

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the transition period from _____ to _____.
Commission File No. 0-13660

Seacoast Banking Corporation of Florida

(Exact Name of Registrant as Specified in its Charter)

Florida	59-2260678		
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)		
815 COLORADO AVENUE,	STUART	FL	34994
(Address of Principal Executive Offices)	(Zip Code)		
(772) 287-4000			
(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	SBCF	Nasdaq Global Select Market

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

Common Stock, \$0.10 Par Value – 84,935,054 shares as of March 31, 2024

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SEACOAST BANKING CORPORATION OF FLORIDA

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In thousands, except per share data)	Three Months Ended March 31,	
	2024	2023
Interest and fees on loans	\$ 147,095	\$ 135,168
Interest and dividends on securities	22,427	19,349
Interest on interest bearing deposits and other investments	6,184	3,474
Total Interest Income	175,706	157,991
Interest on deposits	47,534	16,033
Interest on time certificates	17,121	5,552
Interest on borrowed money	5,973	5,254
Total Interest Expense	70,628	26,839
Net Interest Income	105,078	131,152
Provision for credit losses	1,368	31,598
Net Interest Income after Provision for Credit Losses	103,710	99,554
Noninterest income:		
Service charges on deposit accounts	4,960	4,242
Interchange income	1,888	4,694
Wealth management income	3,540	3,063
Mortgage banking fees	381	426
Insurance agency income	1,291	1,101
SBA gains	739	322
BOLI income	2,264	1,916
Other	5,205	6,574
	20,268	22,338
Securities gains, net	229	107
Total Noninterest Income	20,497	22,445
Noninterest Expense:		
Salaries and wages	40,304	47,616
Employee benefits	7,889	8,562
Outsourced data processing costs	12,118	14,553
Occupancy	8,037	8,019
Furniture and equipment	2,011	2,267
Marketing	2,655	2,238
Legal and professional fees	2,151	7,479
FDIC assessments	2,158	1,443
Amortization of intangibles	6,292	6,727
Other real estate owned expense and net (gain) loss on sale	(26)	195

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Provision for credit losses on unfunded commitments	250	1,239
Other	6,532	7,137
Total Noninterest Expense	90,371	107,475
Income Before Income Taxes	33,836	14,524
Provision for income taxes	7,830	2,697
Net Income	\$ 26,006	\$ 11,827
Share Data		
Net income per share of common stock		
Diluted	\$ 0.31	\$ 0.15
Basic	0.31	0.15
Average common shares outstanding		
Diluted	85,270	80,717
Basic	84,908	80,151

See notes to unaudited consolidated financial statements.

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)

(In thousands)	Three Months Ended March 31,	
	2024	2023
Net Income	\$ 26,006	\$ 11,827
Other comprehensive income (loss):		
Unrealized (losses) gains on available-for-sale securities, net of tax benefit of \$ 1.6 million and tax expense of \$5.9 million for the three months ended March 31, 2024 and March 31, 2023, respectively	\$ (7,916)	\$ 18,516
Amortization of unrealized gains on securities transferred to held-to-maturity, net of tax benefit of \$ 3 thousand for each of the three months ended March 31, 2024 and March 31, 2023	(11)	(10)
Reclassification adjustment for losses (gains) included in net income, net of tax benefit of \$ 1.0 million and tax expense of \$1 thousand for the three months ended March 31, 2024 and March 31, 2023, respectively	2,806	(4)
Unrealized gains on derivatives designated as fair value hedges, net of reclassifications to income, net of tax expense of \$0.4 million for the three months ended March 31, 2024	1,043	—
Unrealized gains on derivatives designated as cash flow hedges, net of reclassifications to income, net of tax expense of \$33 thousand for the three months ended March 31, 2023	—	98
Total other comprehensive (loss) income	\$ (4,078)	\$ 18,600
Comprehensive Income	\$ 21,928	\$ 30,427

See notes to unaudited consolidated financial statements.

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Unaudited)

(In thousands, except share data)	March 31, 2024	December 31, 2023
Assets		
Cash and due from banks	\$ 137,850	\$ 167,511
Interest bearing deposits with other banks	544,874	279,671
Total cash and cash equivalents	682,724	447,182
Time deposits with other banks	7,856	5,857
Debt securities:		
Securities available-for-sale (at fair value)	1,949,463	1,836,020
Securities held-to-maturity (fair value \$540.2 million at March 31, 2024 and \$ 558.4 million at December 31, 2023)	669,896	680,313
Total debt securities	2,619,359	2,516,333
Loans held for sale (at fair value)	9,475	4,391
Loans	9,978,052	10,062,940
Less: Allowance for credit losses	(146,669)	(148,931)
Loans, net of allowance for credit losses	9,831,383	9,914,009
Bank premises and equipment, net	110,787	113,304
Other real estate owned	7,315	7,560
Goodwill	732,417	732,417
Other intangible assets, net	89,377	95,645
Bank owned life insurance	301,229	298,974
Net deferred tax assets	111,539	113,232
Other assets	326,554	331,345
Total Assets	\$ 14,830,015	\$ 14,580,249
Liabilities		
Deposits	\$ 12,015,840	\$ 11,776,935
Securities sold under agreements to repurchase, maturing within 30 days	326,732	374,573
Federal Home Loan Bank ("FHLB") borrowings	110,000	50,000
Long-term debt, net	106,468	106,302
Other liabilities	153,225	164,353
Total Liabilities	12,712,265	12,472,163
Shareholders' Equity		
Common stock, par value \$0.10 per share, authorized 120,000,000 shares, issued 85,555,007 and outstanding 84,935,054 at March 31, 2024, and authorized 120,000,000, issued 85,480,183 and outstanding 84,861,498 shares at December 31, 2023	8,494	8,486
Additional paid-in-capital	1,811,941	1,808,883
Retained earnings	478,017	467,305
Less: Treasury stock	(16,746)	(16,710)
	2,281,706	2,267,964
Accumulated other comprehensive loss, net	(163,956)	(159,878)
Total Shareholders' Equity	2,117,750	2,108,086
Total Liabilities and Shareholders' Equity	\$ 14,830,015	\$ 14,580,249

See notes to unaudited consolidated financial statements.

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In thousands)	Three Months Ended March 31,	
	2024	2023
Cash Flows from Operating Activities		
Net income	\$ 26,006	\$ 11,827
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,110	2,066
Accretion of discounts on securities, net	(634)	(44)
Amortization of operating lease right-of-use assets	2,044	1,863
Other amortization and accretion, net	232	(6,636)
Stock based compensation	2,217	2,642
Origination of loans designated for sale	(31,264)	(27,576)
Sale of loans designated for sale	27,199	28,749
Provision for credit losses	1,368	31,598
Deferred income taxes	4,299	(17,952)
Gains on sale of securities	(229)	(5)
Gains on sale of loans	(934)	(860)
Gains on sale and write-downs of other real estate owned	(26)	—
Losses on disposition of fixed assets and write-downs upon transfer of bank premises to other real estate owned	286	1,154
Changes in operating assets and liabilities, net of effects from acquired companies:		
Net decrease in other assets	3,127	22,516
Net decrease in other liabilities	(11,129)	(36,297)
Net cash provided by operating activities	\$ 24,672	\$ 13,045
Cash Flows from Investing Activities		
Maturities and repayments of debt securities available-for-sale	50,888	36,850
Maturities and repayments of debt securities held-to-maturity	10,441	11,829
Proceeds from sale of debt securities available-for-sale	86,829	30,490
Purchases of debt securities available-for-sale	(260,992)	(22,402)
Maturities of time deposits with other banks	989	—
Purchases of time deposits with other banks	(2,988)	—
Net new loans and principal repayments	87,371	25,883
Proceeds from sale of other real estate owned	1,243	—
Proceeds from sale of FHLB and Federal Reserve Bank Stock	2,483	28,848
Purchase of FHLB and Federal Reserve Bank Stock	(5,320)	(54,642)
Proceeds from sale of Visa Class B shares	4,104	—
Net cash from bank acquisitions	—	141,674
Additions to bank premises and equipment	(762)	(5,812)
Net cash (used in) provided by investing activities	\$ (25,714)	\$ 192,718

See notes to unaudited consolidated financial statements.

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(In thousands)	Three Months Ended March 31,	
	2024	2023
Cash Flows from Financing Activities		
Net increase in deposits	\$ 238,906	\$ 208,765
Net (decrease) increase in repurchase agreements	(47,841)	95,577
Repayments of FHLB borrowings	(50,000)	—
Proceeds from FHLB borrowings	110,000	90,000
Stock based employee benefit plans	813	3,617
Dividends paid	(15,294)	(14,419)
Net cash provided by financing activities	\$ 236,584	\$ 383,540
Net increase in cash and cash equivalents	235,542	589,303
Cash and cash equivalents at beginning of period	447,182	201,940
Cash and cash equivalents at end of period	\$ 682,724	\$ 791,243
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	\$ 70,378	\$ 23,457
Cash paid during the period for taxes	—	6
Recognition of operating lease right-of-use assets, other than through bank acquisitions, net of terminations	—	1,610
Recognition of operating lease liabilities, other than through bank acquisitions, net of terminations	—	1,610
Supplemental disclosure of non-cash investing activities: ¹		
Transfers from loans to other real estate owned	89	—
Transfers from bank premises to other real estate owned	883	5,455

¹See "Note 11 - Business Combinations" for non cash transactions related to business combinations.

See notes to unaudited consolidated financial statements.

SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)

(In thousands)	Common Stock			Accumulated Other Comprehensive Income (Loss)				Total
	Shares	Amount	Paid-in Capital	Retained Earnings	Treasury Stock			
Balance at December 31, 2023	84,861	\$ 8,486	\$ 1,808,883	\$ 467,305	\$ (16,710)	\$ (159,878)	\$ 2,108,086	
Comprehensive income (loss)	—	—	—	26,006	—	(4,078)	21,928	
Stock based compensation expense	—	—	2,217	—	—	—	2,217	
Common stock transactions related to stock based employee benefit plans	74	8	841	—	(36)	—	813	
Dividends on common stock (\$0.18 per share)	—	—	—	(15,294)	—	—	(15,294)	
Three months ended March 31, 2024	74	8	3,058	10,712	(36)	(4,078)	9,664	
Balance at March 31, 2024	<u>84,935</u>	<u>\$ 8,494</u>	<u>\$ 1,811,941</u>	<u>\$ 478,017</u>	<u>\$ (16,746)</u>	<u>\$ (163,956)</u>	<u>\$ 2,117,750</u>	

(In thousands)	Common Stock			Accumulated Other Comprehensive Income (Loss)				Total
	Shares	Amount	Paid-in Capital	Retained Earnings	Treasury Stock			
Balance at December 31, 2022	71,618	\$ 7,162	\$ 1,377,802	\$ 423,863	\$ (13,019)	\$ (188,033)	\$ 1,607,775	
Comprehensive income	—	—	—	11,827	—	18,600	30,427	
Stock based compensation expense	—	—	2,642	—	—	—	2,642	
Common stock transactions related to stock based employee benefit plans	199	20	3,691	—	(94)	—	3,617	
Issuance of common stock, pursuant to acquisition	12,792	1,279	409,459	\$ —	—	—	—	410,738
Conversion of options, pursuant to acquisition	—	—	10,304	\$ —	—	—	—	10,304
Dividends on common stock (\$0.17 per share)	—	—	—	(14,419)	—	—	(14,419)	
Three months ended March 31, 2023	<u>12,991</u>	<u>1,299</u>	<u>426,096</u>	<u>(2,592)</u>	<u>(94)</u>	<u>18,600</u>	<u>443,309</u>	
Balance at March 31, 2023	<u><u>84,609</u></u>	<u><u>\$ 8,461</u></u>	<u><u>\$ 1,803,898</u></u>	<u><u>\$ 421,271</u></u>	<u><u>\$ (13,113)</u></u>	<u><u>\$ (169,433)</u></u>	<u><u>\$ 2,051,084</u></u>	

See notes to unaudited consolidated financial statements.

**SEACOAST BANKING CORPORATION OF FLORIDA AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

Note 1 – Basis of Presentation

Basis of Presentation: The accompanying unaudited consolidated financial statements of Seacoast Banking Corporation of Florida and its subsidiaries (the “Company”) have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Certain prior period amounts have been reclassified to conform to the current period presentation.

Operating results for the three months ended March 31, 2024, are not necessarily indicative of the results that may be expected for the year ending December 31, 2024, or any other period. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023.

Use of Estimates: The preparation of these consolidated financial statements requires management to make judgments in the application of certain accounting policies that involve significant estimates and assumptions. The Company has established policies and control procedures that are intended to ensure valuation methods are well-controlled and applied consistently from period to period. These estimates and assumptions, which may materially affect the reported amounts of certain assets, liabilities, revenues, and expenses, are based on information available as of the date of the financial statements, and changes in this information over time and the use of revised estimates and assumptions could materially affect amounts reported in subsequent financial statements. Specific areas, among others, requiring the application of management’s estimates include the determination of the allowance for credit losses, acquisition accounting and purchased loans, intangible assets and impairment testing, and other fair value measurements.

Issued Accounting Standards

In November 2023, the FASB issued ASU 2023-07, “Improvements to Reportable Segment Disclosures.” ASU 2023-07 requires disclosure of significant segment expenses and other segment items on an interim and annual basis. The standard is effective for fiscal years beginning after December 15, 2023 and for interim periods beginning after December 15, 2024. The Company is evaluating the impact of the changes to its existing disclosures.

In December 2023, the FASB issued ASU 2023-09, “Improvements to Income Tax Disclosures.” ASU 2023-09 requires disclosure of specific categories in the income tax rate reconciliation and requires additional information for reconciling items that meet a quantitative threshold. The standard requires an annual disclosure of income taxes paid, net of refunds received, disaggregated by federal, state and foreign taxes and to disaggregate the information by jurisdiction based on a quantitative threshold. The standard is effective for fiscal years beginning after December 15, 2024 and early adoption is permitted. The Company does not expect the adoption of the standard to have a material impact on its disclosures.

Note 2 – Earnings per Share

Basic earnings per common share are computed by dividing net income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share are based on the

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weighted-average number of common shares outstanding during each period, plus common share equivalents, calculated for share-based awards outstanding using the treasury stock method.

For the three months ended March 31, 2024, 327,006 options to purchase shares of the Company's common stock were anti-dilutive. For the three months ended March 31, 2023, 161,251 options to purchase shares of the Company's common stock were anti-dilutive.

(Dollars in thousands, except per share data)	Three Months Ended March 31,	
	2024	2023
Basic earnings per share		
Net income	\$ 26,006	\$ 11,827
Average common shares outstanding	84,908	80,151
Net income per share	\$ 0.31	\$ 0.15
Diluted earnings per share		
Net income	\$ 26,006	\$ 11,827
Average common shares outstanding	84,908	80,151
Add: Dilutive effect of employee restricted stock and stock options	362	566
Average diluted shares outstanding	85,270	80,717
Net income per share	\$ 0.31	\$ 0.15

Note 3 – Securities

The amortized cost, gross unrealized gains and losses and fair value of securities available-for-sale ("AFS") and held-to-maturity ("HTM") at March 31, 2024 and December 31, 2023 are summarized as follows:

(In thousands)	March 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-Sale Debt Securities				
U.S. Treasury securities and obligations of U.S. government agencies	\$ 34,245	\$ 113	\$ (530)	\$ 33,828
Residential mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	1,360,816	1,159	(193,157)	1,168,818
Commercial mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	316,950	1,577	(17,972)	300,555
Private mortgage-backed securities and collateralized mortgage obligations	136,585	66	(10,500)	126,151
Collateralized loan obligations	284,677	61	(111)	284,627
Obligations of state and political subdivisions	10,475	—	(1,313)	9,162
Other debt securities	25,681	655	(14)	26,322
Totals	\$ 2,169,429	\$ 3,631	\$ (223,597)	\$ 1,949,463
Held-to-Maturity Debt Securities				
Residential mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	\$ 580,626	\$ —	\$ (118,761)	\$ 461,865
Commercial mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	89,270	—	(10,975)	78,295
Totals	\$ 669,896	\$ —	\$ (129,736)	\$ 540,160

(In thousands)	December 31, 2023				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	
Available-for-Sale Debt Securities					
U.S. Treasury securities and obligations of U.S. government agencies	\$ 37,718	\$ 205	\$ (478)	\$ 37,445	
Residential mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	1,152,753	780	(184,152)	969,381	
Commercial mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	385,013	2,824	(19,565)	368,272	
Private mortgage-backed securities and collateralized mortgage obligations	135,878	36	(10,911)	125,003	
Collateralized loan obligations	300,855	11	(1,411)	299,455	
Obligations of state and political subdivisions	10,486	—	(1,096)	9,390	
Other debt securities	26,599	576	(101)	27,074	
Totals	\$ 2,049,302	\$ 4,432	\$ (217,714)	\$ 1,836,020	
Held-to-Maturity Debt Securities					
Residential mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	\$ 590,676	\$ —	\$ (111,746)	\$ 478,930	
Commercial mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	89,637	—	(10,208)	79,429	
Totals	\$ 680,313	\$ —	\$ (121,954)	\$ 558,359	

During the three months ended March 31, 2024, debt securities with a fair value of \$ 86.8 million were sold, with gross losses of \$ 3.8 million. During the three months ended March 31, 2023, debt securities with a fair value of \$22.1 million obtained in the acquisition of Professional Holding Corp. ("Professional") were sold. No gain or loss was recognized on the sale. There were \$8.4 million in other sales of securities during the three months ended March 31, 2023, with gross gains of \$24 thousand and gross losses of \$19 thousand. Included in "Securities gains, net" is a decrease of \$0.1 million for the three months ended March 31, 2024, and an increase of \$0.1 million for the three months ended March 31, 2023, in the value of investments in mutual funds that invest in Community Reinvestment Act ("CRA")-qualified debt securities.

At March 31, 2024, debt securities with a fair value of \$ 1.6 billion were pledged primarily as collateral for public deposits and secured borrowings.

The amortized cost and fair value of securities as of March 31, 2024, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because prepayments of the underlying collateral for these securities may occur, due to the right to call or repay obligations with or without call or prepayment penalties. Securities not due at a single maturity date are shown separately.

(In thousands)	Held-to-Maturity		Available-for-Sale	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in less than one year	\$ —	\$ —	\$ 4,429	\$ 4,421
Due after one year through five years	—	—	4,200	4,184
Due after five years through ten years	—	—	8,599	8,484
Due after ten years	—	—	27,492	25,901
	—	—	44,720	42,990
Residential mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	580,626	461,865	1,360,816	1,168,818
Commercial mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	89,270	78,295	316,950	300,555
Private mortgage-backed securities and collateralized mortgage obligations	—	—	136,585	126,151
Collateralized loan obligations	—	—	284,677	284,627
Other debt securities	—	—	25,681	26,322
Totals	\$ 669,896	\$ 540,160	\$ 2,169,429	\$ 1,949,463

The estimated fair value of a security is determined based on market quotations when available or, if not available, by using quoted market prices for similar securities, pricing models, or discounted cash flow analyses, or using observable market data. The tables below indicate the fair value of AFS debt securities with unrealized losses for which no allowance for credit losses has been recorded.

(In thousands)	March 31, 2024					
	Less Than 12 Months		12 Months or Longer		Total ¹	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Treasury securities and obligations of U.S. government agencies	\$ 12,911	\$ (75)	\$ 13,135	\$ (455)	\$ 26,046	\$ (530)
Residential mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	148,889	(2,159)	836,928	(190,998)	985,817	(193,157)
Commercial mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	17,741	(125)	209,223	(17,847)	226,964	(17,972)
Private mortgage-backed securities and collateralized mortgage obligations	2,599	(28)	113,381	(10,472)	115,980	(10,500)
Collateralized loan obligations	27,408	(17)	80,389	(94)	107,797	(111)
Obligations of state and political subdivisions	323	(7)	5,679	(1,306)	6,002	(1,313)
Other debt securities	—	—	3,138	(14)	3,138	(14)
Totals	\$ 209,871	\$ (2,411)	\$ 1,261,873	\$ (221,186)	\$ 1,471,744	\$ (223,597)

¹Comprised of 397 individual securities.

(In thousands)	December 31, 2023							
	Less Than 12 Months		12 Months or Longer		Total ¹			
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses		
U.S. Treasury securities and obligations of U.S. government agencies	\$ 24,933	\$ (143)	\$ 3,594	\$ (335)	\$ 28,527	\$ (478)		
Residential mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	91,867	(9,320)	826,324	(174,832)	918,191	(184,152)		
Commercial mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	24,251	(1,270)	262,666	(18,295)	286,917	(19,565)		
Private mortgage-backed securities and collateralized mortgage obligations	3,945	(69)	119,475	(10,842)	123,420	(10,911)		
Collateralized loan obligations	60,087	(223)	232,545	(1,188)	292,632	(1,411)		
Obligations of state and political subdivisions	326	(2)	9,064	(1,094)	9,390	(1,096)		
Other debt securities	10,579	(101)	—	—	10,579	(101)		
Totals	\$ 215,988	\$ (11,128)	\$ 1,453,668	\$ (206,586)	\$ 1,669,656	\$ (217,714)		

¹Comprised of 504 individual securities.

At March 31, 2024, the Company had unrealized losses of \$ 0.5 million on U.S. Treasury securities and obligations of U.S. government agencies having a fair value of \$26.0 million. These securities are either explicitly or implicitly guaranteed by the full faith and credit of the U.S. government. The Company does not expect individual securities issued by the U.S. Treasury, a U.S. agency, or a sponsored U.S. agency to incur future losses of principal. Based on the assessment of all relevant factors, the Company believes that the unrealized loss positions on these debt securities are a function of changes in investment spreads and interest rate movements and not changes in credit quality, and expects to recover the entire amortized cost basis of these securities. Therefore, on March 31, 2024, no allowance for credit losses has been recorded.

At March 31, 2024, the Company had unrealized losses of \$ 211.1 million on commercial and residential mortgage-backed securities and collateralized mortgage obligations issued by government-sponsored entities having a fair value of \$1.2 billion. These securities are either explicitly or implicitly guaranteed by the U.S. government and have a long history of no credit losses. The implied government guarantee of principal and interest payments and the high credit rating of the portfolio provide a sufficient basis for the current expectation that there is no risk of loss if default were to occur. Based on the assessment of all relevant factors, the Company believes that the unrealized loss positions on these debt securities are a function of changes in investment spreads and interest rate movements and not changes in credit quality, and expects to recover the entire amortized cost basis of these securities. Therefore, on March 31, 2024, no allowance for credit losses has been recorded.

At March 31, 2024, the Company had \$ 10.5 million of unrealized losses on private label residential and commercial mortgage-backed securities and collateralized mortgage obligations having a fair value of \$116.0 million. The securities have a weighted average credit support of 23%. Based on the evaluation of available information relevant to collectability, the Company believes that the unrealized loss positions on these debt securities are a function of changes in investment spreads and interest rate movements and not changes in credit quality, and expects to recover the entire amortized cost basis of these securities. Therefore, at March 31, 2024, no allowance for credit losses has been recorded.

At March 31, 2024, the Company had \$ 0.1 million of unrealized losses in floating rate collateralized loan obligations ("CLOs") having a fair value of \$107.8 million. CLOs are special purpose vehicles and those in which the Company has invested are nearly all first-lien, broadly syndicated corporate loans across a diversified band of industries while providing support to senior tranche investors. As of March 31, 2024, all positions held by the Company are in AAA and AA tranches, with weighted average credit support of 41% and 28%, respectively. The Company evaluates the securities for potential credit losses by modeling expected loan-level defaults, recoveries, and prepayments for each CLO security. Based on the evaluation of available information relevant to collectability, the Company believes that the unrealized loss positions on these debt securities are a function of changes in investment spreads and interest rate movements and not changes in credit quality, and expects to recover the entire amortized cost basis of these securities. Therefore, at March 31, 2024, no allowance for credit losses has been recorded.

At March 31, 2024, the Company had \$1.3 million of unrealized losses on municipal securities having a fair value of \$ 6.0 million. These securities are highly rated issuances of state or local municipalities, all of which are continuing to make timely contractual payments. Based on the evaluation of available information relevant to collectibility, the Company believes that the unrealized loss positions on these debt securities are a function of changes in investment spreads and interest rate movements and not changes in credit quality, and expects to recover the entire amortized cost basis of these securities. As a result, as of March 31, 2024, no allowance for credit losses has been recorded.

All HTM debt securities are issued by government-sponsored entities, which are either explicitly or implicitly guaranteed by the U.S. government and have a long history of no credit losses. The implied government guarantee of principal and interest payments, and the high credit rating of the HTM portfolio provide sufficient basis for the current expectation that there is no risk of loss if a default were to occur. As a result, as of March 31, 2024, no allowance for credit losses has been recorded. The Company has the intent and ability to hold these securities until maturity.

Included in Other Assets at March 31, 2024 is \$ 70.6 million of FHLB and Federal Reserve Bank ("FRB") stock stated at par value. The Company has not identified events or changes in circumstances which may have a significant adverse effect on the fair value of these cost method investment securities. Accrued interest receivable on AFS and HTM debt securities of \$8.5 million and \$1.1 million, respectively, at March 31, 2024, and \$ 7.9 million and \$1.1 million, respectively, at December 31, 2023, is included in Other Assets. Also included in Other Assets are investments in CRA-qualified mutual funds carried at fair value of \$13.5 million and \$13.6 million at March 31, 2024 and December 31, 2023, respectively.

At December 31, 2023, the Company held 11,330 shares of Visa Class B stock. The ownership of Visa stock was related to prior ownership in Visa's network while Visa operated as a cooperative, and was recorded on the Company's financial records at a zero basis. During the three months ended March 31, 2024, the Company sold all of its Visa Class B stock, receiving net proceeds of \$4.1 million.

Note 4 – Loans

Loans held for investment are categorized into the following segments:

- Construction and land development: Loans are extended to both commercial and consumer customers which are collateralized by and for the purpose of funding land development and construction projects, including 1-4 family residential, multi-family, and non-farm residential property where the primary source of repayment is from proceeds of the sale, refinancing or permanent financing of the property.
- Commercial real estate - owner occupied: Loans are extended to commercial customers for the purpose of acquiring or refinancing real estate to be occupied by the borrower's business. These loans are collateralized by the subject property and the repayment of these loans is largely dependent on the performance of the company occupying the property.
- Commercial real estate - non-owner occupied: Loans are extended to commercial customers for the purpose of acquiring or refinancing commercial property where occupancy by the borrower is not their primary intent. These loans are viewed primarily as cash flow loans, collateralized by the subject property, and the repayment of these loans is largely dependent on rental income from third parties or from the sale of the property.
- Residential real estate: Loans are extended to consumer customers and collateralized primarily by 1-4 family residential properties and include fixed and variable rate mortgages, home equity mortgages, and home equity lines of credit. Loans are primarily written based on conventional loan agency guidelines, including loans that exceed agency value limitations. Sources of repayment are largely dependent on the occupant of the residential property.
- Commercial and financial: Loans are extended to commercial customers. The purpose of the loans can be working capital, physical asset expansion, asset acquisition, or other business purposes. Loans may be collateralized by assets owned by the borrower or the borrower's business. Commercial loans are based primarily on the historical and projected cash flow of the borrower's business and secondarily on the capacity of credit enhancements, guarantees, and underlying collateral provided by the borrower.
- Consumer: Loans are extended to consumer customers. The segment includes both installment loans and lines of credit which may be collateralized or non-collateralized.

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The following tables present net loan balances by segment for portfolio loans, purchased credit deteriorated loans ("PCD") and loans purchased which are not considered credit deteriorated ("Non-PCD") as of:

(In thousands)	March 31, 2024			
	Acquired Non- PCD Loans		PCD Loans	Total
	Portfolio Loans	PCD Loans	PCD Loans	Total
Construction and land development	\$ 454,591	\$ 168,116	\$ 539	\$ 623,246
Commercial real estate - owner occupied	1,088,086	532,259	35,785	1,656,130
Commercial real estate - non-owner occupied	1,934,419	1,293,008	140,912	3,368,339
Residential real estate	1,756,236	745,349	19,814	2,521,399
Commercial and financial	1,216,045	305,200	44,954	1,566,199
Consumer	164,387	77,677	675	242,739
Totals	\$ 6,613,764	\$ 3,121,609	\$ 242,679	\$ 9,978,052

(In thousands)	December 31, 2023			
	Acquired Non- PCD Loans		PCD Loans	Total
	Portfolio Loans	PCD Loans	PCD Loans	Total
Construction and land development	\$ 519,426	\$ 247,654	\$ 542	\$ 767,622
Commercial real estate - owner occupied	1,079,633	552,627	38,021	1,670,281
Commercial real estate - non-owner occupied	1,844,588	1,323,222	152,080	3,319,890
Residential real estate	1,714,748	710,129	20,815	2,445,692
Commercial and financial	1,237,090	318,683	52,115	1,607,888
Consumer	175,969	74,854	744	251,567
Totals	\$ 6,571,454	\$ 3,227,169	\$ 264,317	\$ 10,062,940

The amortized cost basis of loans at March 31, 2024 included net deferred costs of \$ 44.9 million. At December 31, 2023, the amortized cost basis included net deferred costs of \$43.1 million. At March 31, 2024, the remaining fair value adjustments on acquired loans were \$ 163.4 million, or 4.6% of the outstanding acquired loan balances, compared to \$174.0 million, or 4.8% of the acquired loan balances at December 31, 2023. The discount is accreted into interest income over the remaining lives of the related loans on a level yield basis.

Accrued interest receivable is included within Other Assets and was \$ 39.5 million and \$39.4 million at March 31, 2024 and December 31, 2023, respectively.

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The following tables present the status of net loan balances as of March 31, 2024 and December 31, 2023.

(In thousands)	March 31, 2024						Total	
	Accruing		Accruing		Accruing			
	30-59 Days	Past Due	60-89 Days	Past Due	Greater Than	90 Days	Nonaccrual	
Portfolio Loans								
Construction and land development	\$ 454,468	\$ 85	\$ —	\$ —	\$ 38	\$ 454,591		
Commercial real estate - owner occupied	1,083,721	512	520	—	3,333	1,088,086		
Commercial real estate - non-owner occupied	1,931,093	—	—	—	3,326	1,934,419		
Residential real estate	1,741,619	5,314	1,433	416	7,454	1,756,236		
Commercial and financial	1,199,204	4,026	686	35	12,094	1,216,045		
Consumer	163,006	771	173	45	392	164,387		
Total Portfolio Loans	\$ 6,573,111	\$ 10,708	\$ 2,812	\$ 496	\$ 26,637	\$ 6,613,764		
Acquired Non-PCD Loans								
Construction and land development	\$ 166,889	\$ 471	\$ —	\$ —	\$ 756	\$ 168,116		
Commercial real estate - owner occupied	528,431	488	821	—	2,519	532,259		
Commercial real estate - non-owner occupied	1,274,008	4,867	—	—	14,133	1,293,008		
Residential real estate	739,085	2,227	649	168	3,220	745,349		
Commercial and financial	300,642	64	—	35	4,459	305,200		
Consumer	73,885	1,030	508	1,258	996	77,677		
Total Acquired Non-PCD Loans	\$ 3,082,940	\$ 9,147	\$ 1,978	\$ 1,461	\$ 26,083	\$ 3,121,609		
PCD Loans								
Construction and land development	\$ 441	\$ —	\$ —	\$ —	\$ 98	\$ 539		
Commercial real estate - owner occupied	29,431	984	—	—	5,370	35,785		
Commercial real estate - non-owner occupied	137,184	—	—	—	3,728	140,912		
Residential real estate	17,891	254	618	—	1,051	19,814		
Commercial and financial	29,723	990	—	3	14,238	44,954		
Consumer	623	5	47	—	—	675		
Total PCD Loans	\$ 215,293	\$ 2,233	\$ 665	\$ 3	\$ 24,485	\$ 242,679		
Total Loans	\$ 9,871,344	\$ 22,088	\$ 5,455	\$ 1,960	\$ 77,205	\$ 9,978,052		

(In thousands)	December 31, 2023						Total	
	Accruing		Accruing		Accruing			
	30-59 Days	Past Due	60-89 Days	Past Due	Greater Than 90 Days	Nonaccrual		
Portfolio Loans	Current	Past Due	Past Due	Past Due	—	Nonaccrual		
Construction and land development	\$ 519,383	\$ 19	\$ —	\$ —	\$ 24	\$ 519,426		
Commercial real estate - owner occupied	1,078,732	—	—	—	901	1,079,633		
Commercial real estate - non-owner occupied	1,840,485	685	—	—	3,418	1,844,588		
Residential real estate	1,701,862	4,373	1,515	169	6,829	1,714,748		
Commercial and financial	1,221,941	1,372	145	50	13,582	1,237,090		
Consumer	174,798	763	290	—	118	175,969		
Total Portfolio Loans	\$ 6,537,201	\$ 7,212	\$ 1,950	\$ 219	\$ 24,872	\$ 6,571,454		
Acquired Non-PCD Loans								
Construction and land development	\$ 245,674	\$ 891	\$ 289	\$ —	\$ 800	\$ 247,654		
Commercial real estate - owner occupied	545,374	1,691	133	—	5,429	552,627		
Commercial real estate - non-owner occupied	1,310,100	11,577	—	—	1,545	1,323,222		
Residential real estate	704,417	2,586	888	153	2,085	710,129		
Commercial and financial	315,229	50	36	35	3,333	318,683		
Consumer	71,986	568	618	618	1,064	74,854		
Total Acquired Non-PCD Loans	\$ 3,192,780	\$ 17,363	\$ 1,964	\$ 806	\$ 14,256	\$ 3,227,169		
PCD Loans								
Construction and land development	\$ 442	\$ 100	\$ —	\$ —	\$ —	\$ 542		
Commercial real estate - owner occupied	34,667	—	—	—	3,354	38,021		
Commercial real estate - non-owner occupied	148,308	—	—	—	3,772	152,080		
Residential real estate	18,923	497	169	154	1,072	20,815		
Commercial and financial	34,337	—	—	—	17,778	52,115		
Consumer	651	85	8	—	—	744		
Total PCD Loans	\$ 237,328	\$ 682	\$ 177	\$ 154	\$ 25,976	\$ 264,317		
Total Loans	\$ 9,967,309	\$ 25,257	\$ 4,091	\$ 1,179	\$ 65,104	\$ 10,062,940		

All interest accrued but not received for loans placed on nonaccrual is reversed against interest income. Interest subsequently received on such loans is accounted for under the cost-recovery method, whereby interest income is not recognized until the loan balance is reduced to zero. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current, and future payments are reasonably assured. The Company recognized \$0.2 million in interest income on nonaccrual loans during the three months ended March 31, 2024. The Company recognized \$ 0.1 million in interest income on nonaccrual loans during the three months ended March 31, 2023.

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The following tables present net balances of loans on nonaccrual status and the related allowance for credit losses, if any, as of:

(In thousands)	March 31, 2024				
	Nonaccrual Loans With No Related Allowance		Nonaccrual Loans With an Allowance		Total Nonaccrual Loans
Construction and land development	\$ 99	\$ 793	\$ 892	\$ 222	
Commercial real estate - owner occupied	8,536	2,686	11,222	508	
Commercial real estate - non-owner occupied	17,715	3,472	21,187	1,617	
Residential real estate	2,370	9,355	11,725	313	
Commercial and financial	5,918	24,873	30,791	13,760	
Consumer	—	1,388	1,388	209	
Totals	\$ 34,638	\$ 42,567	\$ 77,205	\$ 16,629	

(In thousands)	December 31, 2023				
	Nonaccrual Loans With No Related Allowance		Nonaccrual Loans With an Allowance		Total Nonaccrual Loans
Construction and land development	\$ —	\$ 824	\$ 824	\$ —	
Commercial real estate - owner occupied	4,859	4,825	9,684	41	
Commercial real estate - non-owner occupied	3,938	4,797	8,735	230	
Residential real estate	1,792	8,194	9,986	58	
Commercial and financial	4,868	29,825	34,693	2,319	
Consumer	—	1,182	1,182	257	
Totals	\$ 15,457	\$ 49,647	\$ 65,104	\$ 2,905	

Loans by Risk Rating

The Company utilizes an internal asset classification system as a means of identifying problem and potential problem loans. The following classifications are used to categorize loans under the internal classification system:

- Pass: Loans that are not problem loans or potential problem loans are considered to be pass-rated.
- Special Mention: Loans that do not currently expose the Company to sufficient risk to warrant classification in the Substandard or Doubtful categories, but possess weaknesses that deserve management's close attention are deemed to be Special Mention.
- Substandard: Loans with the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected.
- Doubtful: Loans that have all the weaknesses inherent in those classified Substandard with the added characteristic that the weakness present makes collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

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The following tables present the risk rating of loans and year-to-date gross charge offs by year of origination as of:

March 31, 2024

(In thousands)	2024	2023	2022	2021	2020	Prior	Revolving	Total
Construction and Land Development								
Risk Ratings:								
Pass	\$ 13,176	\$ 89,480	\$ 241,691	\$ 77,568	\$ 9,467	\$ 40,599	\$ 149,619	\$ 621,600
Special Mention	—	—	—	—	—	395	360	755
Substandard	—	—	212	—	—	580	99	891
Doubtful	—	—	—	—	—	—	—	—
Total	\$ 13,176	\$ 89,480	\$ 241,903	\$ 77,568	\$ 9,467	\$ 41,574	\$ 150,078	\$ 623,246
Gross Charge Offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial real estate - owner occupied								
Risk Ratings:								
Pass	\$ 21,932	\$ 142,467	\$ 273,030	\$ 277,164	\$ 166,881	\$ 696,218	\$ 31,147	\$ 1,608,839
Special Mention	2,064	—	368	1,320	—	9,502	—	13,254
Substandard	—	—	6,431	1,224	6,922	19,460	—	34,037
Doubtful	—	—	—	—	—	—	—	—
Total	\$ 23,996	\$ 142,467	\$ 279,829	\$ 279,708	\$ 173,803	\$ 725,180	\$ 31,147	\$ 1,656,130
Gross Charge Offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial real estate - non-owner occupied								
Risk Ratings:								
Pass	\$ 61,739	\$ 235,785	\$ 814,204	\$ 671,176	\$ 287,896	\$ 1,179,616	\$ 23,637	\$ 3,274,053
Special Mention	—	—	29,348	6,418	2,952	10,352	—	49,070
Substandard	—	—	—	8,606	9,264	27,096	250	45,216
Doubtful	—	—	—	—	—	—	—	—
Total	\$ 61,739	\$ 235,785	\$ 843,552	\$ 686,200	\$ 300,112	\$ 1,217,064	\$ 23,887	\$ 3,368,339
Gross Charge Offs	\$ —	\$ —	\$ —	\$ —	\$ 84	\$ —	\$ —	\$ 84
Residential real estate								
Risk Ratings:								
Pass	\$ 35,352	\$ 176,395	\$ 472,223	\$ 647,547	\$ 157,927	\$ 497,194	\$ 513,044	\$ 2,499,682
Special Mention	—	112	—	721	39	1,134	4,052	6,058
Substandard	—	259	112	91	152	9,362	5,683	15,659
Doubtful	—	—	—	—	—	—	—	—
Total	\$ 35,352	\$ 176,766	\$ 472,335	\$ 648,359	\$ 158,118	\$ 507,690	\$ 522,779	\$ 2,521,399
Gross Charge Offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial and financial								
Risk Ratings:								
Pass	\$ 49,338	\$ 233,844	\$ 312,888	\$ 322,298	\$ 120,778	\$ 141,193	\$ 318,118	\$ 1,498,457
Special Mention	—	1,082	1,206	935	985	1,468	1,742	7,418
Substandard	—	—	19,090	20,920	1,354	14,886	4,074	60,324
Doubtful	—	—	—	—	—	—	—	—
Total	\$ 49,338	\$ 234,926	\$ 333,184	\$ 344,153	\$ 123,117	\$ 157,547	\$ 323,934	\$ 1,566,199
Gross Charge Offs	\$ —	\$ —	\$ 85	\$ 266	\$ —	\$ 2,031	\$ 274	\$ 2,656
Consumer								
Risk Ratings:								
Pass	\$ 4,354	\$ 17,757	\$ 49,663	\$ 39,083	\$ 18,337	\$ 45,641	\$ 61,400	\$ 236,235
Special Mention	—	—	235	217	60	95	88	695
Substandard	—	70	3,315	1,780	161	392	91	5,809
Doubtful	—	—	—	—	—	—	—	—
Total	\$ 4,354	\$ 17,827	\$ 53,213	\$ 41,080	\$ 18,558	\$ 46,128	\$ 61,579	\$ 242,739
Gross Charge Offs	\$ —	\$ 215	\$ 74	\$ 1,493	\$ 55	\$ 36	\$ 15	\$ 1,888
Consolidated								
Total	\$ 187,955	\$ 897,251	\$ 2,224,016	\$ 2,077,068	\$ 783,175	\$ 2,695,183	\$ 1,113,404	\$ 9,978,052
Gross Charge Offs	\$ —	\$ 215	\$ 159	\$ 1,759	\$ 139	\$ 2,067	\$ 289	\$ 4,628

December 31, 2023

(In thousands)	2023	2022	2021	2020	2019	Prior	Revolving	Total
Construction and Land Development								
Risk Ratings:								
Pass	\$ 80,750	\$ 295,043	\$ 107,158	\$ 20,199	\$ 21,942	\$ 28,902	\$ 210,716	\$ 764,710
Special Mention	—	1,407	—	—	—	393	289	2,089
Substandard	—	—	—	—	—	499	324	823
Doubtful	—	—	—	—	—	—	—	—
Total	\$ 80,750	\$ 296,450	\$ 107,158	\$ 20,199	\$ 21,942	\$ 29,794	\$ 211,329	\$ 767,622
Gross Charge Offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial real estate - owner occupied								
Risk Ratings:								
Pass	\$ 145,642	\$ 272,384	\$ 281,870	\$ 165,475	\$ 171,897	\$ 551,177	\$ 36,952	\$ 1,625,397
Special Mention	—	159	1,335	—	524	9,122	1	11,141
Substandard	—	6,024	1,057	6,991	7,116	12,491	64	33,743
Doubtful	—	—	—	—	—	—	—	—
Total	\$ 145,642	\$ 278,567	\$ 284,262	\$ 172,466	\$ 179,537	\$ 572,790	\$ 37,017	\$ 1,670,281
Gross Charge Offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial real estate - non-owner occupied								
Risk Ratings:								
Pass	\$ 234,226	\$ 784,525	\$ 657,499	\$ 288,747	\$ 397,031	\$ 841,062	\$ 25,954	\$ 3,229,044
Special Mention	—	29,381	2,092	2,964	—	12,120	—	46,557
Substandard	—	685	8,723	9,398	10,427	14,806	250	44,289
Doubtful	—	—	—	—	—	—	—	—
Total	\$ 234,226	\$ 814,591	\$ 668,314	\$ 301,109	\$ 407,458	\$ 867,988	\$ 26,204	\$ 3,319,890
Gross Charge Offs	\$ —	\$ —	\$ 11	\$ —	\$ —	\$ —	\$ 109	\$ 120
Residential real estate								
Risk Ratings:								
Pass	\$ 177,000	\$ 450,366	\$ 649,086	\$ 160,889	\$ 95,288	\$ 413,719	\$ 479,047	\$ 2,425,395
Special Mention	208	—	—	—	58	482	4,004	4,752
Substandard	95	—	919	123	314	8,960	5,134	15,545
Doubtful	—	—	—	—	—	—	—	—
Total	\$ 177,303	\$ 450,366	\$ 650,005	\$ 161,012	\$ 95,660	\$ 423,161	\$ 488,185	\$ 2,445,692
Gross Charge Offs	\$ —	\$ —	\$ —	\$ 44	\$ —	\$ 159	\$ 153	\$ 356
Commercial and financial								
Risk Ratings:								
Pass	\$ 315,560	\$ 336,071	\$ 333,113	\$ 127,069	\$ 66,165	\$ 89,002	\$ 269,108	\$ 1,536,088
Special Mention	136	2,167	1,064	1,005	503	1,103	2,191	8,169
Substandard	—	18,558	21,643	1,380	5,889	11,842	3,961	63,273
Doubtful	—	—	—	—	—	358	—	358
Total	\$ 315,696	\$ 356,796	\$ 355,820	\$ 129,454	\$ 72,557	\$ 102,305	\$ 275,260	\$ 1,607,888
Gross Charge Offs	\$ 1,198	\$ 117	\$ 659	\$ 3,007	\$ 582	\$ 12,584	\$ 418	\$ 18,565
Consumer								
Risk Ratings:								
Pass	\$ 20,557	\$ 66,699	\$ 45,534	\$ 19,747	\$ 20,300	\$ 19,080	\$ 56,473	\$ 248,390
Special Mention	5	334	279	77	5	194	65	959
Substandard	66	930	891	103	51	177	—	2,218
Doubtful	—	—	—	—	—	—	—	—
Total	\$ 20,628	\$ 67,963	\$ 46,704	\$ 19,927	\$ 20,356	\$ 19,451	\$ 56,538	\$ 251,567
Gross Charge Offs	\$ 74	\$ 1,910	\$ 2,218	\$ 362	\$ 263	\$ 666	\$ 261	\$ 5,754
Consolidated								
Total	\$ 974,245	\$ 2,264,733	\$ 2,112,263	\$ 804,167	\$ 797,510	\$ 2,015,489	\$ 1,094,533	\$ 10,062,940
Gross Charge Offs	\$ 1,272	\$ 2,027	\$ 2,888	\$ 3,413	\$ 845	\$ 13,409	\$ 941	\$ 24,795

Troubled Borrower Modifications

The following table presents the amortized cost of troubled borrower modification ("TBM") loans that were modified during the three months ended March 31, 2024. There was one loan for \$29 thousand modified as a TBM for the three months ended March 31, 2023.

(In thousands)	March 31, 2024					
	Rate Reduction or Rate Reduction with Term Extension		Term Extension and/or Payment Delay		Total ¹	% of Total Class of Loans
	Commercial real estate - owner occupied	\$ 3,324	Commercial real estate - non-owner occupied	810		
Residential real estate	—	—	31	31	31	— %
Commercial and financial	2,631	—	57	2,688	2,688	0.17 %
Consumer	—	—	523	523	523	0.22 %
Totals	\$ 6,765	\$ 611	\$ 7,376			0.07 %

¹At March 31, 2024, there were no unfunded lending related commitments associated with TBMs.

The following table presents the payment status of TBM loans that were modified in the twelve months prior to March 31, 2024.

(In thousands)	March 31, 2024					
	Current	Accruing 30-59 Days Past Due	Accruing 60-89 Days Past Due	Accruing Greater Than 90 Days	Nonaccrual	Total
		—	—	—	2,802	
Commercial real estate - owner occupied	522	—	—	—	—	3,324
Commercial real estate - non-owner occupied	—	—	—	—	810	810
Residential real estate	31	—	—	—	—	31
Commercial and financial	2,185	—	—	—	13,016	15,201
Consumer	2,299	290	148	231	143	3,111
Totals	\$ 5,037	\$ 290	\$ 148	\$ 231	\$ 16,771	\$ 22,477

During the three months ended March 31, 2024, there were no subsequent defaults of TBMs modified in the prior 12 months.

Note 5 – Allowance for Credit Losses

Activity in the allowance for credit losses is summarized as follows:

(In thousands)	Three Months Ended March 31, 2024				
	Beginning Balance	Provision for Credit Losses	Charge-Offs	Recoveries	Ending Balance
	\$ 8,637	\$ (1,640)	\$ —	\$ 4	\$ 7,001
Construction and land development	\$ 8,637	\$ (1,640)	\$ —	\$ 4	\$ 7,001
Commercial real estate - owner occupied	5,529	4,484	—	4	10,017
Commercial real estate - non-owner occupied	48,288	(1,621)	(84)	18	46,601
Residential real estate	39,016	(631)	—	243	38,628
Commercial and financial	34,343	(1,501)	(2,656)	521	30,707
Consumer	13,118	2,277	(1,888)	208	13,715
Totals	\$ 148,931	\$ 1,368	\$ (4,628)	\$ 998	\$ 146,669

(In thousands)	Three Months Ended March 31, 2023					
	Allowance on PCD Loans Acquired					
	Beginning Balance	During the Period	Provision for Credit Losses	Charge-Offs	Recoveries	Ending Balance
Construction and land development	\$ 6,464	\$ 5	\$ 69	\$ —	\$ 2	\$ 6,540
Commercial real estate - owner occupied	6,051	139	101	—	1	6,292
Commercial real estate - non-owner occupied	43,258	647	9,715	(109)	64	53,575
Residential real estate	29,605	400	9,898	(159)	150	39,894
Commercial and financial	15,648	11,983	6,414	(2,642)	190	31,593
Consumer	12,869	161	5,401	(695)	10	17,746
Totals	\$ 113,895	\$ 13,335	\$ 31,598	\$ (3,605)	\$ 417	\$ 155,640

Management establishes the allowance using relevant available information from both internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Forecast data is sourced from Moody's Analytics ("Moody's"), a firm widely recognized for its research, analysis, and economic forecasts. The forecasts of future economic conditions are over the expected remaining life of the loan using economic forecasts that revert to long-term historical averages over time.

As of March 31, 2024 and December 31, 2023, the Company utilized a multiple scenario model comprised of a blend of Moody's economic scenarios and considered the uncertainty associated with the assumptions in the scenarios, including continued actions taken by the Federal Reserve with regard to monetary policy and interest rates and the potential impact of those actions, the conflicts in the Middle East and Russia-Ukraine and the magnitude of the resulting market disruptions, and the potential impact of persistent high inflation on the economy. Outcomes in any or all of these factors could differ from the scenarios utilized, and the Company incorporated qualitative considerations reflecting the risk of uncertain economic conditions, and for additional dimensions of risk that may not be captured in the quantitative model.

The following section discusses changes in the level of the allowance for credit losses for the three months ended March 31, 2024.

In the Construction and Land Development segment, the decrease in the allowance is due to a decrease in loan balances. In this segment, the primary source of repayment is typically from proceeds of the sale, refinancing, or permanent financing of the underlying property; therefore, industry and collateral type and estimated collateral values are among the relevant factors in assessing expected losses.

In the Commercial Real Estate - Owner-Occupied segment, the allowance increased due to continued uncertainty in connection with commercial real estate valuations broadly, and the collateral values associated with the underlying loans. Risk characteristics include but are not limited to, collateral type, note structure and loan seasoning.

In the Commercial Real Estate - Non Owner-Occupied segment, the decrease in the allowance is primarily attributed to improvement in the forecast for macroeconomic factors, partially offset by higher loan balances. Repayment is often dependent upon rental income from the successful operation of the underlying property. Loan performance may be adversely affected by general economic conditions or conditions specific to the real estate market, including property types. Collateral type, note structure, and loan seasoning are among the risk characteristics analyzed for this segment.

The Residential Real Estate segment includes first mortgages secured by residential property, and home equity lines of credit. The decrease in the allowance is due to an improvement in the forecast for macroeconomic factors, partially offset by an increase in loan balances. Risk characteristics considered for this segment include, but are not limited to, borrower FICO score, lien position, loan to value ratios, and loan seasoning.

In the Commercial and Financial segment, borrowers are primarily small to medium sized professional firms and other businesses, and loans are generally supported by projected cash flows of the business, collateralized by business assets, and/or guaranteed by the business owners. The decrease in the allowance is due to a decrease in loan balances. Industry, collateral type, estimated collateral values, and loan seasoning are among the relevant factors in assessing expected losses.

Consumer loans include installment and revolving lines, loans for automobiles, boats, and other personal or family purposes. Risk characteristics considered for this segment include, but are not limited to, collateral type, loan to value ratios, loan seasoning and FICO score. The increase in the allowance reflects an increase in expected losses, partly offset by a decrease in loan balances.

Note 6 – Derivatives

Back-to-Back Swaps

The Company offers interest rate swaps when requested by customers to allow them to hedge the risk of rising interest rates on their variable rate loans. Upon entering into these swaps, the Company enters into offsetting positions with counterparties in order to minimize the interest rate risk. These back-to-back swaps are freestanding financial derivatives with the fair values reported in Other Assets and Other Liabilities. The Company is party to master netting arrangements with its financial institution counterparties; however, the Company does not offset assets and liabilities under the arrangements for financial statement presentation purposes. Gains and losses on these back-to-back swaps, which offset, are recorded through noninterest income.

Interest Rate Swaps Designated as Fair Value Hedges

In the second quarter of 2023, the Company entered into interest rate swap contracts to hedge the risk of changes in fair value of the AFS securities portfolio due to changes in the Secured Overnight Financing Rate ("SOFR"). The Company considers these derivatives to be highly effective at offsetting changes in interest rates and will assess the effectiveness on a quarterly basis. The changes in interest rates affecting the fair value of these derivative contracts are recognized in other comprehensive income. These derivative instruments are primarily for risk management purposes. For the three months ended March 31, 2024, the Company recognized gains through other comprehensive income of \$4.0 million and reclassified gains of \$61 thousand out of accumulated other comprehensive income into interest income.

The Company entered into interest rate swap contracts to hedge the risk of changes in the fair value of a pool of residential mortgages due to changes in SOFR. These fair values hedges utilize the portfolio layer method. The Company considers these derivatives to be highly effective at offsetting changes in interest rates and will assess the effectiveness on a quarterly basis. The changes in interest rates affecting the fair value of these derivative contracts are recognized in interest income. These derivative instruments are primarily for risk management purposes. For the three months ended March 31, 2024, the Company recognized gains through interest income of \$0.4 million.

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(In thousands)		Notional Amount	Fair Value	Balance Sheet Category
March 31, 2024				
Back-to-back swaps ¹	\$	622,857	\$ 30,037	Other Assets and Other Liabilities
Securities fair value hedges		400,000	4,018	Other Assets
Residential mortgage fair value hedges		200,000	880	Other Assets
December 31, 2023				
Back-to-back swaps ¹	\$	605,735	\$ 28,804	Other Assets and Other Liabilities
Securities fair value hedges		400,000	2,677	Other Assets
Residential mortgage fair value hedges		200,000	75	Other Liabilities

¹Back-to-back swaps include risk participation agreements with notional amounts of \$9.4 million and nominal fair value at March 31, 2024, and December 31, 2023, respectively.

The following table presents amounts recorded on the Consolidated Balance Sheet related to cumulative basis adjustments for fair value hedges.

(In thousands)	Carrying amount of the hedged items		Cumulative amount of fair value hedging adjustment included in the carrying amount of the hedged items	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Securities available-for-sale ¹	\$ 555,920	\$ 584,108	\$ 4,044	\$ 2,643
Loans, net ²	627,213	633,693	937	44

¹At March 31, 2024, and December 31, 2023, the amortized cost basis and unallocated basis adjustments used in hedging relationships was \$657.5 million and \$680.6 million, respectively. Refer to "Note 3 - Securities" for a reconciliation of the amortized cost and fair value of AFS securities.

²These amounts represent the amortized cost basis of closed portfolios used to designate hedging relationships in which the hedged item is the stated amount of assets in the closed portfolios anticipated to be outstanding for the designated hedge period. At March 31, 2024 and December 31, 2023, the portfolio layer method was \$200 million, of which \$200 million was designated as hedged.

Note 7 – Securities Sold Under Agreements to Repurchase

Securities sold under agreements to repurchase are accounted for as secured borrowings. For securities sold under agreements to repurchase, the Company is required to pledge collateral with value sufficient to fully collateralize borrowings. Company securities pledged were as follows by collateral type and maturity as of:

(In thousands)	March 31, 2024	December 31, 2023
Fair value of pledged securities - overnight and continuous:		
Mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	\$ 384,959	\$ 396,378

Note 8 – Regulatory Capital

The Company is well-capitalized and at March 31, 2024, the Company and the Company's principal banking subsidiary, Seacoast Bank, exceeded the Common Equity Tier 1 ("CET1") capital ratio regulatory threshold of 6.5% for well-capitalized institutions under the Basel III standardized transition approach, as well as risk-based and leverage ratio requirements for well-capitalized banks under the regulatory framework for prompt corrective action.

Note 9 – Contingent Liabilities

The Company and its subsidiaries, because of the nature of their business, are at all times subject to numerous legal actions, threatened or filed. Management presently believes that none of the legal proceedings to which it is a party are likely to have a materially adverse effect on the Company's consolidated financial condition, operating results or cash flows.

Note 10 – Fair Value

Under ASC Topic 820, fair value measurements for items measured at fair value on a recurring and nonrecurring basis at March 31, 2024 and December 31, 2023 included:

(In thousands)	Fair Value Measurements	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	
At March 31, 2024							
Financial Assets							
Debt securities available-for-sale ¹	\$ 1,949,463	\$ 192	\$ 1,949,271	\$ —			
Derivative financial instruments ²	34,935	—	34,935	—			
Loans held for sale ²	9,475	—	9,475	—			
Loans ³	2,504	—	—	—	2,504		
Other real estate owned ⁴	7,315	—	—	—	7,315		
Equity securities ⁵	13,506	13,506	—	—	—		
Financial Liabilities							
Derivative financial instruments ²	\$ 30,037	\$ —	\$ 30,037	\$ —			
At December 31, 2023							
Financial Assets							
Debt securities available-for-sale ¹	\$ 1,836,020	\$ 192	\$ 1,835,828	\$ —			
Derivative financial instruments ²	31,481	—	31,481	—			
Loans held for sale ²	4,391	—	4,391	—			
Loans ³	15,242	—	—	—	15,242		
Other real estate owned ⁴	7,560	—	—	—	7,560		
Equity securities ⁵	13,623	13,623	—	—	—		
Financial Liabilities							
Derivative financial instruments ²	\$ 28,879	\$ —	\$ 28,879	\$ —			

¹See "Note 3 – Securities" for further detail of fair value of individual investment categories.

²Recurring fair value basis determined using observable market data.

³See "Note 4 – Loans." Nonrecurring fair value adjustments to collateral-dependent loans reflect full or partial write-downs that are based on current appraised values of the collateral.

⁴Fair value is measured on a nonrecurring basis in accordance with ASC Topic 360, Property, Plant, and Equipment.

⁵Investment in shares of mutual funds that invest primarily in CRA-qualified debt securities, reported at fair value in Other Assets. Recurring fair value basis is determined using market quotations.

For recurring fair value measurements, transfers between levels of the fair value hierarchy are recognized on the actual date of the event or circumstances that caused the transfer, which generally coincides with the Company's monthly and/or quarterly valuation process. During the three months ended March 31, 2024, there were no such transfers.

For additional information on the valuation techniques and significant inputs for Level 2 and Level 3 assets and liabilities that are measured at fair value on a recurring basis, see "Note 16 - Fair Value" of the Annual Report on Form 10-K for the year ended December 31, 2023.

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The carrying amount and fair value of the Company's other financial instruments that were not disclosed previously in the balance sheet and for which carrying amount is not fair value as of March 31, 2024 and December 31, 2023 is as follows:

(In thousands)	Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
March 31, 2024					
Financial Assets					
Held-to-maturity debt securities ¹	\$ 669,896	\$ —	\$ 540,160	\$ —	
Time deposits with other banks	7,856	—	7,820	—	
Loans, net	9,828,879	—	—	9,580,648	
Financial Liabilities					
Deposits	12,015,840	—	—	12,014,568	
FHLB borrowings	110,000	—	110,001	—	
Long-term debt	106,468	—	101,008	—	
December 31, 2023					
Held-to-maturity debt securities ¹	\$ 680,313	\$ —	\$ 558,359	\$ —	
Time deposits with other banks	5,857	—	5,756	—	
Loans, net	9,898,767	—	—	9,805,693	
Financial Liabilities					
Deposits	11,776,935	—	—	11,775,613	
FHLB borrowings	50,000	—	49,745	—	
Long-term debt	109,458	—	100,851	—	

¹See "Note 3 – Securities" for further detail of recurring fair value basis of individual investment categories.

The short maturity of Seacoast's assets and liabilities results in a significant number of financial instruments whose fair value equals or closely approximates carrying value. Such financial instruments are reported in the following balance sheet captions: cash and due from banks, interest bearing deposits with other banks, and securities sold under agreements to repurchase.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value at March 31, 2024 and December 31, 2023:

Held-to-maturity debt securities: These debt securities are reported at fair value utilizing Level 2 inputs. The estimated fair value of a security is determined based on market quotations when available or, if not available, by using quoted market prices for similar securities, pricing models or discounted cash flow analyses, using observable market data where available.

The Company reviews the prices supplied by independent pricing services, as well as their underlying pricing methodologies, for reasonableness and to ensure such prices are aligned with traditional pricing matrices. From time to time, the Company will validate, on a sample basis, prices supplied by the independent pricing service by comparison to prices obtained from other brokers and third-party sources or derived using internal models.

Loans: Fair values are estimated for portfolios of loans with similar financial characteristics. Loans are segregated by type, such as commercial or mortgage. Each loan category is further segmented into fixed and adjustable-rate interest terms as well as performing and nonperforming categories. The fair value of loans is calculated by discounting scheduled cash flows through the estimated life including prepayment considerations, using estimated market discount rates that reflect the risks inherent in the loan. The fair value approach considers market-driven variables including credit related factors and reflects an "exit price" as defined in ASC Topic 820.

Deposit liabilities: The fair value of demand deposits, savings accounts and money market deposits is the amount payable at the reporting date. The fair value of fixed maturity certificates of deposit is estimated using the rates currently offered for funding of similar remaining maturities.

Note 11 – Business Combinations

Acquisition of Professional Holding Corp.

On January 31, 2023, the Company completed its acquisition of Professional Holding Corp. (“Professional”). Simultaneously, upon completion of the merger of Professional and the Company, Professional Bank was merged with and into Seacoast Bank. Prior to the acquisition, Professional Bank operated nine branches across South Florida. The transaction further expanded the Company’s presence in the tri-county South Florida market, which includes Miami-Dade, Broward, and Palm Beach counties, Florida’s largest metropolitan statistical area and the 8th largest in the nation. The Company acquired 100% of the outstanding common stock of Professional. Under the terms of the merger agreement, Professional shareholders received 0.8909 shares of Seacoast common stock for each share of Professional common stock held immediately prior to the merger, and Professional option holders received options to purchase Seacoast common stock, with the number of shares underlying each such option and the applicable exercise price adjusted using the same 0.8909 exchange ratio.

(In thousands, except per share data)	January 31, 2023
Number of Professional common shares outstanding	14,358
Per share exchange ratio	0.8909
Number of shares of SBCF common stock issued	12,792
Multiplied by common stock price per share at January 31, 2023	\$ 32.11
Value of SBCF common stock issued	\$ 410,738
Cash paid for fractional shares	5
Fair value of Professional options converted	10,304
Total purchase price	\$ 421,047

The acquisition of Professional was accounted for under the acquisition method of accounting in accordance with ASC Topic 805, Business Combinations. The Company recognized goodwill of \$251.7 million for this acquisition that is nondeductible for tax purposes. Determining fair values of assets and liabilities, especially the loan portfolio, core deposit intangibles, and deferred taxes, is a complicated process involving significant judgment regarding methods and assumptions used to calculate estimated fair values.

As part of the acquisition of Professional, options were granted to replace outstanding Professional options. These options were fully vested upon acquisition. The full value of the replacement options, \$10.3 million, was associated with pre-combination service and was therefore included in the calculation of the total purchase consideration.

(In thousands)	Initially Measured		Measurement		As Adjusted	
	January 31, 2023		Period Adjustments		January 31, 2023	
Assets:						
Cash and cash equivalents	\$ 141,680	\$ —	—	\$ 141,680		
Investment securities	167,059	—	—	167,059		
Loans	1,991,713	(5,544)	—	1,986,169		
Bank premises and equipment	2,478	—	—	2,478		
Core deposit intangibles	48,885	—	—	48,885		
Goodwill	248,091	3,583	—	251,674		
BOLI	55,071	—	—	55,071		
Other Assets	74,232	2,561	—	76,793		
Total Assets	\$ 2,729,209	\$ 600	—	\$ 2,729,809		
Liabilities:						
Deposits	\$ 2,119,341	\$ —	—	\$ 2,119,341		
Subordinated debt	21,141	—	—	21,141		
Other Liabilities	167,680	600	—	168,280		
Total Liabilities	\$ 2,308,162	\$ 600	—	\$ 2,308,762		

The table below presents information with respect to the fair value and unpaid principal balance of acquired loans at the acquisition date.

(In thousands)	January 31, 2023	
	Book Balance	Fair Value
Loans:		
Construction and land development	\$ 156,048	\$ 151,012
Commercial real estate - owner occupied	293,473	274,068
Commercial real estate - non-owner occupied	752,393	692,746
Residential real estate	509,305	483,611
Commercial and financial	392,396	350,628
Consumer	33,656	32,153
PPP Loans	1,951	1,951
Total acquired loans	\$ 2,139,222	\$ 1,986,169

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The table below presents the carrying amount of loans for which, at the date of acquisition, there was evidence of more than insignificant deterioration of credit quality since origination:

(In thousands)	January 31, 2023
Book balance of loans at acquisition	\$ 155,031
Allowance for credit losses at acquisition	(18,879)
Non-credit related discount	(12,361)
Total PCD loans acquired	\$ 123,791

The acquisition of Professional resulted in the addition of \$45.5 million in allowance for credit losses, including the \$18.9 million identified in the table above for PCD loans, and \$26.6 million for non-PCD loans recorded through the provision for credit losses at the date of acquisition. Included within the \$18.9 million initial PCD allowance is \$5.5 million recorded as a measurement period adjustment during the three months ended June 30, 2023, reflecting information obtained by the Company relating to events or circumstances existing at the acquisition date.

The Company believes the deposits assumed in the acquisition have an intangible value. In determining the valuation amount, deposits were analyzed based on factors such as type of deposit, deposit retention, interest rates and age of deposit relationships. The core deposit intangible asset acquired from Professional is being amortized over eight years using an accelerated method of amortization.

Acquisition Costs

Acquisition costs included in the Company's income statement for the three months ended March 31, 2023 were \$ 17.5 million.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The purpose of this discussion and analysis is to aid in understanding significant changes in the financial condition of Seacoast Banking Corporation of Florida and its subsidiaries ("Seacoast" or the "Company") and their results of operations. Nearly all of the Company's operations are contained in its banking subsidiary, Seacoast National Bank ("Seacoast Bank" or the "Bank"). Such discussion and analysis should be read in conjunction with the Company's Condensed Consolidated Financial Statements and the related notes included in this report.

The emphasis of this discussion will be on the three months ended March 31, 2024 compared to the three months ended March 31, 2023 for the consolidated statements of income. For the consolidated balance sheets, the emphasis of this discussion will be the balances as of March 31, 2024 compared to December 31, 2023.

This discussion and analysis contain statements that may be considered "forward-looking statements" as defined in, and subject to the protections of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. See the following section for additional information regarding forward-looking statements.

For purposes of the following discussion, the words "Seacoast" or the "Company" refer to the combined entities of Seacoast Banking Corporation of Florida and its direct and indirect wholly owned subsidiaries.

Special Cautionary Notice Regarding Forward-Looking Statements

Certain statements made or incorporated by reference herein which are not statements of historical fact, including those under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere herein, are "forward-looking statements" within the meaning, and protections, of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements include statements with respect to the Company's beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, and intentions about future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond the Company's control, and which may cause the actual results, performance or achievements of Seacoast Banking Corporation of Florida ("Seacoast" or the "Company") or its wholly-owned banking subsidiary, Seacoast National Bank ("Seacoast Bank"), to be materially different from those set forth in the forward-looking statements.

All statements other than statements of historical fact could be forward-looking statements. You can identify these forward-looking statements through the use of words such as "may," "will," "anticipate," "assume," "should," "support," "indicate," "would," "believe," "contemplate," "expect," "estimate," "continue," "further," "plan," "point to," "project," "could," "intend,"

"target" or other similar words and expressions of the future. These forward-looking statements may not be realized due to a variety of factors, including, without limitation:

- The impact of current and future economic and market conditions generally (including seasonality) and in the financial services industry, nationally and within Seacoast's primary market areas, including the effects of inflationary pressures, changes in interest rates, slowdowns in economic growth, and the potential for high unemployment rates, as well as the financial stress on borrowers and changes to customer and client behavior and credit risk as a result of the foregoing;
- Potential impacts of adverse developments in the banking industry, including those highlighted by high-profile bank failures, and including impacts on customer confidence, deposit outflows, liquidity and the regulatory response thereto (including increases in the cost of our deposit insurance assessments), the Company's ability to effectively manage its liquidity risk and any growth plans, and the availability of capital and funding;
- Governmental monetary and fiscal policies, including interest rate policies of the Board of Governors of the Federal Reserve, as well as legislative, tax and regulatory changes, including those that impact the money supply and inflation;
- The risks of changes in interest rates on the level and composition of deposits (as well as the cost of, and competition for, deposits), loan demand, liquidity and the values of loan collateral, securities, and interest rate sensitive assets and liabilities;
- Interest rate risks (including the impact of interest rates on macroeconomic conditions, customer and client behavior, and on our net interest income), sensitivities, and the shape of the yield curve;
- Changes in accounting policies, rules, and practices;
- Changes in retail distribution strategies, customer preferences and behavior generally and as a result of economic factors, including heightened inflation;
- Changes in the availability and cost of credit and capital in the financial markets;
- Changes in the prices, values and sales volumes of residential and commercial real estate, especially as they relate to the value of collateral supporting the Company's loans;
- The Company's concentration in commercial real estate loans and in real estate collateral in Florida;
- Seacoast's ability to comply with any regulatory requirements and the risk that the regulatory environment may not be conducive to or may prohibit the consummation of future mergers and/or business combinations, may increase the length of time and amount of resources required to consummate such transactions, and may reduce the anticipated benefit;
- Inaccuracies or other failures from the use of models, including the failure of assumptions and estimates, as well as differences in, and changes to, economic, market and credit conditions;
- The impact on the valuation of Seacoast's investments due to market volatility or counterparty payment risk, as well as the effect of a decline in stock market prices on our fee income from our wealth management business;
- Statutory and regulatory dividend restrictions; increases in regulatory capital requirements for banking organizations generally;
- The risks of mergers, acquisitions and divestitures, including Seacoast's ability to continue to identify acquisition targets, successfully acquire and integrate desirable financial institutions and realize expected revenues and revenue synergies;
- Changes in technology or products that may be more difficult, costly, or less effective than anticipated;
- The Company's ability to identify and address increased cybersecurity risks, including those impacting vendors and other third parties which may be exacerbated by recent developments in generative artificial intelligence;
- Fraud or misconduct by internal or external parties, which Seacoast may not be able to prevent, detect or mitigate;
- Inability of Seacoast's risk management framework to manage risks associated with the Company's business;
- Dependence on key suppliers or vendors to obtain equipment or services for the business on acceptable terms, including the impact of supply chain disruptions;
- Reduction in or the termination of Seacoast's ability to use the online- or mobile-based platform that is critical to the Company's business growth strategy;
- The effects of war or other conflicts, including the impacts related to or resulting from Russia's military action in Ukraine and the escalating conflicts in the Middle East, acts of terrorism, natural disasters, including hurricanes in the Company's footprint, health emergencies, epidemics or pandemics, or other catastrophic events that may affect general economic conditions and/or increase costs, including, but not limited to, property and casualty and other insurance costs;
- Seacoast's ability to maintain adequate internal controls over financial reporting;

- Potential claims, damages, penalties, fines, costs and reputational damage resulting from pending or future litigation, regulatory proceedings and enforcement actions;
- The risks that deferred tax assets could be reduced if estimates of future taxable income from the Company's operations and tax planning strategies are less than currently estimated, the results of tax audit findings, challenges to our tax positions, or adverse changes or interpretations of tax laws;
- The effects of competition from other commercial banks, thrifts, mortgage banking firms, consumer finance companies, credit unions, non-bank financial technology providers, securities brokerage firms, insurance companies, money market and other mutual funds and other financial institutions;
- The failure of assumptions underlying the establishment of reserves for expected credit losses;
- Risks related to, and the costs associated with, environmental, social and governance ("ESG") matters, including the scope and pace of related rulemaking activity and disclosure requirements;
- A deterioration of the credit rating for U.S. long-term sovereign debt, actions that the U.S. government may take to avoid exceeding the debt ceiling, and uncertainties surrounding the debt ceiling and the federal budget;
- The risk that balance sheet, revenue growth, and loan growth expectations may differ from actual results; and
- Other factors and risks described under "Risk Factors" herein and in any of the Company's subsequent reports filed with the SEC and available on its website at www.sec.gov.

All written or oral forward-looking statements that are made or are attributable to Seacoast are expressly qualified in their entirety by this cautionary notice, including, without limitation, those risks and uncertainties described in the Company's annual report on Form 10-K for the year ended December 31, 2023 and in other periodic reports that the Company files with the SEC. The Company assumes no obligation to update, revise or correct any forward-looking statements that are made from time to time, either as a result of future developments, new information or otherwise, except as may be required by law.

Results of Operations

For the first quarter of 2024, the Company reported net income of \$26.0 million, or \$0.31 per average diluted share, a decrease of \$3.5 million, or 12%, from the fourth quarter of 2023 and an increase of \$14.2 million, or 120%, compared to the first quarter of 2023. Adjusted net income¹ for the first quarter of 2024 totaled \$31.1 million, or \$0.37 per average diluted share, a decrease of \$0.2 million, or 1%, compared to the fourth quarter of 2023 and an increase of \$7.5 million, or 31%, compared to the first quarter of 2023.

In the first quarter of 2023, the Company completed the acquisition of Professional Holding Corp. ("Professional"), parent company of Professional Bank, adding deposits of approximately \$2.1 billion and loans of approximately \$2.0 billion.

	First Quarter 2024	Fourth Quarter 2023	First Quarter 2023
Return on average tangible assets	0.89 %	0.99 %	0.52 %
Return on average tangible shareholders' equity	9.55	11.22	5.96
Efficiency ratio	66.78	60.32	64.62
Adjusted return on average tangible assets ¹	1.04 %	1.04 %	0.88 %
Adjusted return on average tangible shareholders' equity ¹	11.15	11.80	10.16
Adjusted efficiency ratio ¹	61.13	60.32	53.10

¹Non-GAAP measure - see "Explanation of Certain Unaudited Non-GAAP Financial Measures" for more information and a reconciliation to GAAP.

Net Interest Income and Margin

Net interest income for the first quarter of 2024 totaled \$105.1 million, a decrease of \$5.7 million, or 5%, compared to the fourth quarter of 2023, and a decrease of \$26.1 million, or 20%, compared to the first quarter of 2023. The decrease from the prior quarter reflects higher interest expense on deposits driven by higher deposit costs attributed in part to overall growth in deposit balances. The decrease was partially offset by higher yields on loans and securities. The decrease from the prior year is primarily due to the higher cost of deposits.

¹Non-GAAP measure - see "Explanation of Certain Unaudited Non-GAAP Financial Measures" for more information and a reconciliation to GAAP.

Net interest income (on a fully taxable equivalent basis)¹ for the first quarter of 2024 was \$105.3 million, a decrease of \$5.7 million, or 5%, compared to the fourth quarter of 2023, and a decrease of \$26.1 million, or 20%, compared to the first quarter of 2023. Accretion on acquired loans totaled \$10.6 million for the first quarter of 2024, compared to \$11.3 million for the fourth quarter of 2023, and \$15.9 million for the first quarter of 2023.

Net interest margin (on a fully tax equivalent basis)¹ was 3.24% in the first quarter of 2024, compared to 3.36% in the fourth quarter of 2023, and 4.31% in the first quarter of 2023. The decrease during the first quarter of 2024 was largely driven by the growth in deposit costs. Compared to the fourth quarter of 2023, securities yields expanded five basis points to 3.47% and loan yields increased to 5.90% during the first quarter of 2024. The effect on net interest margin of accretion of purchase discounts on acquired loans were increases of 33 basis points in the first quarter of 2024, 34 basis points in the fourth quarter of 2023, and 53 basis points in the first quarter of 2023. The cost of deposits was 2.19% in the first quarter of 2024, compared to 2.00% in the fourth quarter of 2023, and 0.77% in the first quarter of 2023. For the first quarter of 2024, the higher cost of deposits reflects the impact of the continuing elevated interest rate environment.

The following table details the trend for net interest income and margin results (on a tax equivalent basis)¹, the yield on earning assets and the rate paid on interest bearing liabilities for the periods specified:

(In thousands, except ratios)	Net Interest Income ¹	Net Interest Margin ¹	Yield on Earning Assets ¹	Rate on Interest Bearing Liabilities
First quarter 2024	\$ 105,298	3.24 %	5.41 %	3.20 %
Fourth quarter 2023	111,035	3.36 %	5.36 %	2.98 %
First quarter 2023	131,351	4.31 %	5.19 %	1.43 %

¹On tax equivalent basis, a non-GAAP measure - see "Explanation of Certain Unaudited Non-GAAP Financial Measures" for more information and a reconciliation to GAAP.

Average loans increased \$1.4 million for the first quarter of 2024 compared to the fourth quarter of 2023, and increased \$665.5 million, or 7%, from the first quarter of 2023.

Average loans as a percentage of average earning assets totaled 77% for the first quarter of 2024, 77% for the fourth quarter of 2023 and 76% for the first quarter of 2023.

Average investment securities increased \$78.0 million, or 3%, during the first quarter of 2024 compared to the fourth quarter of 2023, and were \$131.5 million, or 5%, lower compared to the first quarter of 2023. Securities yields expanded five basis points to 3.47% during the first quarter of 2024 from 3.42% in the fourth quarter of 2023, benefiting from recent portfolio restructurings.

The cost of average interest-bearing liabilities increased 22 basis points in the first quarter of 2024 to 3.20% from 2.98% in the fourth quarter of 2023, and increased 177 basis points from 1.43% in the first quarter of 2023. The cost of average total deposits (including noninterest bearing demand deposits) was 2.19% in the first quarter of 2024, 2.00% in the fourth quarter of 2023 and 0.77% in the first quarter of 2023.

During the first quarter of 2024, average transaction deposits (noninterest and interest bearing demand) decreased \$311.9 million, or 5%, compared to the fourth quarter of 2023 and decreased \$539.3 million, or 8%, compared to the first quarter of 2023. The Company's deposit mix remains favorable, with 87% of average deposit balances comprised of savings, money market, and demand deposits for the three months ended March 31, 2024.

Average balances of sweep repurchase agreements with customers decreased \$2.2 million, or 1%, from the fourth quarter of 2023 and increased \$159.9 million, or 92%, compared to the first quarter of 2023. The average rate on customer sweep repurchase accounts was 3.71% for the first quarter of 2024, compared to 3.54% for the fourth quarter of 2023, and 2.02% for the first quarter of 2023.

The Company had an average balance of \$102.4 million in FHLB borrowings outstanding for the first quarter of 2024, with a weighted average interest rate of 4.15%, compared to \$59.0 million for the fourth quarter of 2023, with a weighted average interest rate of 3.23%, and \$282.4 million for the first quarter of 2023, with a weighted average interest rate of 4.26%.

Long-term debt balances averaged \$106.4 million in the first quarter of 2024, \$106.2 million in the fourth quarter of 2023, and \$98.4 million in the first quarter of 2023. The average rate on long-term debt for the first quarter of 2024 was 7.31%, an increase of 15 basis points compared to the fourth quarter of 2023 and an increase of 66 basis points compared to the first quarter of 2023.

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The following tables detail average balances, net interest income and margin results (on a tax equivalent basis, a non-GAAP measure) for the periods presented:

Average Balances, Interest Income and Expenses, Yields and Rates¹

(In thousands, except ratios)	2024			2023			2023										
	First Quarter			Fourth Quarter			First Quarter										
	Average	Yield/	Average	Yield/	Average	Yield/											
	Balance	Interest	Rate	Balance	Interest	Rate	Balance	Interest	Rate								
Assets																	
Earning assets:																	
Securities:																	
Taxable	\$ 2,578,938	\$ 22,393	3.47 %	\$ 2,499,047	\$ 21,383	3.42 %	\$ 2,700,122	\$ 19,244	2.85 %								
Nontaxable	5,907	41	2.75	7,835	68	3.48	16,271	131	3.22								
Total Securities	2,584,845	22,434	3.47	2,506,882	21,451	3.42	2,716,393	19,375	2.85								
Federal funds sold	370,494	5,056	5.49	465,506	6,426	5.48	106,778	1,294	4.91								
Interest bearing deposits with other banks and other investments	95,619	1,128	4.74	91,230	1,190	5.18	178,463	2,180	4.95								
Total Loans	10,034,658	147,308	5.90	10,033,245	148,004	5.85	9,369,201	135,341	5.86								
Total Earning Assets	<u>13,085,616</u>	<u>175,926</u>	<u>5.41</u>	<u>13,096,863</u>	<u>177,071</u>	<u>5.36</u>	<u>12,370,835</u>	<u>158,190</u>	<u>5.19</u>								
Allowance for credit losses	(148,422)			(149,110)			(139,989)										
Cash and due from banks	166,734			179,908			156,235										
Premises and equipment	112,391			115,556			116,083										
Intangible assets	825,531			832,029			750,694										
Bank owned life insurance	299,765			297,525			274,517										
Other assets including deferred tax assets	349,161			365,263			419,601										
Total Assets	<u>\$ 14,690,776</u>	<u>\$ 14,738,034</u>			<u>\$ 13,947,976</u>												
Liabilities and Shareholders' Equity																	
Interest-bearing liabilities:																	
Interest-bearing demand	\$ 2,719,334	\$ 15,266	2.26 %	\$ 2,819,743	\$ 15,658	2.20 %	\$ 2,452,113	\$ 3,207	0.53 %								
Savings	628,329	540	0.35	679,720	505	0.29	1,053,220	400	0.15								
Money market	3,409,310	31,728	3.74	3,268,829	28,760	3.49	2,713,224	12,426	1.86								
Time deposits	1,590,070	17,121	4.33	1,524,460	15,764	4.10	812,422	5,552	2.77								
Securities sold under agreements to repurchase	333,386	3,079	3.71	335,559	2,991	3.54	173,498	864	2.02								
Federal Home Loan Bank borrowings	102,418	960	3.77	59,022	442	2.97	282,444	2,776	3.99								
Long-term debt	<u>106,373</u>	<u>1,934</u>	<u>7.31</u>	<u>106,205</u>	<u>1,916</u>	<u>7.16</u>	<u>98,425</u>	<u>1,614</u>	<u>6.65</u>								
Total Interest-Bearing Liabilities	<u>8,889,220</u>	<u>70,628</u>	<u>3.20</u>	<u>8,793,538</u>	<u>66,036</u>	<u>2.98</u>	<u>7,585,346</u>	<u>26,839</u>	<u>1.43</u>								
Noninterest demand	3,528,489			3,739,993			4,334,969										
Other liabilities	<u>154,686</u>			<u>145,591</u>			<u>130,616</u>										
Total Liabilities	<u>12,572,395</u>			<u>12,679,122</u>			<u>12,050,931</u>										
Shareholders' equity	<u>2,118,381</u>			<u>2,058,912</u>			<u>1,897,045</u>										
Total Liabilities & Equity	<u><u>\$ 14,690,776</u></u>	<u><u>\$ 14,738,034</u></u>			<u><u>\$ 13,947,976</u></u>												
Cost of deposits	2.19 %			2.00 %			0.77 %										
Interest expense as a % of earning assets	2.17 %			2.00 %			0.88 %										
Net interest income as a % of earning assets	<u>\$ 105,298</u>	<u>3.24 %</u>			<u>\$ 111,035</u>	<u>3.36 %</u>			<u>\$ 131,351</u>	<u>4.31 %</u>							

¹On a fully taxable equivalent basis, a non-GAAP measure - see "Explanation of Certain Unaudited Non-GAAP Financial Measures" for more information and a reconciliation to GAAP. All yields and rates have been computed on an annual basis using amortized cost. Fees on loans have been included in interest on loans. Nonaccrual loans are included in loan balances.

Noninterest Income

Noninterest income totaled \$20.5 million for the first quarter of 2024, an increase of \$3.2 million, or 18%, compared to the fourth quarter of 2023 and a decrease of \$1.9 million, or 9% from the first quarter of 2023.

Noninterest income is detailed as follows:

(In thousands)	First	Fourth	First
	Quarter	Quarter	Quarter
	2024	2023	2023
Service charges on deposit accounts	\$ 4,960	\$ 4,828	\$ 4,242
Interchange income	1,888	2,433	4,694
Wealth management income	3,540	3,261	3,063
Mortgage banking fees	381	378	426
Insurance agency income	1,291	1,066	1,101
SBA gains	739	921	322
BOLI income	2,264	2,220	1,916
Other income	5,205	4,668	6,574
	20,268	19,775	22,338
Securities gains (losses), net	229	(2,437)	107
Total	\$ 20,497	\$ 17,338	\$ 22,445

Service charges on deposits were \$5.0 million in the first quarter of 2024, compared to \$4.8 million in the fourth quarter of 2023, and \$4.2 million in the first quarter of 2023. The increase in fees primarily reflects the benefit of an expanded deposit base and the continued expansion of commercial treasury management services and new customer acquisition.

Interchange income decreased to \$1.9 million for the first quarter of 2024, compared to \$2.4 million for the fourth quarter of 2023, and \$4.7 million for the first quarter of 2023. The decrease in interchange income compared to the prior quarter is due to an annual volume-based incentive earned from the payment network provider in the previous quarter. The decrease compared to the prior year quarter is due to the impact of the Durbin amendment, which became effective for the first time for the Company on July 1, 2023, limiting network interchange fees earned on debit card transactions.

Wealth management income, including trust fees and brokerage commissions and fees, was \$3.5 million in the first quarter of 2024, compared to \$3.3 million for the fourth quarter of 2023 and \$3.1 million for the first quarter of 2023. The wealth management division continues to demonstrate success in building relationships, and during the first quarter of 2024, assets under management grew \$160 million, or 9%, to \$1.9 billion.

Insurance agency income increased \$0.2 million, or 21%, compared to the fourth quarter of 2023 and totaled \$1.3 million.

Bank owned life insurance ("BOLI") income was \$2.3 million for the first quarter of 2024 compared to \$2.2 million for the fourth quarter of 2023 and \$1.9 million for the first quarter of 2023. The increase of \$0.3 million, or 18%, compared to the first quarter of 2023 is attributed to additions, including those from bank acquisitions.

Other income was \$5.2 million in the first quarter of 2024, an increase of \$0.5 million, or 12%, compared to the fourth quarter of 2023, and a decrease of \$1.4 million, or 21% compared to the first quarter of 2023. The increase compared to the prior quarter reflects higher marine and aircraft loan production sold, as well as higher SBIC income. The decrease compared to the first quarter of 2023 was attributed to BOLI death benefits of \$2.1 million in the first quarter of 2023.

Net securities gains of \$0.2 million in the first quarter of 2024 include gains of \$4.1 million on the sale of the Company's holdings of Visa Class B stock. This was largely offset by losses of \$3.8 million on the sale of \$86.8 million, or 3%, of the bank's investment securities portfolio. The proceeds were reinvested at a yield of 5.53%, with an expected earnback on the trade of 1.9 years.

Noninterest Expenses

Noninterest expense for the first quarter of 2024 totaled \$90.4 million, an increase of \$4.0 million, or 5%, compared to the fourth quarter of 2023, and a decrease of \$17.1 million, or 16%, from the first quarter of 2023. Noninterest expenses are detailed as follows:

(In thousands)	First	Fourth	First
	Quarter	Quarter	Quarter
	2024	2023	2023
Salaries and wages	\$ 40,304	\$ 38,435	\$ 47,616
Employee benefits	7,889	6,678	8,562
Outsourced data processing costs	12,118	8,609	14,553
Occupancy	8,037	7,512	8,019
Furniture and equipment	2,011	2,028	2,267
Marketing	2,655	2,995	2,238
Legal and professional fees	2,151	3,294	7,479
FDIC assessments	2,158	2,813	1,443
Amortization of intangibles	6,292	6,888	6,727
Other real estate owned expense and net (gain) loss on sale	(26)	573	195
Provision for credit losses on unfunded commitments	250	—	1,239
Other	6,532	6,542	7,137
Total	\$ 90,371	\$ 86,367	\$ 107,475

Salaries and wages totaled \$40.3 million for the first quarter of 2024, \$38.4 million for the fourth quarter of 2023, and \$47.6 million for the first quarter of 2023. The increase compared to the fourth quarter of 2023 reflects severance-related costs arising from reductions in the workforce early in the first quarter of 2024. The decrease compared to the first quarter of 2023 reflects \$4.2 million in merger-related expenses during the first quarter of 2023. The first quarter of 2023 also included expenses related to the net addition of branch locations and associates, as well as new bankers and operational staff associated with acquisitions.

During the first quarter of 2024, employee benefit costs, which include costs associated with the Company's self-funded health insurance benefits, 401(k) plan, payroll taxes, and unemployment compensation, were \$7.9 million, an increase of \$1.2 million, or 18%, compared to the fourth quarter of 2023, and a decrease of \$0.7 million, or 8%, compared to the first quarter of 2023. The increase compared to the fourth quarter of 2023 reflects higher seasonal payroll taxes and 401(k) contributions. The decrease compared to the first quarter of 2023 is related to reductions in the workforce.

The Company utilizes third parties for its core data processing systems. Ongoing data processing costs are directly related to the number of transactions processed and the negotiated rates associated with those transactions. Outsourced data processing costs totaled \$12.1 million, \$8.6 million, and \$14.6 million for the first quarter of 2024, fourth quarter of 2023, and first quarter of 2023, respectively. The increased costs in the first quarter of 2024 are attributed to \$4.1 million in charges associated with contract terminations and modifications to consolidate systems, which should lead to lower ongoing operating expenses.

Total occupancy, furniture and equipment expenses were \$10.0 million in the first quarter of 2024, \$9.5 million in the fourth quarter of 2023, and \$10.3 million in the first quarter of 2023. Expenses in the first quarter of 2024 included charges of \$0.8 million associated with early lease terminations and consolidation of locations as part of the Company's expense reduction initiative.

Marketing expenses totaled \$2.7 million in the first quarter of 2024, \$3.0 million in the fourth quarter of 2023, and \$2.2 million in the first quarter of 2023.

Legal and professional fees for the first quarter of 2024 were \$2.2 million, a decrease of \$1.1 million, or 35%, compared to the fourth quarter of 2023, and a decrease of \$5.3 million, or 71%, compared to the first quarter of 2023. There were no acquisition-related expenses in the first quarter of 2024 or the fourth quarter of 2023, compared to \$4.8 million in the first quarter of 2023.

Provision for Credit Losses

The provision for credit losses was \$1.4 million for the first quarter of 2024, compared to \$4.0 million for the fourth quarter of 2023, and \$31.6 million for the first quarter of 2023. The first quarter of 2023 included a \$26.6 million day-one provision associated with the acquisition of Professional.

Income Taxes

For the first quarter of 2024, the Company recorded tax expense of \$7.8 million, compared to \$8.3 million in the fourth quarter of 2023 and \$2.7 million in the first quarter of 2023. Lower income tax expense in the first quarter of 2024 compared to the fourth quarter of 2023 and the first quarter of 2023 is primarily due to lower pre-tax income.

Explanation of Certain Unaudited Non-GAAP Financial Measures

This report contains financial information determined by methods other than Generally Accepted Accounting Principles ("GAAP"). The financial highlights provide reconciliations between GAAP and adjusted financial measures including net income, fully taxable equivalent net interest income, noninterest income, noninterest expense, tax adjustments, net interest margin and other financial ratios. Management uses these non-GAAP financial measures in its analysis of the Company's performance and believes these presentations provide useful supplemental information, and a clearer understanding of the Company's performance. The Company believes the non-GAAP measures enhance investors' understanding of the Company's business and performance and if not provided would be requested by the investor community. These measures are also useful in understanding performance trends and facilitate comparisons with the performance of other financial institutions. The limitations associated with operating measures are the risk that persons might disagree as to the appropriateness of items comprising these measures and that different companies might define or calculate these measures differently. The Company provides reconciliations between GAAP and these non-GAAP measures. These disclosures should not be considered an alternative to GAAP.

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Reconciliation of Non-GAAP Measures

	First Quarter	Fourth Quarter	First Quarter
	2024	2023	2023
(Amounts in thousands, except per share data)			
Net income	\$ 26,006	\$ 29,543	\$ 11,827
Total noninterest income	\$ 20,497	\$ 17,338	\$ 22,445
Securities (gains) losses, net	(229)	2,437	(107)
BOLI benefits on death (included in other income)	—	—	(2,117)
Total adjustments to noninterest income	(229)	2,437	(2,224)
Adjusted noninterest income	\$ 20,268	\$ 19,775	\$ 20,221
Total noninterest expense	\$ 90,371	\$ 86,367	\$ 107,475
Merger related charges:			
Salaries and wages	—	—	(4,240)
Outsourced data processing	—	—	(6,551)
Legal and professional fees	—	—	(4,789)
Other	—	—	(1,952)
Total merger related charges	—	—	(17,532)
Branch reductions and other expense initiatives ³ :			
Salaries and wages	(2,073)	—	(539)
Outsourced data processing	(4,089)	—	—
Occupancy	(771)	—	—
Other	(161)	—	(752)
Total branch reductions and other expense initiatives ³	(7,094)	—	(1,291)
Adjustments to noninterest expense	(7,094)	—	(18,823)
Adjusted noninterest expense ²	\$ 83,277	\$ 86,367	\$ 88,652
Income taxes	\$ 7,830	\$ 8,257	\$ 2,697
Tax effect of adjustments	1,739	617	4,744
Adjusted income taxes	9,569	8,874	7,441
Adjusted net income ²	<u>\$ 31,132</u>	<u>\$ 31,363</u>	<u>\$ 23,682</u>
Earnings per diluted share, as reported	\$ 0.31	\$ 0.35	\$ 0.15
Adjusted earnings per diluted share	0.37	0.37	0.29
Average diluted shares outstanding	85,270	85,336	80,717
Adjusted noninterest expense	\$ 83,277	\$ 86,367	\$ 88,652
Provision for credit losses on unfunded commitments	(250)	—	(1,239)
Other real estate owned expense and net gain (loss) on sale	26	(573)	(195)
Amortization of intangibles	(6,292)	(6,888)	(6,727)
Net adjusted noninterest expense	\$ 76,761	\$ 78,906	\$ 80,491
Net adjusted noninterest expense	\$ 76,761	\$ 78,906	\$ 80,491
Average tangible assets	<u>\$ 13,865,245</u>	<u>\$ 13,906,005</u>	<u>\$ 13,197,282</u>
Net adjusted noninterest expense to average tangible assets	2.23 %	2.25 %	2.47 %
Revenue	\$ 125,575	\$ 128,157	\$ 153,597
Total adjustments to revenue	(229)	2,437	(2,224)

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	First Quarter	Fourth Quarter	First Quarter
	2024	2023	2023
(Amounts in thousands, except per share data)			
Impact of FTE adjustment	220	216	199
Adjusted revenue on a fully taxable equivalent basis	\$ 125,566	\$ 130,810	\$ 151,572
Adjusted efficiency ratio	61.13 %	60.32 %	53.10 %
Net interest income	\$ 105,078	\$ 110,819	\$ 131,152
Impact of FTE adjustment	220	216	199
Net interest income including FTE adjustment	105,298	111,035	131,351
Total noninterest income	20,497	17,338	22,445
Total noninterest expense less provision for credit losses on unfunded commitments	90,121	86,367	106,236
Pre-tax pre-provision earnings	35,674	42,006	47,560
Total adjustments to noninterest income	(229)	2,437	(2,224)
Total adjustments to noninterest expense including foreclosed property expense	7,068	573	19,018
Adjusted pre-tax pre-provision earnings ²	\$ 42,513	\$ 45,016	\$ 64,354
Average assets	\$ 14,690,776	\$ 14,738,034	\$ 13,947,976
Less average goodwill and intangible assets	(825,531)	(832,029)	(750,694)
Average tangible assets	\$ 13,865,245	\$ 13,906,005	\$ 13,197,282
Return on average assets (ROA)	0.71 %	0.80 %	0.34 %
Impact of removing average intangible assets and related amortization	0.18	0.19	0.18
Return on average tangible assets (ROTA)	0.89	0.99	0.52
Impact of other adjustments for adjusted net income	0.15	0.05	0.36
Adjusted return on average tangible assets	1.04 %	1.04 %	0.88 %
Pre-tax pre-provision return on average tangible assets	1.22 %	1.39 %	1.67 %
Impact of adjustments on pre-tax pre-provision earnings	0.20	0.09	0.51
Adjusted pre-tax pre-provision return on average tangible assets ³	1.42 %	1.48 %	2.18 %
Average shareholders' equity	\$ 2,118,381	\$ 2,058,912	\$ 1,897,045
Less average goodwill and intangible assets	(825,531)	(832,029)	(750,694)
Average tangible equity	\$ 1,292,850	\$ 1,226,883	\$ 1,146,351
Return on average shareholders' equity	4.94 %	5.69 %	2.53 %
Impact of removing average intangible assets and related amortization	4.61	5.53	3.43
Return on average tangible common equity (ROTCE)	9.55	11.22	5.96
Impact of other adjustments for adjusted net income	1.60	0.58	4.20
Adjusted return on average tangible common equity	11.15 %	11.80 %	10.16 %
Loan interest income ³	\$ 147,308	\$ 148,004	\$ 135,341
Accretion on acquired loans	(10,595)	(11,324)	(15,942)
Loan interest income excluding accretion on acquired loans ³	\$ 136,713	\$ 136,680	\$ 119,399
Yield on loans ³	5.90 %	5.85 %	5.86 %
Impact of accretion on acquired loans	(0.42)	(0.45)	(0.69)
Yield on loans excluding accretion on acquired loans ³	5.48 %	5.40 %	5.17 %

(Amounts in thousands, except per share data)	First	Fourth	First
	Quarter	Quarter	Quarter
	2024	2023	2023
Net interest income ³	\$ 105,298	\$ 111,035	\$ 131,351
Accretion on acquired loans	(10,595)	(11,324)	(15,942)
Net interest income excluding accretion on acquired loans ³	\$ 94,703	\$ 99,711	\$ 115,409
Net interest margin ³	3.24 %	3.36 %	4.31 %
Impact of accretion on acquired loans	(0.33)	(0.34)	(0.53)
Net interest margin excluding accretion on acquired loans ³	2.91 %	3.02 %	3.78 %
Securities interest income ³	\$ 22,434	\$ 21,451	\$ 19,375
Tax equivalent adjustment to securities	(7)	(13)	(26)
Securities interest income excluding tax equivalent adjustment	\$ 22,427	\$ 21,438	\$ 19,349
Loan interest income ³	\$ 147,308	\$ 148,004	\$ 135,341
Tax equivalent adjustment to loans	(213)	(203)	(173)
Loan interest income excluding tax equivalent adjustment	\$ 147,095	\$ 147,801	\$ 135,168
Net interest income ³	\$ 105,298	\$ 111,035	\$ 131,351
Tax equivalent adjustments to securities	(7)	(13)	(26)
Tax equivalent adjustments to loans	(213)	(203)	(173)
Net interest income excluding tax equivalent adjustments	\$ 105,078	\$ 110,819	\$ 131,152

¹Includes severance, contract termination costs, disposition of branch premises and fixed assets, and other costs to effect the Company's branch consolidation and other expense reduction strategies.

²As of 1Q'24, amortization of intangibles is excluded from adjustments to noninterest expense; prior periods have been updated to reflect the change.

³On a fully taxable equivalent basis. All yields and rates have been computed using amortized cost.

Financial Condition

Total assets as of March 31, 2024 were \$14.8 billion, an increase of \$0.2 billion, or 2%, from December 31, 2023.

Securities

Information related to yields, maturities, carrying values and fair value of the Company's securities is set forth in "Note 3 – Securities" of the Company's condensed consolidated financial statements.

At March 31, 2024, the Company had \$1.9 billion in AFS securities and \$669.9 million in HTM securities. The Company's total debt securities portfolio increased \$103.0 million from December 31, 2023. During the three months ended March 31, 2024, the Company recognized a \$4.1 million gain on the opportunistic sale of Visa Class B shares. The gain was offset by a partial repositioning of the securities portfolio, in which \$86.8 million of securities were sold, with \$3.8 million in realized losses. Additionally, during the three months ended March 31, 2024, there were \$261.0 million of debt securities purchased and \$61.2 million in paydowns and maturities over the same period.

Debt securities generally return principal and interest monthly. The modified duration of the AFS securities portfolio and the total portfolio was 4.5 and 4.9, respectively, at both March 31, 2024 and December 31, 2023.

At March 31, 2024, AFS securities had gross unrealized losses of \$223.6 million and gross unrealized gains of \$3.6 million, compared to gross unrealized losses of \$217.7 million and gross unrealized gains of \$4.4 million at December 31, 2023.

The credit quality of the Company's securities holdings is primarily investment grade. U.S. Treasury securities, obligations of U.S. government agencies, and obligations of U.S. government sponsored entities totaled \$2.2 billion, or 83%, of the total portfolio.

The portfolio includes \$136.6 million, with a fair value of \$126.2 million, in private label residential and commercial mortgage-backed securities and collateralized mortgage obligations. Included are \$127.0 million, with a fair value of \$116.9 million, in private label residential securities with weighted average credit support of 23%. The collateral underlying these mortgage investments includes both fixed-rate and adjustable-rate residential mortgage loans. Commercial securities totaled \$9.6 million, with a fair value of \$9.2 million. These securities have weighted average credit support of 26%. The collateral underlying these mortgages are primarily pooled multifamily loans.

The Company also has invested \$284.7 million in floating rate collateralized loan obligations. Collateralized loan obligations are special purpose vehicles that purchase first lien broadly syndicated corporate loans while providing support to senior tranche investors. As of March 31, 2024, all of the Company's collateralized loan obligations were in AAA/AA tranches with weighted average credit support of 34%. The Company utilizes credit models with assumptions of loan level defaults, recoveries, and prepayments to evaluate each security for potential credit losses. The result of this analysis did not indicate expected credit losses.

HTM securities consist solely of mortgage-backed securities and collateralized mortgage obligations guaranteed by U.S. government-sponsored entities, each of which is expected to recover any price depreciation over its holding period as the debt securities move to maturity. The Company has significant liquidity and available borrowing capacity through other sources if needed, and has the intent and ability to hold these investments to maturity.

At March 31, 2024, the Company has determined that all debt securities in an unrealized loss position are the result of both broad investment type spreads and the current interest rate environment. Management believes that each investment will recover any price depreciation over its holding period as the debt securities move to maturity, and management has the intent and ability to hold these investments to maturity if necessary. Therefore, at March 31, 2024, no allowance for credit losses has been recorded.

Loan Portfolio

Loans, net of unearned income and excluding the allowance for credit losses, were \$10.0 billion at March 31, 2024, an \$84.9 million, or 1%, decrease from December 31, 2023.

The Company remains committed to sound risk management procedures. Portfolio diversification in terms of asset mix, industry, and loan type has been and continues to be an important element of the Company's lending strategy. The average loan size is only \$332 thousand, and the average commercial loan size is only \$742 thousand at March 31, 2024, reflecting the Company's longtime focus on granularity and on creating valuable customer relationships. Lending policies contain guardrails that pertain to lending by type of collateral and purpose, along with limits regarding loan concentrations and the principal amount of loans. The Company's exposure to commercial real estate lending remains well below regulatory limits (see "Loan Concentrations").

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The following tables detail loan portfolio composition at March 31, 2024 and December 31, 2023 for portfolio loans, purchased credit deteriorated ("PCD") and loans purchased which are not considered purchased credit deteriorated ("Non-PCD") as defined in "Note 4 - Loans".

(In thousands)	March 31, 2024			
	Portfolio Loans	Acquired Non-PCD Loans	PCD Loans	Total
Construction and land development	\$ 454,591	\$ 168,116	\$ 539	\$ 623,246
Commercial real estate - owner occupied	1,088,086	532,259	35,785	1,656,130
Commercial real estate - non-owner occupied	1,934,419	1,293,008	140,912	3,368,339
Residential real estate	1,756,236	745,349	19,814	2,521,399
Commercial and financial	1,216,045	305,200	44,954	1,566,199
Consumer	164,387	77,677	675	242,739
Totals	\$ 6,613,764	\$ 3,121,609	\$ 242,679	\$ 9,978,052

(In thousands)	December 31, 2023			
	Portfolio Loans	Acquired Non-PCD Loans	PCD Loans	Total
Construction and land development	\$ 519,426	\$ 247,654	\$ 542	\$ 767,622
Commercial real estate - owner occupied	1,079,633	552,627	38,021	1,670,281
Commercial real estate - non-owner occupied	1,844,588	1,323,222	152,080	3,319,890
Residential real estate	1,714,748	710,129	20,815	2,445,692
Commercial and financial	1,237,090	318,683	52,115	1,607,888
Consumer	175,969	74,854	744	251,567
Totals	\$ 6,571,454	\$ 3,227,169	\$ 264,317	\$ 10,062,940

The amortized cost basis of loans included net deferred costs of \$44.9 million at March 31, 2024 and \$43.1 million at December 31, 2023. At March 31, 2024, the remaining fair value adjustments on acquired loans were \$163.4 million, or 4.6%, of the outstanding acquired loan balances, compared to \$174.0 million, or 4.8%, of the acquired loan balances at December 31, 2023. The discount is accreted into interest income over the remaining lives of the related loans on a level yield basis.

Collateral types and characteristics of non-owner occupied commercial real estate ("CRE") loans as of March 31, 2024 were as follows:

(In thousands)	March 31, 2024					
	Balance	Balance % of Total Loans	Average Loan Size	30+ Days Past Due-Accruing	Non Accrual	Weighted Avg LTV ¹
Retail	\$ 1,120,440	11.2 %	\$ 2,138	\$ —	\$ 1,608	51 %
Office	565,127	5.7	1,605	—	\$ 11,521	55
Multifamily 5+	370,342	3.7	1,824	3,208	—	52
Hotel/Motel	359,446	3.6	3,524	1,659	1,012	50
Industrial/Warehouse	364,790	3.7	1,771	—	831	54
Other	588,194	5.9	967	—	6,216	53
Total	\$ 3,368,339	33.8 %	\$ 1,688	\$ 4,867	\$ 21,188	52 %

¹Loan-to-value is calculated based on the real estate value at the time of origination, renewal, or update, whichever is more recent.

CRE non-owner occupied loans increased by \$48.4 million in the three months ended March 31, 2024, totaling \$3.37 billion at March 31, 2024 compared to \$3.32 billion at December 31, 2023. Non-owner occupied CRE loans are collateralized by properties where the source of repayment is typically from the sale or lease of the property. Within the non-owner occupied CRE portfolio, the largest segment is Retail properties, which totaled approximately \$1.12 billion at March 31, 2024.

This segment targets grocery or credit tenant-anchored shopping plazas, single credit tenant retail buildings, smaller outparcels, and other small retail units. Loans in this segment have a weighted average loan to value of 51% and an average loan size of \$2.1 million. The second-largest segment in the non-owner occupied CRE portfolio is Office properties, which totaled \$565.1 million at March 31, 2024. This segment targets low to mid-rise suburban offices and is broadly diversified across many types of professional services. There is limited exposure to central business districts. Loans in this segment have a weighted average loan to value of 55% and an average loan size of \$1.6 million.

Owner-occupied CRE loans decreased by \$14.2 million in the three months ended March 31, 2024 to \$1.7 billion. Owner-occupied CRE is used by the owner, where the primary source of repayment is the cash flow from business operations housed within the property.

Commercial and financial loans are extended to commercial customers for working capital, physical asset expansion, asset acquisition or other business purposes. Balances decreased \$41.7 million, or 3%, from December 31, 2023, totaling \$1.6 billion at March 31, 2024.

Residential mortgage loans increased \$75.7 million to \$2.5 billion during the three months ended March 31, 2024. Included in the balance as of March 31, 2024, were \$1.0 billion of fixed rate mortgages, \$932.3 million of adjustable rate mortgages and \$475.9 million in primarily floating rate home equity lines of credit ("HELOCs"), compared to \$1.0 billion, \$865.2 million and \$488.2 million, respectively, at December 31, 2023. Borrowers in the residential real estate portfolio have an average credit score of 752. Substantially all residential originations have been underwritten to conventional loan agency standards, including loan balances that exceed agency value limitations. The average LTV of our HELOC portfolio is 63%, with 33% of the loans being in first lien position at March 31, 2024, compared to an average LTV of 63%, with 35% of the portfolio being in the first lien position at December 31, 2023.

The Company also provides consumer loans, which include installment loans, auto loans, marine loans, and other consumer loans, which decreased \$8.8 million, or 4%, to total \$242.7 million at March 31, 2024, compared to \$251.6 million at December 31, 2023.

Loan production and late-stage pipelines (loans in underwriting and approval or approved and not yet closed) are detailed in the following table for the periods specified:

(In thousands)	First	Fourth	First
	Quarter	Quarter	Quarter
	2024	2023	2023
Commercial/commercial real estate loan pipeline at period end	\$ 498,617	\$ 306,531	\$ 289,162
Commercial/commercial real estate loans closed	260,032	334,229	320,209
SBA pipeline at period end	15,630	20,600	8,218
SBA originations	18,944	25,034	1,456
Residential pipeline - saleable at period end	9,279	2,657	6,614
Residential loans - sold	4,618	15,614	13,935
Residential pipeline - portfolio at period end	24,364	44,422	48,371
Residential loans - retained	36,412	41,186	90,058
Consumer pipeline at period end	25,057	18,745	38,742
Consumer originations	48,244	61,847	110,602

Commercial and commercial real estate originations during the first quarter of 2024 were \$260.0 million, a decrease of \$74.2 million, or 22%, compared to the fourth quarter of 2023, and a decrease of \$60.2 million, or 19%, compared to the first quarter of 2023. Lower originations compared to the fourth quarter of 2023 were consistent with typical seasonality. Lower originations compared to the first quarter of 2023 were largely the result of the impact of higher rates on customer demand. Commercial and commercial real estate pipelines were \$498.6 million as of March 31, 2024, an increase of 63% from \$306.5 million at December 31, 2023, and an increase of 72% from \$289.2 million at March 31, 2023.

SBA originations totaled \$18.9 million during the first quarter of 2024, a decrease of \$6.1 million compared to the fourth quarter of 2023, and an increase of \$17.5 million compared to the first quarter of 2023.

Residential loans originated for sale in the secondary market totaled \$4.6 million in the first quarter of 2024, compared to \$15.6 million in the fourth quarter of 2023 and \$13.9 million in the first quarter of 2023. Residential saleable pipelines were \$9.3 million as of March 31, 2024, compared to \$2.7 million as of December 31, 2023 and \$6.6 million as of March 31, 2023.

Residential loan production retained in the portfolio for the first quarter of 2024 was \$36.4 million, compared to \$41.2 million in the fourth quarter of 2023 and \$90.1 million in the first quarter of 2023. The pipeline of residential loans intended to be retained in the portfolio was \$24.4 million as of March 31, 2024, compared to \$44.4 million as of December 31, 2023, and \$48.4 million as of March 31, 2023.

Consumer originations, which include HELOCs, totaled \$48.2 million during the first quarter of 2024, compared to \$61.8 million in the fourth quarter of 2023 and \$110.6 million in the first quarter of 2023. The consumer pipeline was \$25.1 million as of March 31, 2024, compared to \$18.7 million as of December 31, 2023 and \$38.7 million at March 31, 2023.

Loan Concentrations

The Company has developed guardrails to manage loan types that are most impacted by stressed market conditions to minimize credit risk concentration to capital. Outstanding balances for commercial and commercial real estate loan relationships greater than \$10 million totaled \$2.3 billion, representing 23% of the total portfolio, at both March 31, 2024 and December 31, 2023. The Company's ten largest commercial and commercial real estate funded and unfunded relationships at March 31, 2024 aggregated to \$552.1 million, of which \$386.8 million was funded, compared to \$505.7 million at December 31, 2023, of which \$348.3 million was funded.

Concentrations in construction and land development loans and CRE loans are maintained well below regulatory limits. Construction and land development and CRE loan concentrations as a percentage of subsidiary bank total risk based capital were 39% and 236%, respectively, at March 31, 2024, compared to 48% and 244%, respectively, at December 31, 2023. Regulatory guidance suggests limits of 100% and 300%, respectively. On a consolidated basis, construction and land development and commercial real estate loans represent 36% and 222%, respectively, of total consolidated risk based capital as of March 31, 2024. To determine these ratios, the Company defines CRE in accordance with the guidance on "Concentrations in Commercial Real Estate Lending" (the "Guidance") issued by the federal bank regulatory agencies in 2006 (and reinforced in 2015), which defines CRE loans as exposures secured by land development and construction, including 1-4 family residential construction, multi-family property, and non-farm nonresidential property where the primary or a significant source of repayment is derived from rental income associated with the property (i.e., loans for which 50 percent or more of the source of repayment comes from third party, non-affiliated, rental income) or the proceeds of the sale, refinancing, or permanent financing of the property. Loans to real estate investment trusts ("REITs") and unsecured loans to developers that closely correlate to the inherent risks in CRE markets would also be considered CRE loans under the Guidance. Loans on owner-occupied CRE are generally excluded. In addition, the Company is subject to a geographic concentration of credit because it primarily operates in Florida.

Nonperforming Loans, Troubled Borrower Modifications, Other Real Estate Owned and Credit Quality

Nonperforming assets ("NPAs") at March 31, 2024 totaled \$84.5 million, and were comprised of \$77.2 million of nonaccrual loans, and \$7.3 million of other real estate owned ("OREO"), including \$7.0 million of branches taken out of service. Overall, NPAs increased \$11.9 million, or 16%, from \$72.7 million as of December 31, 2023. Nonperforming assets to total assets at March 31, 2024 increased to 0.57% from 0.50% at December 31, 2023.

Compared to December 31, 2023, nonaccrual loans increased \$12.1 million, or 19%. Approximately 58% of nonaccrual loans were secured with real estate at March 31, 2024. Nonperforming loans to total loans outstanding at March 31, 2024 increased to 0.77% from 0.65% at December 31, 2023. See the tables below for the payment status of nonaccrual loans.

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The table below sets forth details related to nonaccrual loans.

(In thousands)	March 31, 2024		
	Nonaccrual Loans		
	Non-Current	Current	Total
Construction and land development	\$ 419	\$ 473	\$ 892
Commercial real estate - owner occupied	3,069	8,153	11,222
Commercial real estate - non-owner occupied	19,264	1,923	21,187
Residential real estate	4,883	6,842	11,725
Commercial and financial	8,124	22,667	30,791
Consumer	888	500	1,388
Total	\$ 36,647	\$ 40,558	\$ 77,205

(In thousands)	December 31, 2023		
	Nonaccrual Loans		
	Non-Current	Current	Total
Construction and land development	\$ 109	\$ 715	\$ 824
Commercial real estate - owner occupied	5,234	4,450	9,684
Commercial real estate - non-owner occupied	4,179	4,556	8,735
Residential real estate	3,864	6,122	9,986
Commercial and financial	7,304	27,389	34,693
Consumer	779	403	1,182
Total	\$ 21,469	\$ 43,635	\$ 65,104

In accordance with regulatory reporting requirements, loans are placed on nonaccrual following the Retail Classification of Loan interagency guidance. The accrual of interest is generally discontinued on loans, except consumer loans, that become 90 days past due as to principal or interest unless collection of both principal and interest is assured by way of collateralization, guarantees or other security. Consumer loans that become 120 days past due are generally charged off. The loan carrying value is analyzed and any changes are appropriately made as described above quarterly.

In certain circumstances, the Company provides modifications of loans to borrowers experiencing financial difficulty, which the Company refers to as troubled borrower modifications ("TBMs"). Loans that were modified as TBMs during the three months ended March 31, 2024 are included in "Note 4 - Loans".

Allowance for Credit Losses on Loans

Management establishes the allowance using relevant available information from both internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. The forecasts of future economic conditions are over a period that has been deemed reasonable and supportable, and in segments where it can no longer develop reasonable and supportable forecasts, the Company reverts to longer-term historical loss experience to estimate losses over the remaining life of the loans. Expected credit losses are estimated over the contractual term of the loans, adjusted for expected prepayments.

During the three months ended March 31, 2024, the Company recorded provision expense of \$1.4 million. The Company reported net charge-offs for the three months ended March 31, 2024 of \$3.6 million.

The ratio of allowance for credit losses to total loans was 1.47% at March 31, 2024, 1.48% at December 31, 2023, and 1.54% at March 31, 2023.

Cash and Cash Equivalents and Liquidity Risk Management

Liquidity risk involves the risk of being unable to fund assets with the appropriate duration and rate-based liability, as well as the risk of not being able to meet unexpected cash needs. Liquidity planning and management are necessary to ensure the ability to fund operations cost effectively and to meet current and future potential obligations such as loan commitments and unexpected deposit outflows.

Funding sources primarily include customer-based deposits, collateral-backed borrowings, brokered deposits, cash flows from operations, cash flows from the loan and investment portfolios and asset sales, primarily secondary marketing for residential real estate mortgages. Cash flows from operations are a significant component of liquidity risk management and the Company considers both deposit maturities and the scheduled cash flows from loan and investment maturities and payments when managing risk.

Cash and cash equivalents, including interest bearing deposits, totaled \$682.7 million at March 31, 2024, compared to \$447.2 million at December 31, 2023. Higher cash and cash equivalent balances at March 31, 2024 are consistent with the Company's strategic balance sheet management.

Deposits are a primary source of liquidity. The stability of this funding source is affected by numerous factors, including returns available to customers on alternative investments, the quality of customer service levels, perception of safety and competitive forces. Total uninsured deposits were estimated to be \$4.2 billion at March 31, 2024, representing 35% of overall deposit accounts. This includes public funds under the Florida Qualified Public Depository program, which provides loss protection to depositors beyond FDIC insurance limits. Excluding such balances, the uninsured and uncollateralized deposits were 29% of total deposits at March 31, 2024. The Company has liquidity sources as discussed below, including cash and lines of credit with the FRB and FHLB, that represent 138% of uninsured deposits, and 164% of uninsured and uncollateralized deposits.

In addition to \$682.7 million in cash and cash equivalents at March 31, 2024, the Company had \$5.1 billion in available borrowing capacity, including \$4.4 billion in available collateralized lines of credit, \$391.3 million of unpledged debt securities available as collateral for potential additional borrowings, and available unsecured lines of credit of \$300.0 million. The Company may also access funding by acquiring brokered deposits. Brokered deposits at March 31, 2024 totaled \$142.7 million compared to \$122.3 million at December 31, 2023.

Contractual maturities for assets and liabilities are reviewed to meet current and expected future liquidity requirements. Sources of liquidity are maintained through a portfolio of high quality marketable assets, such as residential mortgage loans, debt securities available-for-sale and interest-bearing deposits. The Company is also able to provide short-term financing of its activities by selling, under an agreement to repurchase, United States Treasury and Government agency debt securities not pledged to secure public deposits or trust funds.

The Company has traditionally relied upon dividends from Seacoast Bank and securities offerings to provide funds to pay the Company's expenses and to service the Company's debt. During the first quarter of 2024, Seacoast Bank distributed \$15.1 million to the Company and, at March 31, 2024, is eligible to distribute dividends to the Company of approximately \$138.7 million without prior regulatory approval. At March 31, 2024, the Company had cash and cash equivalents at the parent of approximately \$101.5 million, compared to \$101.7 million at December 31, 2023.

Deposits and Borrowings

Customer relationship funding is detailed in the following table for the periods specified:

(In thousands, except ratios)	March 31,		December 31,	
	2024	2023	2024	2023
Noninterest demand	\$ 3,555,401	\$ 3,544,981		
Interest-bearing demand	2,711,041	2,790,210		
Money market	3,531,029	3,314,288		
Savings	608,088	651,454		
Time deposits	1,467,564	1,353,655		
Brokered deposits	\$ 142,717	\$ 122,347		
Total deposits	\$ 12,015,840	\$ 11,776,935		
Customer sweep accounts	326,732	374,573		
Total customer funding ¹	\$ 12,199,855	\$ 12,029,161		

Noninterest demand deposits as % of total deposits

30 %

30 %

¹*Total deposits and customer sweep accounts, excluding brokered deposits.*

The Company benefits from a diverse and granular deposit base that serves as a significant source of strength. Total deposits increased \$238.9 million, or 2%, to \$12.0 billion at March 31, 2024 compared to December 31, 2023.

Noninterest demand deposits represented 30% of total deposits at both March 31, 2024 and December 31, 2023. Transaction account balances (noninterest demand and interest-bearing demand) represented 52% of total deposits at March 31, 2024, compared to 54% at December 31, 2023.

Customer sweep accounts totaled \$326.7 million at March 31, 2024, decreasing \$47.8 million, or 13%, from December 31, 2023. Repurchase agreements are offered by Seacoast to select customers who wish to sweep excess balances on a daily basis for investment purposes.

At March 31, 2024 and December 31, 2023, long-term debt included \$72.3 million and \$72.2 million, respectively, related to trust preferred securities issued by trusts organized or acquired by the Company. At March 31, 2024, the average interest rate in effect on our outstanding subordinated debt related to trust preferred securities was 7.29%, compared to 7.34% at December 31, 2023. All trust preferred securities are guaranteed by the Company on a junior subordinated basis. Under Basel III and FRB rules, qualified trust preferred securities and other restricted capital elements can be included as Tier 1 capital, within limitations. The Company believes that its trust preferred securities qualify under these capital rules.

In 2022, the Company acquired \$12.3 million in senior debt through the acquisition of Apollo Bancshares, Inc. Contractual interest is paid on a semiannual basis at a fixed rate of 5.50% until April 30, 2025, at which point the rate converts to a floating rate of 3-month SOFR plus 533 basis points. The debt was recorded at fair value, resulting in a \$0.4 million premium that is being amortized into interest expense over the remaining term to maturity.

In 2023, the Company acquired \$25.0 million in subordinated debt through the acquisition of Professional that qualifies as Tier 2 Capital. Contractual interest is paid on a semiannual basis at a fixed interest rate of 3.375% until January 30, 2027, at which point the rate converts to a 3-month SOFR rate plus 203 basis points paid quarterly. The debt was recorded at fair value, resulting in a \$3.9 million discount that is being accreted into interest expense over the remaining term to maturity.

Federal Home Loan Bank advances totaled \$110.0 million at March 31, 2024 with a weighted average interest rate of 4.15%, compared to \$50.0 million at December 31, 2023 with an interest rate of 3.23%.

Off-Balance Sheet Transactions

In the normal course of business, the Company may engage in a variety of financial transactions that, under generally accepted accounting principles, either are not recorded on the balance sheet or are recorded on the balance sheet in amounts that differ from the full contract or notional amounts. These transactions involve varying elements of market, credit and liquidity risk.

Lending commitments include unfunded loan commitments and standby and commercial letters of credit. For loan commitments, the contractual amount of a commitment represents the maximum potential credit risk that could result if the entire commitment had been funded, the borrower had not performed according to the terms of the contract, and no collateral had been provided. A large majority of loan commitments and standby letters of credit expire without being funded, and accordingly, total contractual amounts are not representative of actual future credit exposure or liquidity requirements. Loan commitments and letters of credit expose the Company to credit risk in the event that the customer draws on the commitment and subsequently fails to perform under the terms of the lending agreement.

For commercial customers, loan commitments generally take the form of revolving credit arrangements. For retail customers, loan commitments generally are lines of credit secured by residential property. These instruments are not recorded on the balance sheet until funds are advanced under the commitment. Unfunded commitments to extend credit were \$2.7 billion at both March 31, 2024 and December 31, 2023.

In the normal course of business, the Company and Seacoast Bank enter into agreements, or are subject to regulatory agreements that result in cash, debt and dividend restrictions. A summary of the most restrictive items follows:

Seacoast Bank may be required to maintain reserve balances with the FRB. There was no reserve requirement at March 31, 2024 or December 31, 2023.

Under FRB regulation, Seacoast Bank is limited as to the amount it may loan to its affiliates, including the Company, unless such loans are collateralized by specified obligations. At March 31, 2024, the maximum amount available for transfer from Seacoast Bank to the Company in the form of loans approximated \$184.1 million, if the Company has sufficient acceptable collateral. There were no loans made to affiliates during the three months ended March 31, 2024.

Capital Resources

The Company's equity capital at March 31, 2024 increased \$9.7 million from December 31, 2023 to \$2.1 billion. Changes in equity included an increase from net income of \$26.0 million, partially offset by the payment of common stock dividends totaling \$15.3 million and a decrease in accumulated other comprehensive income of \$4.1 million.

The ratio of shareholders' equity to period end total assets was 14.28% and 14.46% at March 31, 2024 and December 31, 2023, respectively. The ratio of tangible shareholders' equity to tangible assets was 9.25% and 9.31% at March 31, 2024 and December 31, 2023, respectively. Changes in the value of HTM securities are not reflected in shareholders' equity under GAAP; however, illustratively, if all HTM securities were presented at fair value, the tangible common equity ratio would have been 8.59% at March 31, 2024 and 8.68% at December 31, 2023.

Activity in shareholders' equity for the three months ended March 31, 2024 and 2023 follows:

(In thousands)	2024	2023
Beginning balance at December 31, 2023 and 2022	\$ 2,108,086	\$ 1,607,775
Net income	26,006	11,827
Common stock transactions related to stock based employee benefit plans	813	3,617
Issuance of common stock and conversion of options pursuant to acquisition	—	421,042
Stock based compensation expense	2,217	2,642
Dividends on common stock (\$0.18 per share and \$0.17 per share, respectively)	(15,294)	(14,419)
Change in accumulated other comprehensive income	(4,078)	18,600
Ending balance at March 31, 2024 and 2023	\$ 2,117,750	\$ 2,051,084

Capital ratios are well above regulatory requirements for well-capitalized institutions. Management's use of risk-based capital ratios in its analysis of the Company's capital adequacy are not GAAP financial measures. Seacoast's management uses these measures to assess the quality of capital and believes that investors may find it useful in their analysis of the Company. The capital measures are not necessarily comparable to similar capital measures that may be presented by other companies and Seacoast does not nor should investors consider such non-GAAP financial measures in isolation from, or as a substitute for GAAP financial information (see "Note 8 – Regulatory Capital").

March 31, 2024	Seacoast (Consolidated)	Seacoast Bank	Minimum to be Well- Capitalized ¹
Total Risk-Based Capital Ratio	16.14%	15.18%	10.00%
Tier 1 Capital Ratio	14.69	13.93	8.00
Common Equity Tier 1 Ratio (CET1)	14.01	13.93	6.50
Leverage Ratio	11.06	10.49	5.00

¹For subsidiary bank only.

The Company and Seacoast Bank are subject to various general regulatory policies and requirements relating to the payment of dividends, including requirements to maintain adequate capital above regulatory minimums. The appropriate federal bank regulatory authority may prohibit the payment of dividends where it has determined that the payment of dividends would be an unsafe or unsound practice. The Company is a legal entity separate and distinct from Seacoast Bank and its other subsidiaries, and the Company's primary source of cash and liquidity, other than securities offerings and borrowings, is dividends from its bank subsidiary. Without Office of the Comptroller of the Currency ("OCC") approval, Seacoast Bank can pay \$138.7 million of dividends to the Company.

The OCC and the Federal Reserve have policies that encourage banks and bank holding companies to pay dividends from current earnings, and have the general authority to limit the dividends paid by national banks and bank holding companies, respectively, if such payment may be deemed to constitute an unsafe or unsound practice. If, in the particular circumstances, either of these federal regulators determined that the payment of dividends would constitute an unsafe or unsound banking practice, either the OCC or the Federal Reserve may, among other things, issue a cease and desist order prohibiting the payment of dividends by Seacoast Bank or us, respectively. The board of directors of a bank holding company must consider different factors to ensure that its dividend level, if any, is prudent relative to the organization's financial position and is not based on overly optimistic earnings scenarios such as any potential events that may occur before the payment date that could affect its ability to pay, while still maintaining a strong financial position. As a general matter, the FRB has indicated that the board of directors of a bank holding company, such as Seacoast, should consult with the FRB and eliminate, defer, or significantly reduce the bank holding company's dividends if: (i) its net income available to shareholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends; (ii) its prospective rate of earnings retention is not consistent with its capital needs and overall current and prospective financial condition; or (iii) it will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy ratios.

The Company has paid quarterly dividends to the holders of its common stock since the second quarter of 2021. Whether the Company continues to pay quarterly dividends and the amount of any such dividends will be at the discretion of the Company's Board of Directors and will depend on the Company's earnings, financial condition, results of operations, business prospects, capital requirements, regulatory restrictions, and other factors that the Board of Directors may deem relevant.

The Company has seven wholly owned trust subsidiaries that have issued trust preferred stock. Trust preferred securities from acquisitions were recorded at fair value when acquired. All trust preferred securities are guaranteed by the Company on a junior subordinated basis. The FRB's rules permit qualified trust preferred securities and other restricted capital elements to be included under Basel III capital guidelines, with limitations, and net of goodwill and intangibles. The Company believes that its trust preferred securities qualify under these revised regulatory capital rules and believes that it can treat all its trust preferred securities as Tier 1 capital. For regulatory purposes, the trust preferred securities are added to the Company's tangible common shareholders' equity to calculate Tier 1 capital.

Critical Accounting Policies and Estimates

The Company's critical accounting policies are discussed in the MD&A in Seacoast's Annual Report on Form 10-K for the year ended December 31, 2023. Significant accounting policies and changes in accounting principles and effects of recently issued accounting pronouncements are discussed in "Note 1 – Significant Accounting Policies" in Form 10-K for the year ended December 31, 2023. Disclosures regarding the effects of new accounting pronouncements are included in "Note 1 – Basis of Presentation" in this report. There have been no changes to the Company's critical accounting policies during 2024.

Interest Rate Sensitivity

Fluctuations in interest rates may result in changes in the fair value of the Company's financial instruments, cash flows and net interest income. This risk is managed using simulation modeling to calculate the most likely interest rate risk utilizing estimated loan and deposit growth. The objective is to optimize the Company's financial position, liquidity, and net interest income while limiting volatility.

Senior management regularly reviews the overall interest rate risk position and evaluates strategies to manage the risk. The Company's Asset and Liability Management Committee ("ALCO") uses simulation analysis to monitor changes in net interest income due to changes in market interest rates. The simulation of rising, declining and flat interest rate scenarios allows management to monitor and adjust interest rate sensitivity to assess the impact of market interest rate swings. The analysis of the impact on net interest income over a twelve-month period is subjected to instantaneous changes in market rates and is monitored at least quarterly.

The following table presents the ALCO simulation model's projected impact of a change in interest rates on the projected baseline net interest income for the 12 and 24 month periods beginning April 1, 2024, holding all balances on the balance sheet static. This change in interest rates assumes parallel shifts in the yield curve and does not take into account changes in the slope of the yield curve nor changes in balance sheet size or mix.

Change in Interest Rates	% Change in Projected Baseline	
	Net Interest Income	
	March 31, 2024	
+2.00%	(8.1)%	(7.6)%
+1.00%	(3.5)%	(3.1)%
Current	—%	—%
-1.00%	0.7%	—%
-2.00%	0.2%	(2.5)%

The computations of interest rate risk do not necessarily include certain actions management may undertake to manage this risk in response to changes in interest rates. Management may adjust asset or liability pricing or structure in order to manage interest rate risk through an interest rate cycle. This may include the use of investment portfolio purchases or sales or the use of derivative financial instruments, such as interest rate swaps, options, caps, floors, futures or forward contracts.

Effects of Inflation and Changing Prices

The condensed consolidated financial statements and related financial data presented herein have been prepared in accordance with U.S. GAAP, which require the measurement of financial position and operating results in terms of historical dollars, without considering changes in the relative purchasing power of money, over time, due to inflation.

Unlike most industrial companies, virtually all of the assets and liabilities of a financial institution are monetary in nature. As a result, interest rates have a more significant impact on a financial institution's performance than the general level of inflation. However, inflation affects financial institutions by increasing their cost of goods and services purchased, as well as the cost of salaries and benefits, occupancy expense, and similar items. Inflation and related increases in interest rates generally decrease the market value of investments and loans held and may adversely affect liquidity, earnings, and shareholders' equity. Mortgage origination and refinancing tends to slow as interest rates increase, and higher interest rates likely will reduce the Company's earnings from such activities and the income from the sale of residential mortgage loans in the secondary market.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See also Management's discussion and analysis "Interest Rate Sensitivity."

Market risk refers to potential losses arising from changes in interest rates, and other relevant market rates or prices.

Interest rate risk, defined as the exposure of net interest income and Economic Value of Equity ("EVE") to adverse movements in interest rates, is the Company's primary market risk, and mainly arises from the structure of the balance sheet (non-trading activities). The Company is also exposed to market risk in its investing activities. The ALCO meets regularly and is responsible for reviewing the interest rate sensitivity position of the Company and establishing policies to monitor and limit exposure to interest rate risk. The policies established by the ALCO are reviewed and approved by the Company's board of directors. The primary goal of interest rate risk management is to control exposure to interest rate risk, within policy limits approved by the board of directors. These limits reflect the Company's tolerance for interest rate risk over short-term and long-term horizons.

The Company also performs valuation analyses, which are used for evaluating levels of risk present in the balance sheet that might not be taken into account in the net interest income simulation analyses. Whereas net interest income simulation highlights exposures over a relatively short time horizon, valuation analysis incorporates all cash flows over the estimated remaining life of all balance sheet positions. The valuation of the balance sheet, at a point in time, is defined as the discounted present value of asset cash flows minus the discounted value of liability cash flows, the net result of which is the EVE. The sensitivity of EVE to changes in the level of interest rates is a measure of the longer-term re-pricing risks and options risks embedded in the balance sheet. In contrast to the net interest income simulation, which assumes interest rates will change over a period of time, EVE uses instantaneous changes in rates.

EVE values only the current balance sheet, and does not incorporate the growth assumptions that are used in the net interest income simulation model. As with the net interest income simulation model, assumptions about the timing and variability of balance sheet cash flows are critical in the EVE analysis. Particularly important are the assumptions driving prepayments and the expected changes in balances and pricing of the indeterminate life deposit portfolios. Core deposits are a more significant funding source for the Company, making the lives attached to core deposits more important to the accuracy of our modeling of EVE. The Company periodically reassesses its assumptions regarding the indeterminate lives of core deposits utilizing an independent third-party resource to assist.

The following table presents the projected impact of a change in interest rates on the balance sheet. This change in interest rates assumes parallel shifts in the yield curve and does not take into account changes in the slope of the yield curve.

Change in Interest Rates	% Change in Economic Value of Equity
+2.00%	(14.1)%
+1.00%	(6.0)%
Current	—%
-1.00%	4.7%
-2.00%	8.0%

While an instantaneous and severe shift in interest rates is used in this analysis, a gradual shift in interest rates would have a much more modest impact. Since EVE measures the discounted present value of cash flows over the estimated lives of instruments, the change in EVE does not directly correlate to the degree that earnings would be impacted over a shorter time horizon, i.e., the next fiscal year. Further, EVE does not consider factors such as future balance sheet growth, changes in product mix, change in yield curve relationships, and changing product spreads that could mitigate the adverse impact of changes in interest rates.

Item 4. CONTROLS AND PROCEDURES

The Company's management, with the participation of its chief executive officer and chief financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act) as of March 31, 2024 and concluded that those disclosure controls and procedures are effective.

During the quarter ended March 31, 2024, there have been no changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Part II OTHER INFORMATION

Item 1. Legal Proceedings

The Company and its subsidiaries, because of the nature of their business, are at all times subject to numerous legal actions, threatened or filed. Management presently believes that none of the legal proceedings to which it is a party are likely to have a materially adverse effect on the Company's consolidated financial position, or operating results or cash flows.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should consider the factors discussed in "Part I, Item 1A. Risk Factors" in our report on Form 10-K for the year ended December 31, 2023, which could materially affect our business, financial condition and prospective results. The risks described in this report, in our Form 10-K or our other SEC filings are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results. There have been no material changes with respect to the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

During the three month period ended March 31, 2024, the Company repurchased shares of its common stock as indicated in the following table:

Period	Total Number of Shares Purchased ¹			Total Number of Shares Purchased as part of Public Announced Plan	Maximum Value of Shares that May Yet be Purchased Under the Plan (in thousands)	
		Average Price Paid Per Share				
1/1/24 to 1/31/24	8,200	\$ 28.46		—	\$ 100,000	
2/1/24 to 2/29/24	1,596	24.14		—	100,000	
3/1/24 to 3/31/24	—	—		—	100,000	
Total - 1st Quarter	9,796	\$ 27.67		—	\$ 100,000	

¹Includes shares that were repurchased to pay for the exercise of stock options or for income taxes owed on vesting shares of restricted stock. These shares were not purchased under the Company's stock repurchase plan to repurchase shares.

On December 15, 2023, the Company's Board of Directors authorized the renewal of the Company's share repurchase program, under which the Company may, from time to time, purchase up to \$100 million of its shares of outstanding common stock. Under the share repurchase program, which will expire on December 31, 2024, repurchases will be made, if at all, in accordance with applicable securities laws and may be made from time to time in the open market, by block purchase or by negotiated transactions. The amount and timing of repurchases, if any, will be based on a variety of factors, including share acquisition price, regulatory limitations, market conditions and other factors. The program does not obligate the Company to purchase any of its shares, and may be terminated or amended by the Board of Directors at any time prior to its expiration date.

No shares of the Company's common stock were repurchased under the program during the three months ended March 31, 2024.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

Trading arrangements

On February 29, 2024, Dennis S. Hudson, III, a member of the Company's Board of Directors, adopted a written plan for the sale of our common stock that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act (the "Trading Plan"). The Trading Plan covers the sale of up to 60,000 shares of the Company's common stock in several transactions over a period commencing after the later of (1) 91 days from the adoption of the Trading Plan or (2) the earlier of (a) the third business day following the public disclosure of the Company's financial results on Form 10-Q for the quarter ended March 31, 2024, or (b) 121 days after the plan adoption date, and will cease upon the earlier of January 31, 2025 or the sale of all shares subject to the Trading Plan.

There were no other Rule 10b5-1 or non-Rule 10b5-1 trading arrangements adopted, modified or terminated by any director or officer of the Company during the three months ended March 31, 2024.

Item 6. Exhibits

[Exhibit 3.1.1 Amended and Restated Articles of Incorporation](#) Incorporated herein by reference from Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q, filed May 10, 2006.

[Exhibit 3.1.2 Articles of Amendment to the Amended and Restated Articles of Incorporation](#) Incorporated herein by reference from Exhibit 3.1 to the Company's Form 8-K, filed December 23, 2008.

[Exhibit 3.1.3 Articles of Amendment to the Amended and Restated Articles of Incorporation](#) Incorporated herein by reference from Exhibit 3.4 to the Company's Form S-1, filed June 22, 2009.

[Exhibit 3.1.4 Articles of Amendment to the Amended and Restated Articles of Incorporation](#) Incorporated herein by reference from Exhibit 3.1 to the Company's Form 8-K, filed July 20, 2009.

[Exhibit 3.1.5 Articles of Amendment to the Amended and Restated Articles of Incorporation](#) Incorporated herein by reference from Exhibit 3.1 to the Company's Form 8-K, filed December 3, 2009.

[Exhibit 3.1.6 Articles of Amendment to the Amended and Restated Articles of Incorporation](#) Incorporated herein by reference from Exhibit 3.1 to the Company's Form 8-K/A, filed July 14, 2010.

[Exhibit 3.1.7 Articles of Amendment to the Amended and Restated Articles of Incorporation](#) Incorporated herein by reference from Exhibit 3.1 to the Company's Form 8-K, filed June 25, 2010.

[Exhibit 3.1.8 Articles of Amendment to the Amended and Restated Articles of Incorporation](#) Incorporated herein by reference from Exhibit 3.1 to the Company's Form 8-K, filed June 1, 2011.

[Exhibit 3.1.9 Articles of Amendment to the Amended and Restated Articles of Incorporation](#) Incorporated herein by reference from Exhibit 3.1 to the Company's Form 8-K, filed December 13, 2013.

[Exhibit 3.1.10 Articles of Amendment to the Amended and Restated Articles of Incorporation](#) Incorporated herein by reference from Exhibit 3.1 to the Company's Form 8K, filed May 30, 2018.

[Exhibit 3.1.11 Articles of Amendment to the Amended and Restated Articles of Incorporation](#) Incorporated herein by reference from Exhibit 3.1 to the Company's Form 8K, filed May 23, 2023.

[Exhibit 3.2 Amended and Restated By-laws of the Company](#) Incorporated herein by reference from Exhibit 3.1 to the Company's Form 8-K, filed October 26, 2020.

[Exhibit 31.1](#) [Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)

[Exhibit 31.2](#) [Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)

[Exhibit 32.1](#) [Statement of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

[Exhibit 32.2](#) [Statement of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

[Exhibit 101](#)

The following materials from Seacoast Banking Corporation of Florida's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 formatted in Inline XBRL: (i) the Consolidated Statements of Income, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows, (v) the Consolidated Statements of Shareholders' Equity and (vi) the Notes to the Consolidated Financial Statements, tagged as blocks of text and including detailed tags.

[Exhibit 104](#)

The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, formatted in Inline XBRL.

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.

SEACOAST BANKING CORPORATION OF FLORIDA

May 8, 2024

/s/ Charles M. Shaffer

Charles M. Shaffer

Chairman and Chief Executive Officer

May 8, 2024

/s/ Tracey L. Dexter

Tracey L. Dexter

Executive Vice President and Chief Financial Officer

**Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Charles M. Shaffer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Seacoast Banking Corporation of Florida;
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(s) 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(s) 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 8, 2024

/s/ Charles M. Shaffer

Charles M. Shaffer

Chairman and Chief Executive Officer

**Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Tracey L. Dexter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Seacoast Banking Corporation of Florida;
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(s) 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(s) 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 8, 2024

/s/ Tracey L. Dexter

Tracey L. Dexter

Executive Vice President and Chief Financial Officer

STATEMENT OF CHIEF EXECUTIVE OFFICER OF
SEACOAST BANKING CORPORATION OF FLORIDA
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 on Form 10-Q of Seacoast Banking Corporation of Florida ("Company") for the period ended March 31, 2024 ("Report"), I, Charles M. Shaffer, Chairman and Chief Executive Officer of the Company, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of The Sarbanes-Oxley Act of 2002, that:

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.

Date: May 8, 2024

/s/ Charles M. Shaffer

Charles M. Shaffer

Chairman and Chief Executive Officer

STATEMENT OF CHIEF FINANCIAL OFFICER OF
SEACOAST BANKING CORPORATION OF FLORIDA
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 on Form 10-Q of Seacoast Banking Corporation of Florida ("Company") for the period ended March 31, 2024 ("Report"), I, Tracey L. Dexter, Executive Vice President and Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of The Sarbanes-Oxley Act of 2002, that:

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.

Date: May 8, 2024

/s/ Tracey L. Dexter

Tracey L. Dexter

Executive Vice President and Chief Financial Officer