**6,403,103**	**10,101,594**	**773,738**	**17,278,435**
December 31, 2023				
LHFI, net of deferred fees and costs [(1)]	$ 12,688,833	$ 2,958,811	$ (12,601)	$ 15,635,043
Goodwill	639,180	286,031	—	925,211
Deposits	6,403,432	9,816,562	598,135	16,818,129

[(1)] *Corporate Other includes acquisition accounting fair value adjustments.*

Revenue

Noninterest income disaggregated by major source for the three months ended March 31, consisted of the following (dollars in thousands):

	2024	2023
Noninterest income:		
Service charges on deposit accounts [1]:		
Overdraft fees	**$ 4,748**	$ 4,823
Maintenance fees & other	**3,821**	3,079
Other service charges, commissions, and fees [1]	**1,731**	1,746
Interchange fees [1]	**2,294**	2,325
Fiduciary and asset management fees [1]:		
Trust asset management fees	**3,356**	3,107
Brokerage management fees	**1,482**	1,155
Mortgage banking income	**867**	854
Gain (loss) on sale of securities	**3**	(13,400)
Bank owned life insurance income	**3,245**	2,828
Loan-related interest rate swap fees	**1,216**	1,439
Other operating income	**2,789**	1,672
Total noninterest income	**$ 25,552**	$ 9,628

[1] *Income within scope of ASC 606, Revenue from Contracts with Customers.*

The following tables present noninterest income disaggregated by reportable operating segment for the three months ended March 31, (dollars in thousands):

	Wholesale Banking	Consumer Banking	Corporate Other [1][2]	Total
2024				
Noninterest income:				
Service charges on deposit accounts	**$ 2,611**	**$ 5,958**	**$ —**	**$ 8,569**
Other service charges, commissions and fees	**396**	**1,335**	**—**	**1,731**
Fiduciary and asset management fees	**3,286**	**1,552**	**—**	**4,838**
Mortgage banking income	**—**	**867**	**—**	**867**
Other income	**2,070**	**2,903**	**4,574**	**9,547**
Total noninterest income	**$ 8,363**	**$ 12,615**	**$ 4,574**	**$ 25,552**
2023				
Noninterest income:				
Service charges on deposit accounts	$ 1,975	$ 5,927	$ —	$ 7,902
Other service charges, commissions and fees	445	1,301	—	1,746
Fiduciary and asset management fees	3,035	1,227	—	4,262
Mortgage banking income	—	854	—	854
Other income	1,959	2,869	(9,964)	(5,136)
Total noninterest income	$ 7,414	$ 12,178	$ (9,964)	$ 9,628

[1] *For the three months ended March 31, 2023, other income primarily includes $13.4 million of losses incurred on the sale of AFS securities, income from BOLI and equity method investment income.*
[2] *For the three months ended March 31, 2024, other income primarily includes income from BOLI and equity method investment income.*

13. SUBSEQUENT EVENTS

The Company's management has evaluated subsequent events through May 2, 2024, the date the financial statements were issued.

On April 1, 2024, the Company completed its previously announced merger with American National, pursuant to the Agreement and Plan of Merger, dated as of July 24, 2023. Under the terms of the merger agreement, at the effective time of the merger, each outstanding share of American National common stock was converted into 1.35 shares of the Company's common stock, resulting in the Company issuing 14.3 million shares of its common stock, valued at approximately $505.8 million as of March 28, 2024, which was the last trading day prior to the consummation of the acquisition. In addition, cash consideration of $76,000 was paid for the settlement of fractional shares.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Atlantic Union Bankshares Corporation

Results of Review of Interim Financial Statements

We have reviewed the accompanying consolidated balance sheet of Atlantic Union Bankshares Corporation and Subsidiaries (the Company) as of March 31, 2024, the related consolidated statements of income, comprehensive income (loss), and changes in stockholders' equity for the three-month periods ended March 31, 2024 and 2023, the consolidated statements of cash flows for the three-month periods ended March 31, 2024 and 2023, and the related notes (collectively referred to as the "consolidated interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2023, the related consolidated statements of income, comprehensive (loss) income, changes in stockholders' equity, and cash flows for the year then ended, and the related notes (not presented herein); and in our report dated February 22, 2024, we expressed an unqualified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2023, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

These financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Ernst & Young LLP

Richmond, Virginia
May 2, 2024

ITEM 2 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis provides information about the major components of our results of operations, financial condition, liquidity, and capital resources. This discussion and analysis should be read in conjunction with our "Consolidated Financial Statements," our "Notes to the Consolidated Financial Statements," and the other financial data included in this report, as well as our 2023 Form 10-K, including the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" section therein. Our results of operations for the interim periods are not necessarily indicative of results that may be expected for the full year or for any other period. Amounts are rounded for presentation purposes; however, some of the percentages presented are computed based on unrounded amounts.

In the following discussion and analysis, we provide certain financial information determined by methods other than in accordance with GAAP. These non-GAAP financial measures are a supplement to GAAP, which we used to prepare our financial statements, and should not be considered in isolation or as a substitute for comparable measures calculated in accordance with GAAP. In addition, our non-GAAP financial measures may not be comparable to non-GAAP financial measures of other companies. We use the non-GAAP financial measures discussed herein in our analysis of our performance. Management believes that these non-GAAP financial measures provide additional understanding of our ongoing operations, enhance comparability of our results of operations with prior periods and show the effects of significant gains and charges in the periods presented without the impact of items or events that may obscure trends in our underlying performance. Non-GAAP financial measures may be identified with the symbol (+) and may be labeled as adjusted. Refer to the "Non-GAAP Financial Measures" section within this Item 2 for more information about these non-GAAP financial measures, including a reconciliation of these measures to the most directly comparable GAAP financial measures.

FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that include, without limitation, statements regarding our expectations with regard to our business, financial and operating results, including our deposit base and funding and the impact of future economic conditions, anticipated changes in the interest rate environments and the related impacts on our net interest margin, changes in economic conditions, management's belief regarding liquidity and capital resources, statements regarding our recently completed merger with American National, and statements that include other projections, predictions, expectations, or beliefs about future events or results or otherwise are not statements of historical fact. Such forward-looking statements are based on certain assumptions as of the time they are made, and are inherently subject to known and unknown risks, uncertainties, and other factors, some of which cannot be predicted or quantified, that may cause actual results, performance, or achievements to be materially different from those expressed or implied by such forward-looking statements. Forward-looking statements are often characterized by the use of qualified words (and their derivatives) such as "expect," "believe," "estimate," "plan," "project," "anticipate," "intend," "will," "may," "view," "opportunity," "potential," "continue," "confidence," or words of similar meaning or other statements concerning opinions or judgment of our management about future events. Although we believe that our expectations with respect to forward-looking statements are based upon reasonable assumptions within the bounds of our existing knowledge of our business and operations, there can be no assurance that actual future results, performance, or achievements of, or trends affecting, us will not differ materially from any projected future results, performance, achievements or trends expressed or implied by such forward-looking statements. Actual future results, performance, achievements or trends may differ materially from historical results or those anticipated depending on a variety of factors, including, but not limited to, the effects of or changes in:

- market interest rates and their related impacts on macroeconomic conditions, customer and client behavior, our funding costs and our loan and securities portfolios;
- inflation and its impacts on economic growth and customer and client behavior;
- adverse developments in the financial industry generally, such as bank failures, responsive measures to mitigate and manage such developments, related supervisory and regulatory actions and costs, and related impacts on customer and client behavior;
- the sufficiency of liquidity;
- general economic and financial market conditions, in the United States generally and particularly in the markets in which we operate and which our loans are concentrated, including the effects of declines in real estate values, an increase in unemployment levels and slowdowns in economic growth;

- the impact of purchase accounting with respect to our merger with American National, or any change in the assumptions used regarding the assets acquired and liabilities assumed to determine the fair value and credit marks;
- the possibility that the anticipated benefits of our merger with American National, including anticipated cost savings and strategic gains, are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy, competitive factors in the areas where we do business, or as a result of other unexpected factors or events;
- potential adverse reactions or changes to business or employee relationships, including those resulting from our merger with American National;
- the integration of the business and operations of American National may take longer or be more costly than anticipated;
- monetary and fiscal policies of the U.S. government, including policies of the U.S. Department of the Treasury and the Federal Reserve;
- the quality or composition of our loan or investment portfolios and changes therein;
- demand for loan products and financial services in our market areas;
- our ability to manage our growth or implement our growth strategy;
- the effectiveness of expense reduction plans;
- the introduction of new lines of business or new products and services;
- our ability to recruit and retain key employees;
- real estate values in our lending area;
- changes in accounting principles, standards, rules, and interpretations, and the related impact on our financial statements;
- an insufficient ACL or volatility in the ACL resulting from the CECL methodology, either alone or as that may be affected by changing economic conditions, credit concentrations, inflation, changing interest rates, or other factors;
- our liquidity and capital positions;
- concentrations of loans secured by real estate, particularly commercial real estate;
- the effectiveness of our credit processes and management of our credit risk;
- our ability to compete in the market for financial services and increased competition from fintech companies;
- technological risks and developments, and cyber threats, attacks, or events;
- operational, technological, cultural, regulatory, legal, credit, and other risks associated with the exploration, consummation and integration of potential future acquisitions, whether involving stock or cash considerations;
- the potential adverse effects of unusual and infrequently occurring events, such as weather-related disasters, terrorist acts, geopolitical conflicts or public health events (such as pandemics), and of governmental and societal responses thereto; these potential adverse effects may include, without limitation, adverse effects on the ability of our borrowers to satisfy their obligations to us, on the value of collateral securing loans, on the demand for our loans or our other products and services, on supply chains and methods used to distribute products and services, on incidents of cyberattack and fraud, on our liquidity or capital positions, on risks posed by reliance on third-party service providers, on other aspects of our business operations and on financial markets and economic growth;
- performance by our counterparties or vendors;
- deposit flows;
- the availability of financing and the terms thereof;
- the level of prepayments on loans and mortgage-backed securities;
- legislative or regulatory changes and requirements;
- actual or potential claims, damages, and fines related to litigation or government actions, which may result in, among other things, additional costs, fines, penalties, restrictions on our business activities, reputational harm, or other adverse consequences;
- the effects of changes in federal, state or local tax laws and regulations;
- any event or development that would cause us to conclude that there was an impairment of any asset, including intangible assets, such as goodwill; and
- other factors, many of which are beyond our control.

Please also refer to such other factors as discussed throughout Part I, Item 1A, “Risk Factors” and Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of the 2023 Form 10-K and related disclosures in other filings, which have been filed with the SEC and are available on the SEC’s website at www.sec.gov. All risk factors and uncertainties described herein and therein should be considered in evaluating forward-looking statements, and all of the forward-looking statements made in this report are expressly qualified by the cautionary statements contained or referred to herein and therein. The actual results or developments anticipated may not be realized or, even if substantially realized, they may not have the expected consequences to or effects on the Company or our businesses or operations. Readers are cautioned not to rely too heavily on the forward-looking statements contained in this Quarterly Report. Forward-looking statements speak only as of the date they are made. We do not intend or assume any obligation to update, revise or clarify any forward-looking statements that may be made from time to time by or on behalf of the Company, whether as a result of new information, future events or otherwise, except as required by law.

CRITICAL ACCOUNTING ESTIMATES

We prepare our consolidated financial statements based on the application of accounting and reporting policies in accordance with GAAP and general practices within the banking industry. Our financial position and results of operations are affected by management's application of accounting policies, which require the use of estimates, assumptions, and judgments, which may prove inaccurate or are subject to variations. Changes in underlying factors, estimates, assumptions or judgements could result in material changes in our consolidated financial position and/or results of operations.

Certain accounting policies inherently have a greater reliance on the use of estimates, assumptions and judgments and, as such, have a greater possibility of producing results that could be materially different than originally reported. We have identified the allowance for loan and lease losses and fair value measurements as accounting policies that require the most difficult, subjective or complex judgments and, as such, could be most subject to revision as new or additional information becomes available or circumstances change. Therefore, we evaluate these accounting policies and related critical accounting estimates on an ongoing basis and update them as needed. Management has discussed these accounting policies and critical accounting estimates summarized below with the Audit Committee of the Board of Directors.

We provide additional information about our critical accounting estimates in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates" in our 2023 Form 10-K. There have been no material changes to our critical accounting policies, or the estimates made pursuant to those policies during the most recent quarter from those disclosed in our 2023 Form 10-K. Our significant accounting policies are discussed in detail in Note 1 "Summary of Significant Accounting Policies" in the "Notes to the Consolidated Financial Statements" contained in Item 8 "Financial Statements and Supplementary Data" of our 2023 Form 10-K.

RECENT ACCOUNTING PRONOUNCEMENTS (ISSUED BUT NOT FULLY ADOPTED)

In November 2023, the FASB issued ASU No. 2023-07 *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures,* which requires enhanced segment reporting disclosures. This guidance requires that interim disclosures align to the annual disclosure requirements and introduces additional disclosures intended to provide more insight into segment operations. The amendments are effective for fiscal years beginning after December 14, 2023, and interim periods within fiscal years beginning after December 15, 2024. We are evaluating the impact of ASU No. 2023-07 on our consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09 *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* . This guidance requires enhanced disclosure for the rate reconciliation and income taxes paid disclosures and aligns the guidance to SEC Regulation S-X disclosure requirements. The amendments are effective for annual periods beginning after December 15, 2024. We are evaluating the impact of ASU No. 2023-09 on our consolidated financial statements.

ABOUT ATLANTIC UNION BANKSHARES CORPORATION

Headquartered in Richmond, Virginia, Atlantic Union Bankshares Corporation (NYSE: AUB) is the holding company for Atlantic Union Bank. Atlantic Union Bank has 135 branches and approximately 150 ATMs located throughout Virginia and in portions of Maryland and North Carolina as of April 1, 2024. Certain non-bank financial services affiliates of Atlantic Union Bank include: Atlantic Union Equipment Finance, Inc., which provides equipment financing; Atlantic Union Financial Consultants, LLC, which provides brokerage services; and Union Insurance Group, LLC, which offers various lines of insurance products.

Shares of our common stock are traded on the New York Stock Exchange under the symbol "AUB". Additional information is available on our website at *https://investors.atlanticunionbank.com*. The information contained on our website is not a part of or incorporated into this Quarterly Report.

RESULTS OF OPERATIONS

Merger with American National Bankshares Inc.

On April 1, 2024, we completed our merger with American National, the holding company for American National Bank and Trust Company. Under the terms of the merger agreement, at the effective time of the merger, each outstanding share of American National common stock was converted into 1.35 shares of our common stock. With the acquisition of American National, we acquired 26 branches, deepening our presence in Central, Western and Southern Virginia and providing entry into North Carolina's Piedmont Triad region and Raleigh.

We incurred pre-tax merger costs of approximately $1.9 million and $1.0 million, respectively, for the quarters ended March 31, 2024 and December 31, 2023 related to the merger with American National. Because the merger closed on April 1, 2024, the historical consolidated financial results of American National are not included in our results of operations for the quarter ended March 31, 2024.

Industry Events

In the spring of 2023, the banking industry experienced significant volatility due to three high-profile bank failures. These bank failures resulted in concerns within the banking industry related to liquidity, deposit outflows, and unrealized losses on investment securities. These bank failures reinforced the importance of maintaining access to diverse sources of funding and the benefits of a robust and stable deposit base. Volatility in the banking industry may persist if other industry participants experience similar high-profile financial challenges if other banks are closed by federal or state banking regulators, or if other unforeseen sources of financial stress materialize.

We are continually monitoring the impact of various global and national events on our results of operations and financial condition, including inflation, rising interest rates and geopolitical conflicts. The timing and impact of inflation, market interest rates, and the competitive landscape of deposits on our business and results of operations will depend on future developments, which are highly uncertain and difficult to predict. In an effort to combat inflation, the FOMC increased the Federal Funds target rates throughout 2022 and 2023 to its current range of 5.25% to 5.50%. These developments helped drive the increased deposit costs that we continue to experience. While inflation eased in 2023, it remains elevated over the FOMC's long-run target of 2%. The FOMC has noted that it will continue to assess additional information and its implications for monetary policy, and in determining future actions with respect to the target rates, the FOMC will consider a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments. The FOMC also left open the potential for decreases to the target rates in 2024, none of which were executed in the first quarter of 2024, and confirmed the continued reduction to the Federal Reserve's holdings of U.S. Treasury securities and agency debt and agency MBS. We will continue to deploy various asset liability management strategies to seek to manage our risk related to interest rate fluctuations and monitor balance sheet trends, deposit flows, and liquidity needs to ensure that we are able to meet the needs of our customers and maintain financial flexibility. Refer to "Liquidity" within this Item 2 for additional information about our liquidity and "Quantitative and Qualitative Disclosures about Market Risk" in Part I, Item 3 of this Quarterly Report for additional information about the Company's interest rate sensitivity.

At March 31, 2024, our LHFI (net of deferred fees and costs) and total deposits increased from December 31, 2023 by $216.6 million and $460.3 million, respectively, and our short-term borrowings decreased by $254.4 million from December 31, 2023.
As of March 31, 2024, we estimate that approximately 70.5% of our deposits were insured or collateralized, and that we maintained available liquidity sources to cover approximately 106.1% of uninsured and uncollateralized deposits. In addition, to further bolster our funding position, we augmented customer deposit growth by also increasing brokered deposits to $665.3 million at March 31, 2024, an increase of $116.9 million from December 31, 2023.

Our regulatory capital ratios continued to exceed the standards to be considered well-capitalized under regulatory requirements. See "Capital Resources" within this Item 2 for additional information about our regulatory capital.

SUMMARY OF FINANCIAL RESULTS

Executive Overview

First Quarter Net Income & Performance Metrics

- Net income available to common shareholders was $46.8 million and basic and diluted EPS was $0.62 for the first quarter of 2024, compared to $32.7 million and $0.44 for the first quarter of 2023.
- Adjusted operating earnings available to common shareholders (+), which excludes (net of taxes), merger-related costs ($1.6 million in 2024), a FDIC special assessment ($664,000 in 2024), a legal reserve related to our previously disclosed settlement with the CFPB ($4.0 million in 2023), and gains or losses on the sale of securities ($2,000 gains in 2024 and $10.6 million losses in 2023), was $49.0 million and adjusted diluted operating EPS (+) was $0.65 for the quarter ended March 31, 2024, compared to adjusted operating earnings available to common shareholders(+) of $47.2 million and diluted adjusted operating EPS (+) of $0.63 for the first quarter of 2023.

Balance Sheet

- Total assets were $21.4 billion at March 31, 2024, an increase of $211.9 million or approximately 4.0% (annualized) from December 31, 2023. Total assets increased during the first quarter of 2024 primarily due to a $216.6 million or 5.6% (annualized) increase in LHFI (net of deferred fees and costs) from December 31, 2023.
- Total investments were $3.1 billion at March 31, 2024, a decrease of $42.7 million from December 31, 2023 mainly driven by higher unrealized losses on AFS securities. AFS securities totaled $2.2 billion at both March 31, 2024 and December 31, 2023. At March 31, 2024, total net unrealized losses on the AFS securities portfolio were $410.9 million, an increase of $26.6 million from $384.3 million at December 31, 2023. HTM securities are carried at cost and totaled $828.9 million at March 31, 2024, compared to $837.4 million at December 31, 2023 and had net unrealized losses of $37.6 million at March 31, 2024, an increase of $8.3 million from $29.3 million at December 31, 2023.
- At March 31, 2024, total deposits were $17.3 billion, an increase of $460.3 million or approximately 11.0% (annualized) from December 31, 2023, due to a $578.3 billion increase in interest-bearing deposits, which included approximately $116.9 million in brokered deposits, partially offset by a $118.0 million decrease in demand deposits, as customers continued to move funds from lower to higher yielding deposit products.

NET INTEREST INCOME

Net interest income, which represents our principal source of revenue, is the amount by which interest income exceeds interest expense. Our interest margin represents net interest income expressed as a percentage of average earning assets. Changes in the volume and mix of interest-earning assets and interest-bearing liabilities, as well as their respective yields and rates, have a significant impact on our net interest income, the net interest margin, and net income.

The following tables show interest income on earning assets and related average yields, as well as interest expense on interest-bearing liabilities and related average rates paid for the periods presented (dollars in thousands):

	For the Three Months Ended March 31, 2024	For the Three Months Ended March 31, 2023	Change	
Average interest-earning assets	**$ 19,089,393**	$ 18,238,088	$ 851,305	
Interest and dividend income	**$ 262,915**	$ 217,546	$ 45,369	
Interest and dividend income (FTE) (+)	**$ 266,636**	$ 221,334	$ 45,302	
Yield on interest-earning assets	**5.54 %**	4.84 %	70	bps
Yield on interest-earning assets (FTE) (+)	**5.62 %**	4.92 %	70	bps
Average interest-bearing liabilities	**$ 14,324,634**	$ 12,846,109	$ 1,478,525	
Interest expense	**$ 115,090**	$ 64,103	$ 50,987	
Cost of interest-bearing liabilities	**3.23 %**	2.02 %	121	bps
Cost of funds	**2.43 %**	1.42 %	101	bps
Net interest income	**$ 147,825**	$ 153,443	$ (5,618)	
Net interest income (FTE) (+)	**$ 151,546**	$ 157,231	$ (5,685)	
Net interest margin	**3.11 %**	3.41 %	(30)	bps
Net interest margin (FTE) (+)	**3.19 %**	3.50 %	(31)	bps

For the first quarter of 2024, our net interest income was $147.8 million, a decrease of $5.6 million from the first quarter of 2023. Net interest income (FTE)(+) for the first quarter of 2024 was $151.5 million, a decrease of $5.7 million from the first quarter of 2023. In the first quarter of 2024, our net interest margin decreased 30 bps to 3.11% from 3.41% in the first quarter of 2023, and our net interest margin (FTE)(+) decreased 31 bps to 3.19% in the first quarter of 2024 from 3.50% for the same period of 2023. The decreases in net interest margin and net interest margin (FTE)(+) were primarily driven by an increase in interest expense due to higher deposit costs resulting from increases in market interest rates and changes in the deposit mix, as depositors continued to migrate to higher cost interest bearing deposit accounts, and higher average deposit balances, as well as higher borrowing costs due to increased market interest rates. These increases in interest expense were partially offset by higher loan yields due to increased market interest rates, as well as net loan growth.

The following table shows interest income on earning assets and related average yields as well as interest expense on interest-bearing liabilities and related average rates paid for the periods ended (dollars in thousands):

AVERAGE BALANCES, INCOME AND EXPENSES, YIELDS AND RATES (TAXABLE EQUIVALENT BASIS)

	For the Three Months Ended March 31,					
	2024			2023		
	Average Balance	Interest Income / Expense [1]	Yield / Rate [1][2]	Average Balance	Interest Income / Expense [1]	Yield / Rate [1][2]
Assets:						
Securities:						
Taxable	**$ 1,895,820**	**$ 18,879**	**4.01 %**	$ 2,038,215	$ 16,753	3.33 %
Tax-exempt	**1,257,736**	**10,324**	**3.30 %**	1,429,346	11,782	3.34 %
Total securities	**3,153,556**	**29,203**	**3.72 %**	3,467,561	28,535	3.34 %
LHFI, net of deferred fees and costs[3]	**15,732,599**	**235,832**	**6.03 %**	14,505,611	191,178	5.35 %
Other earning assets	**203,238**	**1,601**	**3.17 %**	264,916	1,621	2.48 %
Total earning assets	**19,089,393**	**$ 266,636**	**5.62 %**	18,238,088	$ 221,334	4.92 %
Allowance for loan and lease losses	**(133,090)**			(112,172)		
Total non-earning assets	**2,266,453**			2,258,435		
Total assets	**$ 21,222,756**			$ 20,384,351		
Liabilities and Stockholders' Equity:						
Interest-bearing deposits:						
Transaction and money market accounts	**$ 8,952,119**	**$ 65,254**	**2.93 %**	$ 8,344,900	$ 38,315	1.86 %
Regular savings	**900,580**	**501**	**0.22 %**	1,087,435	364	0.14 %
Time deposits	**3,459,138**	**36,109**	**4.20 %**	2,291,530	13,155	2.33 %
Total interest-bearing deposits	**13,311,837**	**101,864**	**3.08 %**	11,723,865	51,834	1.79 %
Other borrowings	**1,012,797**	**13,226**	**5.25 %**	1,122,244	12,269	4.43 %
Total interest-bearing liabilities	**14,324,634**	**$ 115,090**	**3.23 %**	12,846,109	$ 64,103	2.02 %
Noninterest-bearing liabilities:						
Demand deposits	**3,835,344**			4,693,347		
Other liabilities	**494,535**			421,295		
Total liabilities	**18,654,513**			17,960,751		
Stockholders' equity	**2,568,243**			2,423,600		
Total liabilities and stockholders' equity	**$ 21,222,756**			$ 20,384,351		
Net interest income (FTE)[+]		**$ 151,546**			$ 157,231	
Interest rate spread			**2.39 %**			2.90 %
Cost of funds			**2.43 %**			1.42 %
Net interest margin (FTE)[+]			**3.19 %**			3.50 %

[1] *Income and yields are reported on a taxable equivalent basis using the statutory federal corporate tax rate of 21%.*
[2] *Rates and yields are annualized and calculated from actual, not rounded amounts in thousands, which appear above.*
[3] *Nonaccrual loans are included in average loans outstanding.*

The Volume Rate Analysis table below presents changes in net interest income (FTE) (+) and interest expense and distinguishes between the changes related to increases or decreases in average outstanding balances of interest-earning assets and interest-bearing liabilities (volume), and the changes related to increases or decreases in average interest rates on such assets and liabilities (rate). Changes attributable to both volume and rate have been allocated proportionally. Results, on a taxable equivalent basis, are as follows for the periods ended (dollars in thousands):

	Three Months Ended March 31, 2024 vs. March 31, 2023 Increase (Decrease) Due to Change in:		
	Volume	Rate	Total
Earning Assets:			
Securities:			
Taxable	$ (1,232)	$ 3,358	$ 2,126
Tax-exempt	(1,408)	(50)	(1,458)
Total securities	(2,640)	3,308	668
Loans, net[1]	17,018	27,636	44,654
Other earning assets	(426)	406	(20)
Total earning assets	$ 13,952	$ 31,350	$ 45,302
Interest-Bearing Liabilities:			
Interest-bearing deposits:			
Transaction and money market accounts	$ 2,968	$ 23,971	$ 26,939
Regular savings	(71)	208	137
Time deposits[1]	8,807	14,147	22,954
Total interest-bearing deposits	11,704	38,326	50,030
Other borrowings[1]	(1,274)	2,231	957
Total interest-bearing liabilities	10,430	40,557	50,987
Change in net interest income (FTE) (+)	$ 3,522	$ (9,207)	$ (5,685)

(1) *The rate-related changes in interest income on loans, deposits, and other borrowings include the impact of lower accretion of the acquisition-related fair market value adjustments, which are detailed below.*

The impact of net accretion related to acquisition accounting fair value adjustments are reflected in the following table (dollars in thousands):

	Loan Accretion	Deposit Amortization	Borrowings Amortization	Total
For the quarter ended March 31, 2023	$ 1,106	$ (14)	$ (209)	$ 883
For the quarter ended March 31, 2024	**819**	**(1)**	**(216)**	**602**

NONINTEREST INCOME

Three Months Ended March 31, 2024 and 2023

	March 31, 2024	March 31, 2023	Change $	Change %
	(Dollars in thousands)			
Noninterest income:				
Service charges on deposit accounts	**$ 8,569**	$ 7,902	$ 667	8.4 %
Other service charges, commissions and fees	**1,731**	1,746	(15)	(0.9) %
Interchange fees	**2,294**	2,325	(31)	(1.3) %
Fiduciary and asset management fees	**4,838**	4,262	576	13.5 %
Mortgage banking income	**867**	854	13	1.5 %
Gain (loss) on sale of securities	**3**	(13,400)	13,403	NM
Bank owned life insurance income	**3,245**	2,828	417	14.7 %
Loan-related interest rate swap fees	**1,216**	1,439	(223)	(15.5) %
Other operating income	**2,789**	1,672	1,117	66.8 %
Total noninterest income	**$ 25,552**	$ 9,628	$ 15,924	165.4 %

NM = Not Meaningful

Our noninterest income increased $15.9 million or 165.4% to $25.6 million for the quarter ended March 31, 2024, compared to $9.6 million for the quarter ended March 31, 2023, primarily driven by $13.4 million of losses incurred on the sale of AFS securities executed in the first quarter of 2023 and a $1.1 million increase in other operating income primarily due to an increase in equity method investment income.

Our adjusted operating noninterest income,(+) which excludes gains and losses on sale of securities (gains of $3,000 in 2024 and losses of $13.4 million in 2023), increased $2.5 million or 10.9% to $25.5 million for the quarter ended March 31, 2024, compared to $23.0 million for the quarter ended March 31, 2023. The increase in adjusted operating noninterest income(+) was primarily driven by a $1.1 million increase in other operating income discussed above, a $667,000 increase in service charges on deposit accounts due primarily to improved margins in treasury management services, and a $576,000 increase in fiduciary and asset management fees due to an increase in assets under management.

NONINTEREST EXPENSE

Three Months Ended March 31, 2024 and 2023

	March 31,		Change	
	2024	2023	$	%
		(Dollars in thousands)		
Noninterest expense:				
Salaries and benefits	**$ 61,882**	$ 60,529	$ 1,353	2.2 %
Occupancy expenses	**6,625**	6,356	269	4.2 %
Furniture and equipment expenses	**3,309**	3,752	(443)	(11.8) %
Technology and data processing	**8,127**	8,142	(15)	(0.2) %
Professional services	**3,081**	3,413	(332)	(9.7) %
Marketing and advertising expense	**2,318**	2,351	(33)	(1.4) %
FDIC assessment premiums and other insurance	**5,143**	3,899	1,244	31.9 %
Franchise and other taxes	**4,501**	4,498	3	0.1 %
Loan-related expenses	**1,323**	1,552	(229)	(14.8) %
Amortization of intangible assets	**1,895**	2,279	(384)	(16.8) %
Other expenses	**7,069**	11,503	(4,434)	(38.5) %
Total noninterest expense	**$ 105,273**	$ 108,274	$ (3,001)	(2.8) %

Our noninterest expense decreased $3.0 million or 2.8% to $105.3 million for the quarter ended March 31, 2024, compared to $108.3 million for the quarter ended March 31, 2023, primarily driven by a $4.4 million decrease in other expenses, as the prior year included a legal reserve related to our previously disclosed settlement with the CFPB, partially offset by merger-related costs incurred in 2024 associated with our merger with American National. The decrease in noninterest expense was partially offset by $1.4 million increase in salaries and benefits expense primarily driven by an increase in stock compensation expense due to additional equity grants and an increase in group insurance costs, and a $1.2 million increase in FDIC assessment premiums and other insurance primarily due to a FDIC special assessment recognized in the first quarter of 2024.

Our adjusted operating noninterest expense, (+) which excludes amortization of intangible assets ($1.9 million in 2024 and $2.3 million in 2023), merger-related costs associated with American National ($1.9 million in 2024), a FDIC special assessment ($840,000 in 2024), and a legal reserve related to our previously disclosed settlement with the CFPB ($5.0 million in 2023), decreased $331,000 or 0.3% to $100.7 million for the quarter ended March 31, 2024, compared to $101.0 million for the quarter ended March 31, 2023. The decrease in adjusted operating noninterest expense(+) was primarily driven by a $1.3 million decrease in other expenses, reflecting a decline in branch closing and trailing costs related to the closure of five branches in the first quarter of 2023 and a decrease in non-credit related losses on customer transactions, and a $443,000 decrease in furniture and equipment expenses. These decreases in adjusted operating noninterest expense(+) were partially offset by a $1.4 million increase in salaries and benefits expense discussed above.

SEGMENT RESULTS

Wholesale Banking

Our Wholesale Banking segment provides loan, leasing, and deposit services, as well as treasury management, SBA lending and capital market services to wholesale customers primarily throughout Virginia, Maryland, North Carolina, and South Carolina. These customers include commercial real estate and commercial and industrial customers. This segment also includes our equipment finance subsidiary, which has nationwide exposure. The private banking and trust businesses also reside in the Wholesale Banking segment.

The following table presents operating results for the three months ended March 31, for the Wholesale Banking segment (dollars in thousands):

	2024	2023
Net interest income	**$ 80,874**	$ 67,540
Provision for credit losses	**5,366**	10,487
Net interest income after provision for credit losses	**75,508**	57,053
Noninterest income	**8,363**	7,414
Noninterest expense	**44,299**	42,123
Income before income taxes	**$ 39,572**	$ 22,344

Wholesale Banking income before income taxes increased by $17.2 million to $39.6 million for the three months ended March 31, 2024, compared to $22.3 million for the three months ended March 31, 2023. The increase was primarily due to an increase in net interest income driven by higher volumes of loans, favorable spreads on both the loan and deposit portfolios, and a decrease in the provision for credit losses. Our noninterest income also increased for the first three months of 2024 compared to the same period in 2023, primarily due to an increase in service charges on deposit accounts due primarily to improved margins in treasury management services. The increase in income before income taxes was partially offset by an increase in noninterest expense due to an increase in salaries and benefits expense primarily driven by an increase in stock compensation expense due to additional equity grants and an increase in group insurance costs.

The following table presents the key balance sheet metrics as of the periods ended for the Wholesale Banking segment (dollars in thousands):

	March 31, 2024	December 31, 2023
LHFI, net of deferred fees and costs	**$ 12,941,541**	$ 12,688,833
Total Deposits	**6,403,103**	6,403,432

LHFI, net of deferred fees and costs, for the Wholesale Banking segment increased $252.7 million or 8.0% (annualized) to $12.9 billion at March 31, 2024, compared to December 31, 2023 with growth across the other commercial, construction and land development, and commercial real estate – non-owner occupied loan portfolios.

Wholesale banking deposits decreased $329,000 to $6.4 billion at March 31, 2024 compared to December 31, 2023. The decrease compared to the prior quarter was driven by a decrease in demand deposits, time deposits, and savings accounts, and was almost wholly offset by an increase in money market balances and interest checking accounts.

Consumer Banking

Our Consumer Banking segment provides loan and deposit services to consumers and small businesses throughout Virginia, Maryland, and North Carolina. Consumer Banking includes the home loan division, which has nationwide exposure, and investment management and advisory services businesses.

The following table presents operating results for the three months ended March 31, for the Consumer Banking segment (dollars in thousands):

	2024	2023
Net interest income	**$ 69,237**	$ 63,145
Provision for credit losses	**2,873**	1,340
Net interest income after provision for credit losses	**66,364**	61,805
Noninterest income	**12,615**	12,178
Noninterest expense	**55,536**	57,246
Income before income taxes	**$ 23,443**	$ 16,737

Consumer Banking income before income taxes increased by $6.7 million to $23.4 million for the three months ended March 31, 2024, compared to $16.7 million for the three months ended March 31, 2023. The increase was primarily driven by an increase in net interest income due to favorable funding credit on deposits. Our noninterest expense also decreased for the three months ended March 31, 2024 compared to the same period in 2023, primarily due to a decrease in technology and data processing expense. The increase in income before income taxes was partially offset by an increase in the provision for credit losses primarily driven by continued uncertainty in the economic outlook on certain portfolios.

The following table presents the key balance sheet metrics as of the periods ended for the Consumer Banking segment (dollars in thousands):

	March 31, 2024	December 31, 2023
LHFI, net of deferred fees and costs	**$ 2,921,874**	$ 2,958,811
Total Deposits	**10,101,594**	9,816,562

LHFI, net of deferred fees and costs, for the Consumer Banking segment decreased $36.9 million or 5.0% (annualized) to $2.9 billion at March 31, 2024 compared to December 31, 2023. The decrease compared to the prior quarter primarily occurred across the auto loan portfolio due to the exit from our indirect automobile financing business during the second quarter of 2023, as part of our strategic cost saving initiatives.

Consumer Banking deposits increased $285.0 million or 11.7% (annualized) to $10.1 billion at March 31, 2024 compared to December 31, 2023. The increase compared to the prior quarter was primarily due to an increase in time deposits as depositors continued to migrate to higher costing interest bearing deposit accounts and an increase in money market balances.

INCOME TAXES

Our provision for income taxes is based on our results of operations, adjusted for the effect of certain tax-exempt income and non-deductible expenses. In addition, we report certain items of income and expense in different periods for financial reporting and tax return purposes. We recognize the tax effects of these temporary differences in the deferred income tax provision or benefit. Deferred tax assets or liabilities are computed based on the difference between the financial statements and income tax bases of assets and liabilities using the applicable enacted marginal tax rate.

Our effective tax rate for the three months ended March 31, 2024 and 2023 was 16.9% and 17.0%, respectively.

DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

Balance Sheet

Assets

At March 31, 2024, we had total assets of $21.4 billion, an increase of $211.9 million or approximately 4.0% (annualized) from December 31, 2023. The increase in total assets was primarily due to an increase in LHFI, net of deferred fees and costs, of $216.6 million driven primarily by increases in the construction and land development and other commercial loan portfolios.

LHFI, net of deferred fees and costs, were $15.9 billion at March 31, 2024, an increase of $216.6 million or 5.6% (annualized) from December 31, 2023. At March 31, 2024, quarterly average LHFI, net of deferred fees and costs, increased $1.2 billion or 8.5% from the same period in the prior year. Refer to "Loan Portfolio" within this Item 2 and Note 3 "Loans and Allowance for Loan and Lease Losses" in Part I, Item 1 of this Quarterly Report for additional information on our loan activity.

At March 31, 2024, we had total investments of $3.1 billion, a decrease of $42.7 million or 5.4% (annualized) from December 31, 2023. AFS securities totaled $2.2 billion at both March 31, 2024 and December 31, 2023. At March 31, 2024, total net unrealized losses on the AFS securities portfolio were $410.9 million, compared to $384.3 million at December 31, 2023. HTM securities totaled $828.9 million at March 31, 2024, compared to $837.4 at December 31, 2023, with net unrealized losses of $37.6 million at March 31, 2024, compared to $29.3 million at December 31, 2023.

Liabilities and Stockholders’ Equity

At March 31, 2024, we had total liabilities of $18.8 billion, an increase of $219.3 million or approximately 4.7% (annualized) from December 31, 2023, which was primarily driven by an increase in deposits of $460.3 million, partially offset by a decrease in total borrowings of $254.1 million.

Total deposits at March 31, 2024 were $17.3 billion, an increase of $460.3 million or approximately 11.0% (annualized) from December 31, 2023. At March 31, 2024, quarterly average deposits increased $730.0 million or 4.4% from the same period in the prior year. Total deposits increased from December 31, 2023 primarily due to a $578.3 million increase in interest-bearing deposits, which included $461.4 million of interest-bearing customer deposits and $116.9 million in brokered deposits, partially offset by a $118.0 million decrease in demand deposits, as customers continued to move funds from lower to higher yielding products. Refer to “Deposits” within this Item 2 for additional information on this topic.

Total borrowings at March 31, 2024 were $1.1 billion, a decrease of $254.1 million or 19.4% from December 31, 2023, primarily due to paydowns of short-term borrowings due to deposit growth. Refer to Note 6 “Borrowings” in Part I, Item 1 of this Quarterly Report for additional information on our borrowing activity.

At March 31, 2024, our stockholders’ equity was $2.5 billion, a decrease of $7.4 million from December 31, 2023. The net decrease was primarily attributable to the increase in other comprehensive losses primarily due to the increase in net unrealized losses on the AFS securities portfolio. Our consolidated regulatory capital ratios continue to exceed the minimum capital requirements and are considered “well-capitalized” for regulatory purposes. Refer to “Capital Resources” within this Item 2, as well as Note 9 "Stockholders’ Equity" in Part I, Item 1 of this Quarterly Report for additional information on our capital resources.

During the first quarter of 2024, we declared and paid a quarterly dividend on our outstanding shares of Series A Preferred Stock of $171.88 per share (equivalent to $0.43 per outstanding depositary share), consistent with the fourth quarter of 2023 and the first quarter of 2023. During the first quarter of 2024, we also declared and paid cash dividends of $0.32 per common share, consistent with the fourth quarter of 2023 and an increase of $0.02 per share or approximately 6.7% from the first quarter of 2023.

At March 31, 2024, we had no active share repurchase programs, as the most recent share repurchase program expired on December 9, 2022.

SECURITIES

At March 31, 2024, we had total investments of $3.1 billion, or 14.7% of total assets, as compared to $3.2 billion, or 15.0% of total assets, at December 31, 2023. This decrease was primarily due to the increase in unrealized losses in the AFS portfolio caused by the decline in market value due to the impact of market interest rate fluctuations. We seek to diversify our portfolio to minimize risk, and we focus on purchasing MBS for cash flow and reinvestment opportunities and securities issued by states and political subdivisions due to the tax benefits and the higher yield offered from these securities. The majority of our MBS are agency-backed securities, which have a government guarantee. For information regarding the hedge transaction related to AFS securities, see Note 8 "Derivatives" in Part I, Item 1 of this Quarterly Report.

The table below sets forth a summary of the AFS securities, HTM securities, and restricted stock as of the periods ended (dollars in thousands):

	March 31, 2024	December 31, 2023
Available for Sale:		
U.S. government and agency securities	**$ 62,736**	$ 63,356
Obligations of states and political subdivisions	**461,850**	475,447
Corporate and other bonds	**250,264**	241,889
MBS		
Commercial	**245,334**	257,646
Residential	**1,180,253**	1,191,171
Total MBS	**1,425,587**	1,448,817
Other securities	**1,779**	1,752
Total AFS securities, at fair value	**2,202,216**	2,231,261
Held to Maturity:		
Obligations of states and political subdivisions	**695,952**	699,189
Corporate and other bonds	**4,230**	4,349
MBS		
Commercial	**50,814**	51,980
Residential	**77,932**	81,860
Total MBS	**128,746**	133,840
Total held to maturity securities, at carrying value	**828,928**	837,378
Restricted Stock:		
FRB stock	**67,032**	67,032
FHLB stock	**43,240**	48,440
Total restricted stock, at cost	**110,272**	115,472
Total investments	**$ 3,141,416**	$ 3,184,111

The following table summarizes the weighted average yields[1] for AFS securities by contractual maturity date of the underlying securities as of March 31, 2024:

	1 Year or Less	1 - 5 Years	5 – 10 Years	Over 10 Years	Total
U.S. government and agency securities	**— %**	**4.60 %**	**6.38 %**	**— %**	**4.64 %**
Obligations of states and political subdivisions	**2.63 %**	**3.65 %**	**1.91 %**	**2.19 %**	**2.21 %**
Corporate bonds and other securities	**1.48 %**	**6.60 %**	**4.54 %**	**5.80 %**	**4.97 %**
MBS:					
Commercial	**7.27 %**	**5.46 %**	**6.20 %**	**2.77 %**	**3.63 %**
Residential	**2.45 %**	**6.69 %**	**4.73 %**	**2.52 %**	**2.65 %**
Total MBS	**7.27 %**	**6.37 %**	**5.45 %**	**2.55 %**	**2.82 %**
Total AFS securities	**6.97 %**	**5.65 %**	**4.60 %**	**2.48 %**	**2.95 %**

[1] *Yields on tax-exempt securities have been computed on an estimated tax-equivalent basis.*

The following table summarizes the weighted average yields[1] for HTM securities by contractual maturity date of the underlying securities as of March 31, 2024:

	1 Year or Less	1 - 5 Years	5 – 10 Years	Over 10 Years	Total
Obligations of states and political subdivisions	**2.74 %**	**4.12 %**	**3.41 %**	**3.49 %**	**3.50 %**
Corporate bonds and other securities	**— %**	**— %**	**— %**	**5.44 %**	**5.44 %**
MBS:					
Commercial	**— %**	**— %**	**— %**	**4.32 %**	**4.32 %**
Residential	**— %**	**5.65 %**	**— %**	**3.71 %**	**4.17 %**
Total MBS	**— %**	**5.65 %**	**— %**	**3.99 %**	**4.23 %**
Total HTM securities	**2.74 %**	**5.01 %**	**3.41 %**	**3.58 %**	**3.62 %**

[1] *Yields on tax-exempt securities have been computed on an estimated tax-equivalent basis.*

Weighted average yield is calculated as the tax-equivalent yield on a pro rata basis for each security based on its relative amortized cost.

As of March 31, 2024, we maintained a diversified municipal bond portfolio with approximately 68% of our holdings in general obligation issues and the majority of the remainder primarily backed by revenue bonds. Issuances within the State of Texas represented 19% of the total municipal portfolio; no other state had a concentration above 10%. Substantially all municipal holdings are considered investment grade. When purchasing municipal securities, we focus on strong underlying ratings for general obligation issuers or bonds backed by essential service revenues.

LIQUIDITY

Liquidity represents an institution's ability to meet present and future financial obligations through either the sale or maturity of existing assets or the acquisition of additional funds through liability management. Our largest source of liquidity on a consolidated basis is the customer deposit base generated by our wholesale and consumer businesses. Total deposits at March 31, 2024 were $17.3 billion, an increase of $460.3 million or approximately 11.0% (annualized) from December 31, 2023. Total deposits increased $578.3 million in interest-bearing deposits, which includes a $116.9 million increase in brokered deposits, partially offset by a $118.0 million decrease in demand deposits, as customers continued to move funds from lower to higher yielding products. Refer to "Deposits" within this Item 2 for additional information on this topic.

Liquid assets include cash, interest-bearing deposits with banks, money market investments, federal funds sold, LHFS, and securities and loans maturing or re-pricing within one year. Additional sources of liquidity available to us include our capacity to borrow additional funds when necessary through federal funds lines with several correspondent banks, a line of credit with the FHLB, the Federal Reserve Discount Window, the purchase of brokered certificates of deposit, corporate line of credit with a large correspondent bank, and debt and capital issuance. Management believes our overall liquidity to be sufficient to satisfy our depositors' requirements and to meet our customers' credit needs.

We closely monitor changes in the industry and market conditions that may impact our liquidity and will use other borrowing means or other liquidity and funding strategies sources to fund our liquidity needs as needed. We are also closely tracking the potential impacts on our liquidity of declines in the fair value of our securities portfolio due to changing market interest rates and developments in the banking industry that may change the availability of traditional sources of liquidity or market expectations with respect to available sources and amounts of additional liquidity.

As of March 31, 2024, our liquid assets totaled $5.6 billion or 26.1% of total assets, and liquid earning assets totaled $5.4 billion or 28.1% of total earning assets. We also provide asset liquidity by managing loan and securities maturities and cash flows. As of March 31, 2024, loan payments of approximately $4.8 billion or 30.6% of total loans as of March 31, 2024 are expected within one year based on contractual terms, adjusted for expected prepayments, and approximately $319.0 million or 10.2% of total investments as of March 31, 2024 are scheduled to be paid down within one year based on contractual terms, adjusted for expected prepayments.

For additional information and the available balances on various lines of credit, please refer to Note 6 "Borrowings" in Part I, Item 1 of this Quarterly Report. In addition to lines of credit, we may also borrow additional funds by purchasing certificates of deposit through a nationally recognized network of financial institutions. For additional information on cash requirements for known contractual and other obligations, please refer to "Capital Resources" within this Item 2.

Cash Requirements

Our cash requirements, outside of lending transactions, consist primarily of borrowings, debt and capital instruments which are used as part of our overall liquidity and capital management strategy. We expect that the cash required to repay these obligations will be sourced from future debt and capital issuances and from other general liquidity sources as described above under "Liquidity" within this Item 2.

The following table presents our contractual obligations related to our major cash requirements and the scheduled payments due at the various intervals over the next year and beyond as of March 31, 2024 (dollars in thousands):

	Total	Less than 1 year	More than 1 year
Long-term debt [1]	$ 250,000	$ —	$ 250,000
Trust preferred capital notes [1]	155,159	—	155,159
Leases [2]	113,548	10,009	103,539
Repurchase agreements	66,405	66,405	—
Total contractual obligations	$ 585,112	$ 76,414	$ 508,698

[1] *Excludes related unamortized premium/discount and interest payments.*
[2] *Represents lease payments due on non-cancellable operating leases at March 31, 2024. Excluded from these tables are variable lease payments or renewals.*

For more information pertaining to the previous table, reference Note 5 "Leases" and Note 6 "Borrowings" in Part I, Item 1 of this Quarterly Report.

Off-Balance Sheet Obligations

In the normal course of business, we are party to financial instruments with off-balance sheet risk to meet the financing needs of our customers and to reduce our own exposure to fluctuations in interest rates. These financial instruments include commitments to extend credit and letters of credit. These instruments involve elements of credit and interest rate risk in excess of the amount recognized in our Consolidated Balance Sheets. The contractual amounts of these instruments reflect the extent of our involvement in particular classes of financial instruments.

Our exposure to credit loss in the event of nonperformance by the other party to the financial instruments for commitments to extend credit and letters of credit is represented by the contractual amount of these instruments. We use the same credit policies in making commitments and conditional obligations as we do for on-balance sheet instruments. Unless noted otherwise, we do not require collateral or other security to support off-balance sheet financial instruments with credit risk.

For a summary of our total commitments with off-balance sheet risk see Note 7 “Commitments and Contingencies” in Part I, Item I of this Quarterly Report.

We are also a lessor in sales-type and direct financing leases for equipment, as noted in Note 5 “Leases” in Part I, Item I of this Quarterly Report. Our future commitments related to the aforementioned leases totaled $530.6 million and $472.7 million, respectively, at March 31, 2024 and December 31, 2023.

Impact of Inflation and Changing Prices

Our financial statements included in Item I “Financial Statements” of this Quarterly Report have been prepared in accordance with GAAP, which requires the financial position and operating results to be measured principally in terms of historic dollars without considering the change in the relative purchasing power of money over time due to inflation. Inflation affects our results of operations mainly through increased operating costs, but since nearly all of our assets and liabilities are monetary in nature, changes in interest rates generally affect our financial condition to a greater degree than changes in the rate of inflation. Although interest rates are greatly influenced by changes in the inflation rate, they do not necessarily change at the same rate or in the same magnitude as the inflation rate. Management reviews pricing of our products and services, in light of current and expected costs due to inflation, to seek to mitigate the inflationary impact on our financial performance.

LOAN PORTFOLIO

LHFI, net of deferred fees and costs, totaled $15.9 billion at March 31, 2024 and $15.6 billion at December 31, 2023. Commercial real estate and commercial and industrial loans represented our largest loan categories at both March 31, 2024 and December 31, 2023.

The following table presents the remaining maturities, based on contractual maturity, by loan type, and by rate type (variable or fixed), net of deferred fees and costs, as of March 31, 2024 (dollars in thousands):

			Variable Rate				Fixed Rate			
	Total Maturities	Less than 1 year	Total	1-5 years	5-15 years	More than 15 years	Total	1-5 years	5-15 years	More than 15 years
Construction and Land Development	$ 1,246,251	$ 338,128	$ 637,095	$ 519,394	$ 114,479	$ 3,222	$ 271,028	$ 211,672	$ 30,902	$ 28,454
Commercial Real Estate - Owner Occupied	1,981,613	172,098	647,704	184,727	448,317	14,660	1,161,811	648,421	509,556	3,834
Commercial Real Estate - Non-Owner Occupied	4,225,018	481,938	2,329,285	1,251,898	1,077,387	—	1,413,795	1,181,282	226,315	6,198
Multifamily Real Estate	1,074,957	294,682	546,682	238,763	307,919	—	233,593	194,270	39,323	—
Commercial & Industrial	3,561,971	559,944	1,858,030	1,730,732	108,079	19,219	1,143,997	763,900	377,163	2,934
Residential 1-4 Family - Commercial	515,667	56,178	127,119	60,925	61,624	4,570	332,370	271,759	50,854	9,757
Residential 1-4 Family - Consumer	1,081,094	377	213,988	2,028	26,317	185,643	866,729	8,193	70,582	787,954
Residential 1-4 Family - Revolving	616,951	18,871	484,548	25,376	101,721	357,451	113,532	6,122	40,474	66,936
Auto	440,118	3,499	—	—	—	—	436,619	298,852	137,767	—
Consumer	113,414	13,572	14,530	11,996	2,208	326	85,312	42,088	30,562	12,662
Other Commercial	994,574	49,977	165,618	12,136	153,482	—	778,979	285,665	377,922	115,392
Total LHFI	$ 15,851,628	$ 1,989,264	$ 7,024,599	$ 4,037,975	$ 2,401,533	$ 585,091	$ 6,837,765	$ 3,912,224	$ 1,891,420	$ 1,034,121

We remain committed to originating soundly underwritten loans to qualifying borrowers within our markets. We seek to mitigate risks attributable to our most highly concentrated portfolios—commercial real estate and commercial and industrial—through our credit underwriting and monitoring processes, including oversight by a centralized credit administration function and credit policy and risk management committee, as well as through our seasoned bankers that focus on lending to borrowers with proven track records in markets that we are familiar with.

Our loan portfolio includes credit exposures in the commercial real estate market. Our non-owner occupied commercial real estate loans represented 26.7% of total LHFI at both March 31, 2024 and December 31, 2023, which includes office loans of $779.0 million or 4.9% of total LHFI and $775.0 million or 5.0% of total LHFI, respectively. We proactively monitor our non-owner occupied office exposure and we believe the portfolio is geographically diverse and granular. We do not currently finance large, high-rise, or major metropolitan central business district office buildings.

ASSET QUALITY

Overview

At March 31, 2024 and December 31, 2023, nonaccrual LHFI was $36.4 million and $36.9 million, respectively, while NPAs as a percentage of LHFI totaled 0.23% and 0.24%, respectively. Net charge-offs were $4.9 million for the three months ended March 31, 2024, compared to net charge-offs of $4.6 million for the same period in the prior year. Our ACL at March 31, 2024 increased $3.3 million from December 31, 2023 to $151.8 million, reflecting the impact of loan growth and continued uncertainty in the economic outlook on certain portfolios.

We continue to experience historically low levels of NPAs; however, the economic environment in our footprint could be impacted by elevated inflation, even as inflation rates begin to improve, and the potential impact of interest rate changes as the Federal Reserve continues to evaluate monetary policy moves, which could increase NPAs in future periods. We continue to refrain from originating or purchasing loans from foreign entities, and we selectively originate loans to higher risk borrowers. Our loan portfolio generally does not include exposure to option adjustable-rate mortgage products, high loan-to-value ratio mortgages, interest only mortgage loans, subprime mortgage loans, or mortgage loans with initial teaser rates, which are all considered higher risk instruments.

Nonperforming Assets

At March 31, 2024 and December 31, 2023, NPAs included nonaccrual LHFI of $36.4 million and $36.9 million, respectively, representing a decrease of $471,000. Our NPAs as a percentage of total outstanding LHFI at March 31, 2024 and December 31, 2023 were 0.23% and 0.24%, respectively.

The following table shows a summary of asset quality balances and related ratios as of the periods ended (dollars in thousands):

	March 31, 2024	December 31, 2023
Nonaccrual LHFI	**$ 36,389**	$ 36,860
Foreclosed properties	**29**	29
Total NPAs	**36,418**	36,889
LHFI past due 90 days and accruing interest	**11,445**	13,863
Total NPAs and LHFI past due 90 days and accruing interest	**$ 47,863**	$ 50,752
Balances		
Allowance for loan and lease losses	**$ 136,190**	$ 132,182
Allowance for credit losses	**151,772**	148,451
Average LHFI, net of deferred fees and costs	**15,732,599**	14,949,487
LHFI, net of deferred fees and costs	**15,851,628**	15,635,043
Ratios		
Nonaccrual LHFI to total LHFI	**0.23 %**	0.24 %
NPAs to total LHFI	**0.23 %**	0.24 %
NPAs & LHFI 90 days past due and accruing interest to total LHFI	**0.30 %**	0.32 %
NPAs to total LHFI & foreclosed property	**0.23 %**	0.24 %
NPAs & LHFI 90 days past due and accruing interest to total LHFI & foreclosed property	**0.30 %**	0.32 %
ALLL to nonaccrual LHFI	**374.26 %**	358.61 %
ALLL to nonaccrual LHFI & LHFI 90 days past due and accruing interest	**284.71 %**	260.60 %
ACL to nonaccrual LHFI	**417.08 %**	402.74 %

NPAs include nonaccrual LHFI, which totaled $36.4 million at March 31, 2024, a net decrease of $471,000 from December 31, 2023. The following table shows the activity in nonaccrual LHFI for the quarters ended (dollars in thousands):

	March 31, 2024	December 31, 2023
Beginning Balance	**$ 36,860**	$ 27,038
Net customer payments	**(1,583)**	(11,850)
Additions	**5,047**	23,091
Charge-offs	**(3,935)**	(987)
Loans returning to accruing status	**—**	(432)
Ending Balance	**$ 36,389**	$ 36,860

The following table presents the composition of nonaccrual LHFI and the coverage ratio, which is the ALLL expressed as a percentage of nonaccrual LHFI, as of the periods ended (dollars in thousands):

	March 31, 2024	December 31, 2023
Construction and Land Development	**$ 342**	$ 348
Commercial Real Estate - Owner Occupied	**2,888**	3,001
Commercial Real Estate - Non-owner Occupied	**10,335**	12,616
Commercial & Industrial	**6,480**	4,556
Residential 1-4 Family - Commercial	**1,790**	1,804
Residential 1-4 Family - Consumer	**10,990**	11,098
Residential 1-4 Family - Revolving	**3,135**	3,087
Auto	**429**	350
Total	**$ 36,389**	$ 36,860
Coverage Ratio[(1)]	**374.26 %**	358.61 %

(1) *Represents the ALLL divided by nonaccrual LHFI.*

Past Due Loans

At March 31, 2024, past due LHFI still accruing interest totaled $50.7 million or 0.32% of total LHFI, compared to $48.4 million or 0.31% of total LHFI at December 31, 2023. Of the total past due LHFI still accruing interest, $11.4 million or 0.07% of total LHFI were loans past due 90 days or more at March 31, 2024, compared to $13.9 million or 0.09% of total LHFI at December 31, 2023.

Troubled Loan Modifications

As of March 31, 2024, TLMs were not significant at approximately $36,000. As of March 31, 2023, we had TLMs with an amortized cost basis of $20.5 million. There was no material allowance on TLMs for both March 31, 2024 and 2023. As of March 31, 2024 and 2023, there was $1.1 million and $4.4 million, respectively, of unfunded commitments on loans modified and designated as TLMs.

Net Charge-offs

For the first quarter of 2024, net charge-offs were $4.9 million or 0.13% of total average LHFI on an annualized basis, compared to net charge-offs of $4.6 million or 0.13% for the same quarter last year. The net charge-offs in the first quarter of 2024 were primarily related to two credit relationships, which were previously reserved for in the prior quarter's ACL.

Provision for Credit Losses

We recorded a provision for credit losses of $8.2 million for the first quarter of 2024, a decrease of $3.7 million compared to the provision for credit losses of $11.9 million recorded during the same quarter of 2023. The change in provision for credit losses primarily reflects the higher impact of economic uncertainty in the prior quarter and the same quarter last year.

Allowance for Credit Losses

At March 31, 2024, the ACL was $151.8 million and included an ALLL of $136.2 million and a reserve for unfunded commitments of $15.6 million. The ACL at March 31, 2024 increased $3.3 million from December 31, 2023, primarily due to loan growth in the first quarter of 2024 and the impact of continued uncertainty in the economic outlook on certain portfolios.

The following table summarizes the ACL as of the periods ended (dollars in thousands):

	March 31, 2024	December 31, 2023
Total ALLL	**$ 136,190**	$ 132,182
Total Reserve for Unfunded Commitments	**15,582**	16,269
Total ACL	**$ 151,772**	$ 148,451
ALLL / total LHFI	**0.86 %**	0.85 %
ACL / total LHFI	**0.96 %**	0.95 %

The following table summarizes net charge-off activity by loan segment as of the periods ended (dollars in thousands):

	Three Months Ended March 31, 2024		
	Commercial	**Consumer**	**Total**
Loans charged-off	**$ (4,939)**	**$ (955)**	**$ (5,894)**
Recoveries	**533**	**444**	**977**
Net charge-offs	**$ (4,406)**	**$ (511)**	**$ (4,917)**
Net charge-offs to average loans [1]	**0.13 %**	**0.09 %**	**0.13**

	Three Months Ended March 31, 2023		
	Commercial	Consumer	Total
Loans charged-off	$ (5,007)	$ (719)	$ (5,726)
Recoveries	515	652	1,167
Net charge-offs	$ (4,492)	$ (67)	$ (4,559)
Net charge-offs to average loans [1]	0.15 %	0.01 %	0.13

[1] *Annualized*

The following table summarizes the ALLL activity by loan segment and the percentage of the loans portfolio that the related ALLL covers as of the quarters ended (dollars in thousands):

	March 31, 2024			December 31, 2023		
	Commercial	**Consumer**	**Total**	**Commercial**	**Consumer**	**Total**
ALLL	**$ 110,528**	**$ 25,662**	**$ 136,190**	$ 105,896	$ 26,286	$ 132,182
Loan %[1]	**85.8 %**	**14.2 %**	**100.0 %**	85.3 %	14.7 %	100.0 %
ALLL to total LHFI	**0.81 %**	**1.14 %**	**0.86 %**	0.79 %	1.14 %	0.85 %

[1] *The percentage represents the loan balance divided by LHFI.*

The increase in the ALLL from the prior year for the Commercial segment is primarily due to loan growth during 2024, and the impact of continued uncertainty in the economic outlook on certain portfolios. The decrease in the ALLL from the prior year for the Consumer segment reflects the impact of the run-off in the third-party lending and auto portfolios.

DEPOSITS

As of March 31, 2024, our total deposits were $17.3 billion, an increase of $460.3 million or 11.0% (annualized) from December 31, 2023. Total interest-bearing deposits consisted of interest checking accounts, money market, savings, time deposits, and brokered deposits. Our total time deposit balances with customers totaled $3.0 billion and accounted for 23.61% of total interest-bearing customer deposits at March 31, 2024, compared to $2.8 billion and 23.1% at December 31, 2023. We expect to continue to use purchased brokered deposits as part of our overall liquidity management strategy, on an as needed basis, which are generally purchased through nationally recognized networks. At March 31, 2024, our brokered deposits totaled $665.3 million, a $116.9 million increase from December 31, 2023.

The following table presents the deposit balances, including brokered deposits, by major category as of the quarters ended (dollars in thousands):

	March 31, 2024		December 31, 2023	
Deposits:	**Amount**	**% of total deposits**	**Amount**	**% of total deposits**
Interest checking accounts	**$ 4,753,485**	**27.5 %**	$ 4,697,819	27.9 %
Money market accounts	**4,104,282**	**23.7 %**	3,850,679	22.9 %
Savings accounts	**895,213**	**5.2 %**	909,223	5.4 %
Customer time deposits of $250,000 and over	**721,155**	**4.2 %**	674,939	4.0 %
Other customer time deposits	**2,293,800**	**13.3 %**	2,173,904	12.9 %
Time Deposits	**3,014,955**	**17.5 %**	2,848,843	16.9 %
Total interest-bearing customer deposits	**12,767,935**	**73.9 %**	12,306,564	73.1 %
Brokered deposits	**665,309**	**3.9 %**	548,384	3.3 %
Total interest-bearing deposits	**$ 13,433,244**	**77.8 %**	$ 12,854,948	76.4 %
Demand deposits	**3,845,191**	**22.2 %**	3,963,181	23.6 %
Total Deposits (1)	**$ 17,278,435**	**100.0 %**	$ 16,818,129	100.0 %

(1) *Includes estimated uninsured deposits of $5.9 billion and $5.8 billion as of March 31, 2024 and December 31, 2023, respectively, and collateralized deposits of $771.2 million and $861.6 million as of March 31, 2024 and December 31, 2023, respectively.*

Maturities of time deposits in excess of FDIC insurance limits were as follows for the quarters ended (dollars in thousands):

	March 31, 2024	December 31, 2023
3 Months or Less	**$ 61,450**	$ 141,146
Over 3 Months through 6 Months	**73,485**	62,006
Over 6 Months through 12 Months	**105,747**	32,672
Over 12 Months	**56,223**	43,865
Total	**$ 296,905**	$ 279,689

CAPITAL RESOURCES

Capital resources represent funds, earned or obtained, over which financial institutions can exercise greater or longer control in comparison with deposits and borrowed funds. Our management reviews our capital adequacy on an ongoing basis with reference to size, composition, and quality of our resources and consistency with regulatory requirements and industry standards. We seek to maintain a capital structure that will assure an adequate level of capital to support anticipated asset growth and to absorb potential losses, while allowing us to effectively leverage our capital to maximize return to shareholders.

Under the Basel III capital rules, we must comply with the following minimum capital ratios: (i) a common equity Tier 1 capital ratio of 7.0% of risk-weighted assets; (ii) a Tier 1 capital ratio of 8.5% of risk-weighted assets; (iii) a total capital ratio of 10.5% of risk-weighted assets; and (iv) a leverage ratio of 4.0% of total assets. These ratios, with the exception of the leverage ratio, include a 2.5% capital conservation buffer, which is designed to absorb losses during periods of economic stress. Banking institutions with a ratio of common equity Tier 1 to risk-weighted assets above the minimum but below the conservation buffer will face constraints on dividends, equity repurchases, and compensation based on the amount of the shortfall.

On August 26, 2020, the federal bank regulatory agencies adopted a final rule that allowed us to phase in the impact of adopting the CECL methodology up to two years, with a three-year transition period to phase out the cumulative benefit to regulatory capital provided during the two-year delay. We elected to phase in the regulatory capital impact as permitted under this final rule. The CECL transition amount is being phased out of regulatory capital over a three-year period that began in 2022 and ends in 2024.

The table summarizes our regulatory capital and related ratios as of the periods ended [2] (dollars in thousands):

	March 31, 2024	December 31, 2023	March 31, 2023
Common equity Tier 1 capital	**$ 1,816,076**	$ 1,790,183	$ 1,690,040
Tier 1 capital	**1,982,433**	1,956,539	1,856,396
Tier 2 capital	**525,138**	508,278	489,827
Total risk-based capital	**2,507,571**	2,464,817	2,346,224
Risk-weighted assets	**18,406,940**	18,184,252	17,049,045
Capital ratios:			
Common equity Tier 1 capital ratio	**9.87%**	9.84%	9.91%
Tier 1 capital ratio	**10.77%**	10.76%	10.89%
Total capital ratio	**13.62%**	13.55%	13.76%
Leverage ratio (Tier 1 capital to average assets)	**9.62%**	9.63%	9.38%
Capital conservation buffer ratio [1]	**4.77%**	4.76%	4.89%
Common equity to total assets	**11.14%**	11.29%	11.31%
Tangible common equity to tangible assets [+]	**7.05%**	7.15%	6.91%

[1] *Calculated by subtracting the regulatory minimum capital ratio requirements from the Company's actual ratio results for Common equity, Tier 1, and Total risk-based capital. The lowest of the three measures represents the Company's capital conservation buffer ratio.*
[2] *All ratios and amounts at March 31, 2024 are estimates and subject to change pending the filing of our FR Y9-C. All other periods are presented as filed.*
[+] *Refer to "Non-GAAP Financial Measures" within this Item 2 for more information about this non-GAAP financial measure, including a reconciliation of this measure to the most directly comparable financial measure calculated in accordance with GAAP.*

For more information about our off-balance sheet obligations and cash requirements, refer to "Liquidity" within this Item 2.

NON-GAAP FINANCIAL MEASURES

In this Quarterly Report, we have provided supplemental performance measures on a tax-equivalent, tangible, operating, adjusted or pre-tax pre-provision basis. These non-GAAP financial measures are a supplement to GAAP, which is used to prepare our financial statements, and should not be considered in isolation or as a substitute for comparable measures calculated in accordance with GAAP. In addition, our non-GAAP financial measures may not be comparable to non-GAAP financial measures of other companies. We use the non-GAAP financial measures discussed herein in our analysis of our performance. Management believes that these non-GAAP financial measures provide additional understanding of ongoing operations, enhance comparability of our results of operations with prior periods and show the effects of significant gains and charges in the periods presented without the impact of items or events that may obscure trends in our underlying performance.

We believe net interest income (FTE) and total revenue (FTE), which are used in computing net interest margin (FTE), provide valuable additional insight into the net interest margin by adjusting for differences in the tax treatment of interest income sources. The entire FTE adjustment is attributable to interest income on earning assets, which is used in computing the yield on earning assets. Interest expense and the related cost of interest-bearing liabilities and cost of funds ratios are not affected by the FTE components.

The following table reconciles non-GAAP financial measures from the most directly comparable GAAP financial measures for each of the periods presented (dollars in thousands):

	Three Months Ended March 31,	
	2024	**2023**
Interest Income (FTE)		
Interest and dividend income (GAAP)	**$ 262,915**	$ 217,546
FTE adjustment	**3,721**	3,788
Interest and dividend income (FTE) (non-GAAP)	**$ 266,636**	$ 221,334
Average earning assets	**$ 19,089,393**	$ 18,238,088
Yield on interest-earning assets (GAAP)	**5.54 %**	4.84 %
Yield on interest-earning assets (FTE) (non-GAAP)	**5.62 %**	4.92 %
Net Interest Income (FTE)		
Net interest income (GAAP)	**$ 147,825**	$ 153,443
FTE adjustment	**3,721**	3,788
Net interest income (FTE) (non-GAAP)	**$ 151,546**	$ 157,231
Noninterest income (GAAP)	**25,552**	9,628
Total revenue (FTE) (non-GAAP)	**$ 177,098**	$ 166,859
Average earning assets	**$ 19,089,393**	$ 18,238,088
Net interest margin (GAAP)	**3.11 %**	3.41 %
Net interest margin (FTE) (non-GAAP)	**3.19 %**	3.50 %

Tangible assets and tangible common equity are used in the calculation of certain profitability, capital, and per share ratios. We believe tangible assets, tangible common equity and the related ratios are meaningful measures of capital adequacy because they provide a meaningful base for period-to-period and company-to-company comparisons, which we believe will assist investors in assessing our capital and our ability to absorb potential losses. We believe tangible common equity is an important indication of our ability to grow organically and through business combinations as well as our ability to pay dividends and to engage in various capital management strategies.

The following table reconciles non-GAAP financial measures from the most directly comparable GAAP financial measures for each of the periods presented (dollars in thousands):

	Three Months Ended		
	March 31, 2024	**December 31, 2023**	**March 31, 2023**
Tangible Assets			
Ending Assets (GAAP)	**$ 21,378,120**	$ 21,166,197	$ 20,103,370
Less: Ending goodwill	**925,211**	925,211	925,211
Less: Ending amortizable intangibles	**17,288**	19,183	24,482
Ending tangible assets (non-GAAP)	**$ 20,435,621**	$ 20,221,803	$ 19,153,677
Tangible Common Equity			
Ending Equity (GAAP)	**$ 2,548,928**	$ 2,556,327	$ 2,440,236
Less: Ending goodwill	**925,211**	925,211	925,211
Less: Ending amortizable intangibles	**17,288**	19,183	24,482
Less: Perpetual preferred stock	**166,357**	166,357	166,357
Ending tangible common equity (non-GAAP)	**$ 1,440,072**	$ 1,445,576	$ 1,324,186
Average equity (GAAP)	**$ 2,568,243**	$ 2,430,711	$ 2,423,600
Less: Average goodwill	**925,211**	925,211	925,211
Less: Average amortizable intangibles	**18,198**	20,192	25,588
Less: Average perpetual preferred stock	**166,356**	166,356	166,356
Average tangible common equity (non-GAAP)	**$ 1,458,478**	$ 1,318,952	$ 1,306,445
Common equity to total assets (GAAP)	**11.14 %**	11.29 %	11.31 %
Tangible common equity to tangible assets (non-GAAP)	**7.05 %**	7.15 %	6.91 %
Book value per common share (GAAP)	**$ 31.88**	$ 32.06	$ 30.53

Adjusted operating measures exclude, as applicable, merger-related costs, a FDIC special assessment, a legal reserve associated with our previously disclosed settlement with the CFPB, and gain (loss) on sale of securities. We believe these non-GAAP adjusted measures provide investors with important information about the continuing economic results of our operations. The following table reconciles non-GAAP financial measures from the most directly comparable GAAP financial measures for each of the periods presented (dollars in thousands, except per share amounts):

	Three Months Ended March 31,	
	2024	**2023**
Adjusted Operating Earnings & EPS		
Net income (GAAP)	**$ 49,769**	$ 35,653
Plus: Merger-related costs, net of tax	**1,563**	—
Plus: FDIC special assessment, net of tax	**664**	—
Plus: Legal reserve, net of tax	**—**	3,950
Less: Gain (loss) on sale of securities, net of tax	**2**	(10,586)
Adjusted operating earnings (non-GAAP)	**$ 51,994**	$ 50,189
Less: Dividends on preferred stock	**2,967**	2,967
Adjusted operating earnings available to common shareholders (non-GAAP)	**$ 49,027**	$ 47,222
Weighted average common shares outstanding, diluted	**75,197,376**	74,835,514
Earnings per common share, diluted (GAAP)	**$ 0.62**	$ 0.44
Adjusted operating earnings per common share, diluted (non-GAAP)	**$ 0.65**	$ 0.63

Adjusted operating noninterest expense excludes, as applicable, expenses related to the amortization of intangible assets, merger-related costs, a FDIC special assessment, and a legal reserve associated with our previously disclosed settlement with the CFPB. Adjusted operating noninterest income excludes gain (loss) on sale of securities. These measures are similar to the measures we use when analyzing corporate performance and are also similar to the measure used for incentive compensation. We believe this adjusted measure provides investors with important information about the continuing economic results of our operations.

The following table reconciles non-GAAP financial measures from the most directly comparable GAAP financial measures for the periods presented (dollars in thousands):

	Three Months Ended March 31,	
	2024	**2023**
Adjusted Operating Noninterest Expense & Noninterest Income		
Noninterest expense (GAAP)	**$ 105,273**	$ 108,274
Less: Amortization of intangible assets	**1,895**	2,279
Less: Merger-related costs	**1,874**	—
Less: FDIC special assessment	**840**	—
Less: Legal reserve	—	5,000
Adjusted operating noninterest expense (non-GAAP)	**$ 100,664**	$ **100,995**
Noninterest income (GAAP)	**$ 25,552**	$ 9,628
Less: Gain (loss) on sale of securities	**3**	(13,400)
Adjusted operating noninterest income (non-GAAP)	**$ 25,549**	$ 23,028

ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Sensitivity

Market risk is the risk of loss arising from adverse changes in the fair value of financial instruments due to changes in interest rates, exchange rates, and equity prices. Our market risk is composed primarily of interest rate risk. Our ALCO is responsible for reviewing our interest rate sensitivity position and establishing policies to monitor and limit exposure to this risk. Our Board of Directors reviews and approves the policies established by our ALCO.

We monitor interest rate risk using three complementary modeling tools: static gap analysis, earnings simulation modeling, and economic value simulation (net present value estimation). Each of these models measures changes in a variety of interest rate scenarios. While each of the interest rate risk models has limitations, taken together, they represent a reasonably comprehensive view of the magnitude of our interest rate risk, the distribution of risk along the yield curve, the level of risk through time, and the amount of exposure to changes in certain interest rate relationships. We use the static gap analysis, which measures aggregate re-pricing values, less often because it does not effectively consider the optionality embedded into many assets and liabilities and, therefore, we do not address it here. We use earnings simulation and economic value simulation models on a regular basis, which more effectively measure the cash flow and optionality impacts, and these models are discussed below.

We determine the overall magnitude of interest sensitivity risk and then we create policies and practices governing asset generation and pricing, funding sources and pricing, and off-balance sheet commitments. These policies and practices are based on management's expectations regarding future interest rate movements, the states of the national, regional and local economies, and other financial and business risk factors. We use simulation modeling to measure and monitor the effect of various interest rate scenarios and business strategies on our net interest income. This modeling reflects interest rate changes and the related impact on net interest income and net income over specified time horizons.

Earnings Simulation Modeling

Management uses earnings simulation modeling to measure the sensitivity of our net interest income to changes in interest rates. The model calculates an earnings estimate based on current and projected balances and rates. This method is subject to the accuracy of the assumptions that underlie the process, but we believe it provides a better analysis of the sensitivity of earnings to changes in interest rates than other analyses, such as the static gap analysis noted above.

We derive the assumptions used in the model from historical trends and management's outlook, including expected loan growth, loan prepayment rates, projected loan origination spreads, deposit growth rates, changes to deposit product betas and non-maturity deposit decay rates, and projected yields and rates. These assumptions may not be realized and unanticipated events and circumstances may also occur that cause the assumptions to be inaccurate. The model also does not take into account any future actions of management to mitigate the impact of interest rate changes. Our ALCO monitors the assumptions at least quarterly and periodically adjusts them as it deems appropriate. In the modeling, we assume that all maturities, calls, and prepayments in the securities portfolio are reinvested in like instruments, and we base the MBS prepayment assumptions on industry estimates of prepayment speeds for portfolios with similar coupon ranges and seasoning. We also use different interest rate scenarios and yield curves to measure the sensitivity of earnings to changing interest rates. Interest rates on different asset and liability accounts move differently when the short-term market rate changes and these differences are reflected in the different rate scenarios. We adjust deposit betas, decay rates and loan prepayment speeds periodically in our models for non-maturity deposits and loans.

We use our earnings simulation model to estimate earnings in rate environments where rates are instantaneously shocked up or down around a "most likely" rate scenario, based on implied forward rates and futures curves. The analysis assesses the impact on net interest income over a 12-month period after an immediate increase or "shock" in rates, of 100 bps up to 300 bps. The model, under all scenarios, does not drop the index below zero.

The following table represents the interest rate sensitivity on our net interest income across the rate paths modeled for balances as of the quarterly periods ended:

	Change In Net Interest Income		
	March 31, 2024	**December 31, 2023**	**March 31, 2023**
	%	**%**	**%**
Change in Yield Curve:			
+300 basis points	**5.68**	4.41	7.91
+200 basis points	**3.97**	3.20	5.01
+100 basis points	**2.12**	1.79	2.06
Most likely rate scenario	**—**	—	—
-100 basis points	**(2.85)**	(1.68)	(4.75)
-200 basis points	**(6.28)**	(3.92)	(8.94)
-300 basis points	**(9.85)**	(7.62)	(11.46)

If an institution is asset sensitive its assets reprice more quickly than its liabilities and net interest income would be expected to increase in a rising interest rate environment and decrease in a falling interest rate environment. If an institution is liability sensitive its liabilities reprice more quickly than its assets and net interest income would be expected to decrease in a rising interest rate environment and increase in a falling interest rate environment.

From a net interest income perspective, we were more asset sensitive as of March 31, 2024 compared to our position as of December 31, 2023. This shift is due, in part, to the changing market characteristics of certain loan and deposit products and, in part, due to various other balance sheet strategies. We were less asset sensitive as of March 31, 2024 compared to our position as of March 31, 2023. This shift is due, in part, to the changing market characteristics of certain loan and deposit products and, in part, due to various other balance sheet strategies. We expect net interest income to increase with an immediate increase or shock in market rates. In a decreasing interest rate environment, we would expect a decline in net interest income as interest-earning assets re-price more quickly than interest-bearing deposits.

Economic Value Simulation Modeling

We use economic value simulation modeling to calculate the estimated fair value of assets and liabilities over different interest rate environments. We calculate the economic values based on discounted cash flow analysis. The net economic value of equity is the economic value of all assets minus the economic value of all liabilities. The change in net economic value over different rate environments is an indication of the longer-term earnings capability of the balance sheet. We use the same assumptions in the economic value simulation model as in the earnings simulation model. The economic value simulation model uses instantaneous rate shocks to the balance sheet.

The following table reflects the estimated change in net economic value over different rate environments using economic value simulation for the balances as of the periods ended:

	Change In Economic Value of Equity		
	March 31, 2024	December 31, 2023	March 31, 2023
	%	%	%
Change in Yield Curve:			
+300 basis points	**(9.46)**	(8.11)	(11.44)
+200 basis points	**(6.58)**	(5.36)	(7.91)
+100 basis points	**(3.38)**	(2.53)	(4.05)
Most likely rate scenario	**—**	—	—
-100 basis points	**2.23**	2.34	3.01
-200 basis points	**3.18**	3.07	5.30
-300 basis points	**2.21**	0.76	5.90

As of March 31, 2024, our economic value of equity is generally less asset sensitive in a rising interest rate environment compared to our positions as of December 31, 2023 and March 31, 2023, primarily due to the composition of our Consolidated Balance Sheets and also due to the pricing characteristics and assumptions of certain deposits. A decrease in interest rates may have an adverse impact if our asset yields reprice faster than our deposits or if we are not able to reduce our deposit rates in a declining rate scenario.

ITEM 4 – CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Management, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of March 31, 2024. The term "disclosure controls and procedures," as defined in Rule 13a-15(e) under the Exchange Act, means controls and other procedures that are designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded as of March 31, 2024, the Company's disclosure controls and procedures were effective at the reasonable assurance level.

In designing and evaluating the Company's disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Changes in Internal Control Over Financial Reporting

There was no change in the Company's internal control over financial reporting (as such term is defined Rule 13a-15(f) of the Exchange Act) that occurred during the quarter ended March 31, 2024 that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1 – LEGAL PROCEEDINGS

In the ordinary course of our operations, we are party to various legal proceedings. Based on the information presently available, and after consultation with legal counsel, management believes that the ultimate outcome in such proceedings, in the aggregate, will not have a material adverse effect on our business or the financial condition or results of operations.

As previously disclosed, on February 9, 2022, pursuant to the CFPB's Notice and Opportunity to Respond and Advise process, the CFPB Office of Enforcement notified the Bank that it was considering recommending that the CFPB take legal action against the Bank in connection with alleged violations of Regulation E, 12 C.F.R. § 1005.17, and the Consumer Financial Protection Act, 12 U.S.C. §§ 5531 and 5536, in connection with the Bank's overdraft practices and policies. In March 2023, the CFPB commenced settlement discussions with us, and on December 7, 2023, the Bank entered into a Consent Order with the CFPB to resolve the matter. A copy of the Consent Order is available on the CFPB's website. The terms of the Consent Order require, among other things, that the Bank submit a redress plan to the CFPB pursuant to which the Bank will pay restitution in an amount of at least $5.0 million to certain current and former customers of the Bank who opted-in to the Bank's discretionary overdraft service during a specified time period and pay a $1.2 million civil monetary penalty. See Note 7, "Commitments and Contingencies" in the "Notes to the Consolidated Financial Statements" in Part I, Item I of this Quarterly Report for additional information.

ITEM 1A – RISK FACTORS

During the quarter ended March 31, 2024, there have been no material changes from the risk factors previously disclosed under Part I, Item 1A. "Risk Factors" in our 2023 Form 10-K.

An investment in our securities involves risks. In addition to the other information set forth in this Quarterly Report, including the information addressed under "Forward-Looking Statements," investors in our securities should carefully consider the risk factors discussed in our 2023 Form 10-K. These factors could materially and adversely affect our business, financial condition, liquidity, results of operations, and capital position and could cause our actual results to differ materially from our historical results or the results contemplated by the forward-looking statements contained in this report, in which case the trading price of our securities could decline.

ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) Sales of Unregistered Securities – None

(b) Use of Proceeds – Not Applicable

(c) Issuer Purchases of Securities

Stock Repurchase Program; Other Repurchases

As of March 31, 2024, we did not have an authorized share repurchase program in effect.

The following information describes our common stock repurchases for the three months ended March 31, 2024:

Period	Total number of shares purchased[(1)]	Average price paid per share ($)	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs ($)
January 1 - January 31, 2024	20,868	35.26	—	—
February 1 - February 29, 2024	55,820	33.40	—	—
March 1 - March 31, 2024	2,427	34.82	—	—
Total	79,115	33.93	—	

[(1)] *For the three months ended March 31, 2024, 79,115 shares were withheld upon vesting of restricted shares granted to our employees in order to satisfy tax withholding obligations.*

ITEM 5 – OTHER INFORMATION

Other Information

Given the timing of the following event, the following information is included in this Quarterly Report pursuant to Item 5.02 of Form 8-K, “Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensation Arrangements of Certain Officers” in lieu of filing a Form 8-K.

As discussed in our proxy statement for our 2024 annual meeting of shareholders, as part of our executive compensation program, we provide annual cash incentive awards under our Management Incentive Plan (the “MIP”). On April 26, 2024, the Compensation Committee of our Board of Directors reviewed and approved an amendment to Appendix A of the MIP that adds a relative return on tangible common equity (“ROTCE”) performance modifier to the MIP that will be set by the Compensation Committee each year. The relative ROTCE performance modifier will measure performance relative to the proxy peer group we use to annually assess the competitiveness of our compensation arrangements. For 2024, the relative ROTCE performance modifier will be applied against the calculated absolute performance of the four corporate performance measures under the MIP as follows:

	Threshold	**Target**	**Superior**
Modifier	0.5x	1.0x	1.5x
Relative Rank	<=25th	50th	>=75th

Actual performance between threshold, target and superior performance levels will be calculated using straight line interpolation, and cash payments under the MIP will continue to be capped at 200% of each executive’s target incentive award.
The preceding description of the MIP does not purport to be complete and is qualified in its entirety by the MIP, which is attached hereto as Exhibit 10.12 and incorporated herein by reference.

Trading Arrangements

During the three months ended March 31, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) informed us of the adoption or termination of any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

ITEM 6 – EXHIBITS

The following exhibits are filed as part of this Quarterly Report and this list includes the Exhibit Index:

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation of Atlantic Union Bankshares Corporation, effective May 7, 2020 (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed on May 7, 2020).
3.1.1	Articles of Amendment designating the 6.875% Perpetual Non-Cumulative Preferred Stock, Series A, effective June 9, 2020 (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed on June 9, 2020).
3.2	Amended and Restated Bylaws of Atlantic Union Bankshares Corporation, effective as of December 6, 2023 (incorporated by reference to Exhibit 3.2 to Current Report on Form 8-K filed on December 8, 2023).
10.12	Management Incentive Plan (re-filed to update Appendix A thereto) .
10.25	Form of Performance Share Unit Agreement under Atlantic Union Bankshares Corporation Stock and Incentive Plan (for awards with a relative TSR performance measure granted on or after February 22, 2024) (incorporated by reference to Exhibit 10.25 to Annual Report on Form 10-K filed on February 22, 2024).
15.1	Letter regarding unaudited interim financial information.
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial and Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Principal Executive Officer and Principal Financial and Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	Interactive data files formatted in Inline eXtensible Business Reporting Language for the quarter ended March 31, 2024 pursuant to Rule 405 of Regulation S-T: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income (unaudited), (iii) the Consolidated Statements of Comprehensive Income (Loss) (unaudited), (iv) the Consolidated Statements of Changes in Stockholders' Equity (unaudited), (v) the Consolidated Statements of Cash Flows (unaudited) and (vi) the Notes to Consolidated Financial Statements (unaudited).
104	The cover page from our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, formatted in Inline eXtensible Business Reporting Language (included with Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	Atlantic Union Bankshares Corporation
	(Registrant)
Date: May 2, 2024	By: /s/ John C. Asbury John C. Asbury, President and Chief Executive Officer (principal executive officer)
Date: May 2, 2024	By: /s/ Robert M. Gorman Robert M. Gorman, Executive Vice President and Chief Financial Officer (principal financial and accounting officer)

Exhibit 10.12

Atlantic Union Bankshares Corporation
Management Incentive Plan

This document (the "Incentive Document"), together with the Atlantic Union Bankshares Corporation Incentive Plan Terms and Conditions ("T&C") which are incorporated herein by reference, sets forth the Atlantic Union Bankshares Corporation Management Incentive Plan (collectively, the "Plan"). The Plan is offered by Atlantic Union Bankshares Corporation ("Atlantic Union"), its subsidiary Atlantic Union Bank (the "Bank"), to the undersigned eligible executive (the "Participant").

1. Eligible Positions; Participation

Participation is limited to those executives recommended by the Chief Executive Officer (the " Plan Sponsor") and approved by the Committee. The Committee shall retain the discretion to include as a Participant any otherwise-eligible executive hired or promoted after the commencement of a Plan Year.

2. Basis of Incentive Compensation Awards

The Plan is a cash award plan. The Participant's incentive compensation award under the Plan is based on an incentive target that is approved at the beginning of the Plan Year by the Committee in its discretion. The incentive compensation award is expressed as a percentage of the Participant's base salary at the end of the Plan Year, and may be awarded if either or both the Atlantic Union corporate performance goals (the "Corporate Goals") and the Participant's individual performance goals (the " Individual Goals") are achieved. In no event shall a Participant receive payment under the Plan that exceeds 200% of the Participant's base salary as of the end of the Plan Year.

3. Plan Details

The amount of an incentive compensation award that the Participant is entitled to receive under the Plan is determined based on the Participant's incentive target and weighting, achievement of the approved performance goals and taking into account individual performance specifically attributable to each participant and reflective of their role and area of responsibility.

A. *Award Targets and Weightings*

Each Participant shall be assigned an incentive target, calculated as a percentage of the Participant's base salary, which may be awarded if Atlantic Union and the Participant achieve targeted performance goals.

The incentive compensation award shall be weighted between Corporate Goals and Individual Goals. The weightings for the two goal categories shall be recommended by the Plan Sponsor and approved by the Committee. Threshold, target and superior achievement levels for each Corporate Goal will be recommended by the Plan Sponsor and approved by the Committee. The payout for the threshold achievement level will be not less than 50% of the target payout, and the payout for the superior achievement level will be not more than 200% of the target payout.

B. *Corporate Goals*

The Corporate Goals for the Plan Year will be recommended by the Plan Sponsor and approved by the Committee.

C. *Individual Goals*

Individual Goals for the Plan Year will be established for the Participant in conjunction with his or her direct supervisor and approved by the Committee (or its delegee).

D. ***Determination of Incentive Compensation Award***

Following the end of the Plan Year, the Committee will review performance against the Corporate Goals and any Individual Goals established for the Participant, certify in writing that the applicable performance goals were satisfied, and determine the amount of the incentive compensation award, if any, to be paid to each Participant under the Plan. Notwithstanding any provision of the Plan to the contrary, in making this determination, the Committee may, in its discretion, in light of such considerations as it may deem relevant, increase or decrease an incentive compensation award to which a Participant would otherwise be entitled by such amount or percentage as the Committee deems appropriate.

Unless the Committee deems otherwise, an incentive compensation award will not be earned or paid, regardless of Corporate or Individual performance, if 1) any regulatory agency issues a formal, written enforcement action, memorandum of understanding or other negative directive action to Atlantic Union or the Bank and where the Committee considers it imprudent to provide awards under the Plan, or 2) if after a review of the Bank's credit quality measures the Committee considers it imprudent to provide awards under the Plan.

A sample incentive compensation award calculation is set forth on the attached Appendix A.

4. Payment of Awards

An incentive compensation award under the Plan will be calculated and paid in cash on an annual basis. Payment of any incentive compensation award, less deferrals and applicable federal, state and local taxes, will be made as soon as practicable following the end of the Plan Year (the "Payment Date"), but in no event before certification of the Committee or later than March 15th following the end of the Plan Year.

APPENDIX A

Example Incentive Award Calculation

The following illustrates a sample incentive compensation award calculation under the Plan. This is offered for illustration only and is not a guarantee of the occurrence or amount of any incentive compensation award to any Participant.

Example Payout Calculation

Assumptions		
Base Salary	$[ ]	
Incentive Target	[ ]%	$[ ]
Corporate Goal Weighting	[ ]%	$[ ]
Individual Goal Weighting	[ ]%	$[ ]

Corporate Performance

			Threshold	Target	Superior			
Performance Measure	**Weight**	**Incentive Award Target**	**50%**	**100%**	**200%**	**Actual Performance**	**Payout**	**Calculation**
Operating Net Income	[ ]%	$[ ]	$[ ]	$[ ]	$[ ]	$[ ]	$[ ]	[ ]
Return on Assets	[ ]%	$[ ]	[ ]%	[ ]%	[ ]%	[ ]%	$[ ]	[ ]
Return on Tangible Common Equity	[ ]%	$[ ]	[ ]%	[ ]%	[ ]%	[ ]%	$[ ]	[ ]
Efficiency Ratio	[ ]%	$[ ]	[ ]%	[ ]%	[ ]%	[ ]%	$[ ]	[ ]
	100%	$[ ]					$[ ]	

Relative Performance Modifier

Performance Measure	Weight	Threshold	Target	Superior	Results	Relative Modifier
		[ ]x	[ ]x	[ ]x		
Relative ROTCE	100%	[ ]	[ ]	[ ]	[ ]	[ ]x

Modified Corporate Payout

Absolute Performance Payout	$[ ]
Relative Performance Modifier	[ ]
Modified Corporate Payout	$[ ]

Individual Performance

Assumes 100% of Goals Met $[ ]

Total Annual Incentive Payout		% of Opportunity
Corporate	$[ ]	[ ]%
Individual	$[ ]	[ ]%
	$[ ]	[ ]%

PARTICIPANT'S ACKNOWLEDGEMENT FORM

I acknowledge that I have read and understand the T&C and the Incentive Document (collectively, the Plan) described above. I understand that the Plan is not a contract and may be revised, amended, or terminated at any time as more fully set forth above.

PARTICIPANT:

____
Signature

____
Print Name

____
Date

Please read, sign, and return a copy of the Plan to:

Head of Total Rewards
Human Resources Department
Interoffice Location: Richmond HQ/11th Floor

Atlantic Union Bankshares Corporation
Incentive Plan Terms & Conditions

The terms and conditions ("T&C") set forth herein apply to, are an integral part of and are incorporated into the cash incentive plan document (the "Incentive Document") to which the T&C are attached. Collectively, the T&C and the Incentive Document constitute the "Plan." Capitalized terms used but not defined in the T&C have the meaning assigned to them in the Incentive Document, unless the T&C provides, or the context requires, otherwise.

1. Purpose

The purpose of the Plan is to reward the performance of the Participants in a manner that is consistent with Atlantic Union's strategic plan and the attainment of a growing return to the shareholders of Atlantic Union. The Plan is further intended to assist Atlantic Union and the Bank in their ability to motivate, attract and retain qualified teammates.

2. Effective Date

The Plan is in effect January 1, 20[ ] through December 31, 20[ ], and will continue to renew for successive one-year periods (each calendar year being a "Plan Year") unless otherwise terminated or modified in accordance with the Plan.

3. Eligibility

A teammate who is hired into an eligible position, as defined within the Incentive Document, subsequent to the commencement of the Plan Year may be deemed eligible by the Compensation Committee (the "Committee") of the Atlantic Union Board of Directors (the "Board") (or its delegee) for participation in the Plan, in the Committee's discretion (or in the delegee' s discretion). The Plan Sponsor will recommend to the Committee (or its delegee) the terms and conditions upon which such employee may participate during his or her partial year of eligibility. The Plan Sponsor shall also recommend to the Committee (or its delegee) the terms and conditions upon which any employee who is hired into or transferred into a new position, which is not defined as an eligible position within the Incentive Document, for which the Plan Sponsor wishes to provide eligibility or partial year eligibility in the Plan.

A Participant who transfers into or out of an eligible position with Atlantic Union or the Bank during the Plan Year, will be treated for purposes of eligibility as being in the position they hold on December 31st of the Plan Year. The Plan Sponsor will recommend to the Committee (or its delegee) the terms and conditions upon which such employee may participate during his or her partial year of eligibility.

For a Participant who is on a performance improvement plan or similar counseling or performance document, the Plan Sponsor, following consultation with the Chief Human Resources Officer, may, in his or her discretion, m odify the incentive to result in a zero or reduced award unless and until the Participant's manager documents in writing that the Participant is performing at an appropriate level to be eligible for the incentive compensation.

No Participant will be eligible to participate in other short-term, annual cash incentive plans or programs offered by Atlantic Union or the Bank while he or she is a Participant in the Plan.

4. Active Participation

In the event of a Participant's termination of employment during the Plan Year, as a result of the Participant's death, disability (as defined in the Bank's Long Term Disability Plan), or retirement at or after age 65 (each, an "Early Termination Event"), any incentive compensation award shall be based on performance for the Plan Year, but prorated through the end of the month in which the Early Termination Event occurs and shall be paid at the same time as would be otherwise due under the Plan, but in no event later than March 15th following the end of the Plan Year.

In the event the Participant's employment ceases prior to the payment of any incentive compensation award under the Plan for any reason other than an Early Termination Event, including, without limitation, a voluntary termination of employment by the Participant, or an involuntary termination with or without cause, the Participant shall not be entitled to, and shall not have earned, any incentive compensation award under the Plan.

5. Administration

Responsibility for the administration of the Plan rests with its Plan Sponsor and/or the Chief Human Resources Officer . The Plan Sponsor shall monitor for accuracy the performance reporting of the Participant and determine the amount of a Participant's award, if any, under the Plan. Eligibility for incentive compensation awards requires adherence with Atlantic Union's regulatory, risk, audit and compliance programs, as such may be in effect from time to time. In addition, the Committee, and ultimately the Board, is responsible for the overall oversight, supervision and existence of the Plan. The Committee has been delegated the sole discretion to interpret the terms of the Plan. The Committee shall also be empowered to make any and all of the determinations not herein specifically authorized which may be necessary or desirable for the effective administration of the Plan.

Notwithstanding any provision to the contrary contained in the Plan, no incentive compensation award is earned until paid, and t he Committee, may withhold (as not earned) or adjust any incentive compensation award in its sole discretion as it deems appropriate and will notify the Plan Sponsor of its decision to withhold or adjust the Participant's incentive compensation award, and the Plan Sponsor will provide notice to the Participant of such decision.

Any decision or interpretation of any provision of the Plan adopted by the Committee shall be final and conclusive.

6. Modification and Termination of the Plan

The Plan may be modified or changed at any time by the Committee in its discretion, followed by written notification to the Participant as soon as reasonably practicable. The Plan may be terminated at any time by the Committee in its discretion, followed by written notification to the Participant as soon as reasonably practicable. In the event of a Plan termination, a Participant shall continue to be eligible for incentive compensation awards for the Plan Year prorated through the Plan's termination date, unless the Committee determines in its discretion that no incentive compensation should be paid. Any incentive compensation awards shall be calculated through the date of the Plan termination on such basis as the Committee (or its delegee) deems appropriate in its discretion and will be payable as soon as practicable after the termination of the Plan but in no event later than March 15th following the end of the Plan Year in which the termination occurs.

7. Participant Rights Not Assignable; Plan not a Contract

Any award made pursuant to the Plan shall not be subject to assignment, pledge or other disposition, nor shall such amounts be subject to garnishment, attachment, transfer by operation of law, or any legal process. Nothing contained in the Plan shall affect an employee's at-will status or confer upon any employee any right to continued employment or to receive or continue to receive any rate of pay or other compensation, nor does the Plan affect the right of Atlantic Union or the Bank to terminate a Participant's employment. Participation in the Plan does not confer rights to participation in other Atlantic Union or Bank programs or plans, including annual or long-term incentive plans or non-qualified retirement or deferred compensation plans.

8. Ethical Statement

The Participant is subject to Atlantic Union's Code of Business Conduct and Ethics. Any violation of this Code or any other policy of Atlantic Union or the Bank, or any breach by the Participant of the provisions of the Plan, as determined by the Committee (or its delegee) in its sole discretion, may result in a reduction of or ineligibility from payments under the Plan and disciplinary action up to and including termination.

The Plan is designed to promote honest and ethical conduct. On occasion, acting in the best interests of clients, customers, the Bank and/or Atlantic Union may not result in the maximum incentive payout for the Participant. Participants must never let potential incentive payments dictate their actions or conduct in disregard of established banking practices, policies and procedures. Any action or conduct performed by the Participant or at the

Participant's direction for the sole purpose of earning an incentive may result in disciplinary action up to and including termination.

9. Governing Law and Venue

The parties agree that the interpretation and enforcement of the Plan shall be governed by the laws of the Commonwealth of Virginia, and that any action to enforce or determine any rights under the Plan shall be brought exclusively in the Circuit Court of Caroline County, Virginia or the applicable federal court in Richmond, Virginia, at the option of Atlantic Union and/or the Bank. The Participant consents and waives any objection to personal jurisdiction and venue in such court. The Plan, and any payments thereunder, shall not be subject to the Employee Retirement Income Security Act.

10. Attorney's Fees and Costs

The parties agree that in the event of any legal action arising out of or relating to the interpretation or enforcement of the Plan, Atlantic Union and the Bank shall be entitled to recover their attorney's fees and costs in the event that they are (or any of them is) the prevailing party.

11. No Oral or Written Representations

The parties agree that the terms of the Plan are set forth solely in the T&C and the Incentive Document and the T&C and the Incentive Document collectively constitute the Plan. The Plan constitutes the complete and entire agreement of the parties relating to the subject matter thereof. The parties have relied on no oral or written representation or promises not set forth in the Plan.

12. Clawback

A Participant, while employed by Atlantic Union or the Bank and in the conduct of his or her duties as an employee, shall not expose Atlantic Union or the Bank to any unreasonable or unnecessary risk. All incentive compensation awards under the Plan are subject to the terms of Atlantic Union's Compensation Clawback Policy or similar policy as such may be in effect from time to time, as well as any similar provisions of applicable federal law or regulation and any applicable listing standard of the national securities exchange on which Atlantic Union's common stock is listed, which could in certain circumstances require repayment of an incentive compensation award or portion thereof.

13. Banking Regulatory Provision

All incentive compensation awards under the Plan are subject to any condition, limitation or prohibition under any financial institution regulatory policy or rule to which Atlantic Union or the Bank is subject.

14. Severability

In the event one or more of the provisions of the Plan shall for any reason be held to be illegal or unenforceable, the remaining provisions of the Plan shall remain in full force and effect.

Exhibit 15.1

The Shareholders and Board of Directors of Atlantic Union Bankshares Corporation :

We are aware of the incorporation by reference in the Registration Statements (Form S-3 No. 333-248544, Form S-3 No. 333-102012, Form S-3 No. 333-81199, Form S-8 No. 333-255994, Form S-8 No. 333-203580, Form S-8 No. 333-193364, Form S-8 No. 333-175808, Form S-8 No. 333-113842, Form S-8 No. 333-113839 and Form S-8 No. 333-228455) of Atlantic Union Bankshares Corporation of our report dated May 2, 2024 relating to the unaudited consolidated interim financial statements of Atlantic Union Bankshares Corporation that are included in its Form 10-Q for the quarter ended March 31, 2024.

/s/ Ernst & Young LLP

Richmond, Virginia
May 2, 2024

Exhibit 31.1

CERTIFICATIONS

I, John C. Asbury, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Atlantic Union Bankshares Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024

/s/ John C. Asbury

John C. Asbury,
President and Chief Executive Officer

A signed original of this written statement required by Section 302 of the Sarbanes-Oxley Act of 2002 has been provided to Atlantic Union Bankshares Corporation and will be retained by Atlantic Union Bankshares Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 31.2

CERTIFICATIONS

I, Robert M. Gorman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Atlantic Union Bankshares Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024

/s/ Robert M. Gorman

Robert M. Gorman,
Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 302 of the Sarbanes-Oxley Act of 2002 has been provided to Atlantic Union Bankshares Corporation and will be retained by Atlantic Union Bankshares Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Atlantic Union Bankshares Corporation (the “Company”) on Form 10-Q for the quarter ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned Chief Executive Officer and Chief Financial Officer of the Company hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 that based on their knowledge and belief: 1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and 2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered in the Report.

/s/ John C. Asbury

John C. Asbury, President and Chief Executive Officer

May 2, 2024

/s/ Robert M. Gorman

Robert M. Gorman, Executive Vice President and Chief Financial Officer

May 2, 2024

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Atlantic Union Bankshares Corporation and will be retained by Atlantic Union Bankshares Corporation and furnished to the Securities and Exchange Commission or its staff upon request.