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 June 30, 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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Common Stock, $0.10 Par Value – 85,299,154 shares as of June 30, 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)

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands, except per share data)	**2024**	**2023**	**2024**	**2023**
Interest and fees on loans	$ 147,292	$ 148,265	$ 294,387	$ 283,433
Interest and dividends on securities	24,188	20,995	46,615	40,344
Interest on interest bearing deposits and other investments	8,328	5,023	14,512	8,497
Total Interest Income	179,808	174,283	355,514	332,274
Interest on deposits	51,319	27,183	98,853	43,216
Interest on time certificates	17,928	14,477	35,049	20,029
Interest on borrowed money	6,137	5,660	12,110	10,914
Total Interest Expense	75,384	47,320	146,012	74,159
Net Interest Income	104,424	126,963	209,502	258,115
Provision for credit losses	4,918	(764)	6,286	30,834
Net Interest Income after Provision for Credit Losses	99,506	127,727	203,216	227,281
Noninterest income:				
Service charges on deposit accounts	5,342	4,560	10,302	8,802
Interchange income	1,940	5,066	3,828	9,760
Wealth management income	3,766	3,318	7,306	6,381
Mortgage banking fees	582	576	963	1,002
Insurance agency income	1,355	1,160	2,646	2,261
SBA gains	694	249	1,433	571
BOLI income	2,596	2,068	4,860	3,984
Other	5,953	4,755	11,158	11,329
	22,228	21,752	42,496	44,090
Securities (losses) gains, net	(44)	(176)	185	(69)
Total Noninterest Income	22,184	21,576	42,681	44,021
Noninterest expense:				
Salaries and wages	38,937	45,155	79,241	92,771
Employee benefits	6,861	7,472	14,750	16,034
Outsourced data processing costs	8,210	20,222	20,328	34,775
Occupancy	7,180	8,583	15,217	16,602
Furniture and equipment	1,956	2,345	3,967	4,612
Marketing	3,266	2,047	5,921	4,285
Legal and professional fees	1,982	4,062	4,133	11,541
FDIC assessments	2,131	2,116	4,289	3,559
Amortization of intangibles	6,003	7,654	12,295	14,381
Other real estate owned expense and net (gain) loss on sale	(109)	(57)	(135)	138

Provision for credit losses on unfunded commitments	251	—	501	1,239
Other	5,869	8,266	12,401	15,403
Total Noninterest Expense	82,537	107,865	172,908	215,340
Income Before Income Taxes	39,153	41,438	72,989	55,962
Provision for income taxes	8,909	10,189	16,739	12,886
Net Income	$ 30,244	$ 31,249	$ 56,250	$ 43,076
Net income per share of common stock				
Diluted	$ 0.36	$ 0.37	$ 0.66	$ 0.52
Basic	0.36	0.37	0.67	0.52
Average common shares outstanding				
Diluted	84,816	85,536	84,799	83,260
Basic	84,341	85,022	84,260	82,600

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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Income	$ 30,244	$ 31,249	$ 56,250	$ 43,076
Other comprehensive income (loss):				
Unrealized losses on available-for-sale securities, net of tax benefit of $ 1.2 million and $3.7 million for the three and six months ended June 30, 2024, respectively, and net of tax benefit of $7.1 million and $1.2 million for the three and six months ended June 30, 2023, respectively	$ (3,579)	$ (22,215)	$ (11,495)	$ (3,699)
Amortization of unrealized gains on securities transferred to held-to-maturity, net of tax benefit of $4 thousand and $7 thousand for the three and six months ended June 30, 2024, respectively, and net of tax benefit of $3 thousand and $6 thousand for the three and six months ended June 30, 2023, respectively	(10)	(11)	(21)	(21)
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 six months ended June 30, 2024 and June 30, 2023, respectively	—	—	2,806	(4)
Unrealized (losses) gains on derivatives designated as fair value hedges, net of reclassifications to income, net of tax benefit of $0.2 million and tax expense of $ 0.2 million for the three and six months ended June 30, 2024, respectively, and net of tax expense of $1.6 million for the three and six months ended June 30, 2023, respectively	(465)	4,732	578	4,732
Unrealized gains on derivatives designated as cash flow hedges, net of reclassifications to income, net of tax expense of $38 thousand and $71 thousand for the three and six months ended June 30, 2023, respectively	—	103	—	201
Total other comprehensive (loss) income	$ (4,054)	$ (17,391)	$ (8,132)	$ 1,209
Comprehensive Income	$ 26,190	$ 13,858	$ 48,118	$ 44,285

See notes to unaudited consolidated financial statements.

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

(In thousands, except share data)	June 30, 2024	December 31, 2023
Assets		
Cash and due from banks	$ 168,738	$ 167,511
Interest bearing deposits with other banks	580,787	279,671
Total cash and cash equivalents	749,525	447,182
Time deposits with other banks	7,856	5,857
Debt securities:		
Securities available-for-sale (at fair value)	1,967,204	1,836,020
Securities held-to-maturity (fair value $527.3 million at June 30, 2024 and $ 558.4 million at December 31, 2023)	658,055	680,313
Total debt securities	2,625,259	2,516,333
Loans held for sale	5,975	4,391
Loans	10,038,508	10,062,940
Allowance for credit losses	(141,641)	(148,931)
Loans, net of allowance for credit losses	9,896,867	9,914,009
Bank premises and equipment, net	109,945	113,304
Other real estate owned	6,877	7,560
Goodwill	732,417	732,417
Other intangible assets, net	83,445	95,645
Bank owned life insurance	303,816	298,974
Net deferred tax assets	108,852	113,232
Other assets	321,779	331,345
Total Assets	$ 14,952,613	$ 14,580,249
Liabilities		
Deposits	$ 12,116,118	$ 11,776,935
Securities sold under agreements to repurchase	262,103	374,573
Federal Home Loan Bank (“FHLB”) borrowings	180,000	50,000
Long-term debt, net	106,634	106,302
Other liabilities	157,377	164,353
Total Liabilities	12,822,232	12,472,163
Shareholders’ Equity		
Common stock, par value $0.10 per share, authorized 120,000,000 shares, issued 86,003,198 and outstanding 85,299,154 at June 30, 2024, and authorized 120,000,000, issued 85,480,183 and outstanding 84,861,498 shares at December 31, 2023	8,530	8,486
Additional paid-in-capital	1,815,800	1,808,883
Retained earnings	492,805	467,305
Treasury stock	(18,744)	(16,710)
	2,298,391	2,267,964
Accumulated other comprehensive loss, net	(168,010)	(159,878)
Total Shareholders’ Equity	2,130,381	2,108,086
Total Liabilities and Shareholders’ Equity	$ 14,952,613	$ 14,580,249

See notes to unaudited consolidated financial statements.

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

	Six Months Ended June 30,	
(In thousands)	**2024**	**2023**
Cash Flows from Operating Activities		
Net income	$ 56,250	$ 43,076
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,262	4,071
Accretion of discounts on securities, net	(1,455)	(424)
Amortization of operating lease right-of-use assets	4,087	3,961
Other amortization and accretion, net	1,068	(10,558)
Stock based compensation	6,105	7,096
Origination of loans designated for sale	(58,002)	(56,526)
Sale of loans designated for sale	59,240	55,710
Provision for credit losses	6,286	30,834
Deferred income taxes	6,933	(9,439)
Gain on securities	(185)	(69)
Gains on sale of loans	(3,435)	(1,828)
Gains on sale and write-downs of other real estate owned	(135)	(64)
Losses on disposition of fixed assets and write-downs upon transfer of bank premises to other real estate owned	289	1,726
Changes in operating assets and liabilities, net of effects from acquired companies:		
Net decrease in other assets	7,204	14,511
Net decrease in other liabilities	(6,977)	(24,002)
Net cash provided by operating activities	$ 81,535	$ 58,075
Cash Flows from Investing Activities		
Maturities and repayments of debt securities available-for-sale	144,875	107,590
Maturities and repayments of debt securities held-to-maturity	22,328	41,995
Proceeds from sale of debt securities available-for-sale	86,829	30,490
Purchases of debt securities available-for-sale	(376,726)	(22,402)
Maturities and redemptions of time deposits with other banks	1,483	249
Purchases of time deposits with other banks	(3,482)	—
Net new loans and principal repayments	12,219	53,434
Proceeds from the sale of loans held for investment	10,905	—
Proceeds from sale of other real estate owned	2,654	294
Proceeds from sale of FHLB and Federal Reserve Bank Stock	11,310	71,352
Purchase of FHLB and Federal Reserve Bank Stock	(17,538)	(87,273)
Proceeds from sale of Visa Class B shares	4,104	—
Net cash from bank acquisitions	—	141,674
Additions to bank premises and equipment	(2,939)	(8,827)
Net cash (used in) provided by investing activities	$ (103,978)	$ 328,576

See notes to unaudited consolidated financial statements.

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

	Six Months Ended June 30,	
(In thousands)	**2024**	**2023**
Cash Flows from Financing Activities		
Net increase in deposits	$ 339,184	$ 182,331
Net (decrease) increase in repurchase agreements	(112,470)	118,127
Net decrease in FHLB borrowings with original maturities of three months or less	—	(170,000)
Repayments of FHLB borrowings with original maturities of more than three months	(160,000)	(75,000)
Proceeds from FHLB borrowings with original maturities of more than three months	290,000	110,000
Stock based employee benefit plans	(298)	3,731
Repurchase of common stock	(880)	(45)
Dividends paid	(30,750)	(29,852)
Net cash provided by financing activities	$ 324,786	$ 139,292
Net increase in cash and cash equivalents	302,343	525,943
Cash and cash equivalents at beginning of period	447,182	201,940
Cash and cash equivalents at end of period	$ 749,525	$ 727,883
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	$ 144,396	$ 67,991
Cash paid during the period for taxes	5,888	6,080
Recognition of operating lease right-of-use assets, other than through bank acquisitions, net of terminations	—	1,890
Recognition of operating lease liabilities, other than through bank acquisitions, net of terminations	—	1,902
Supplemental disclosure of non-cash investing activities:		
Transfers from loans to other real estate owned	953	—
Transfers from bank premises to other real estate owned	883	5,455

See notes to unaudited consolidated financial statements.

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

(In thousands)	Common Stock Shares	Common Stock Amount	Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance at March 31, 2024	84,935	$ 8,494	$ 1,811,941	$ 478,017	$ (16,746)	$ (163,956)	$ 2,117,750
Comprehensive income (loss)	—	—	—	30,244	—	(4,054)	26,190
Stock based compensation expense	—	—	3,888	—	—	—	3,888
Common stock transactions related to stock based employee benefit plans	404	36	(29)	—	(1,118)	—	(1,111)
Repurchase of common stock	(40)	—	—	—	(880)	—	(880)
Dividends on common stock ($0.18 per share)	—	—	—	(15,456)	—	—	(15,456)
Three months ended June 30, 2024	364	36	3,859	14,788	(1,998)	(4,054)	12,631
Balance at June 30, 2024	85,299	$ 8,530	$ 1,815,800	$ 492,805	$ (18,744)	$ (168,010)	$ 2,130,381

(In thousands)	Common Stock Shares	Common Stock Amount	Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2023	84,861	$ 8,486	$ 1,808,883	$ 467,305	$ (16,710)	$ (159,878)	$ 2,108,086
Comprehensive income (loss)	—	—	—	56,250	—	(8,132)	48,118
Stock based compensation expense	—	—	6,105	—	—	—	6,105
Common stock transactions related to stock based employee benefit plans	478	44	812	—	(1,154)	—	(298)
Repurchase of common stock	(40)	—	—	—	(880)	—	(880)
Dividends on common stock ($0.36 per share)	—	—	—	(30,750)	—	—	(30,750)
Six months ended June 30, 2024	438	44	6,917	25,500	(2,034)	(8,132)	22,295
Balance at June 30, 2024	85,299	$ 8,530	$ 1,815,800	$ 492,805	$ (18,744)	$ (168,010)	$ 2,130,381

(In thousands)	Common Stock Shares	Common Stock Amount	Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance at March 31, 2023	84,609	$ 8,461	$ 1,803,898	$ 421,271	$ (13,113)	$ (169,433)	$ 2,051,084
Comprehensive income (loss)	—	—	—	31,249	—	(17,391)	13,858
Stock based compensation expense	—	—	4,454	—	—	—	4,454
Common stock transactions related to stock based employee benefit plans	377	38	(124)	—	(1,058)	—	(1,144)
Common stock issued for stock options	103	10	1,248	—	—	—	1,258
Repurchase of common stock	(3)	—	(45)	—	—	—	(45)
Dividends on common stock ($0.18 per share)	—	—	—	(15,433)	—	—	(15,433)
Three months ended June 30, 2023	477	48	5,533	15,816	(1,058)	(17,391)	2,948
Balance at June 30, 2023	85,086	$ 8,509	$ 1,809,431	$ 437,087	$ (14,171)	$ (186,824)	$ 2,054,032

(In thousands)	Common Stock Shares	Common Stock Amount	Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2022	71,618	$ 7,162	$ 1,377,802	$ 423,863	$ (13,019)	$ (188,033)	$ 1,607,775
Comprehensive income (loss)	—	—	—	43,076	—	1,209	44,285
Stock based compensation expense	—	—	7,096	—	—	—	7,096
Common stock transactions related to stock based employee benefit plans	448	46	(203)	—	(1,152)	—	(1,309)
Common stock issued for stock options	231	22	5,018	—	—	—	5,040
Repurchase of common stock	(3)	—	(45)	—	—	—	(45)
Issuance of common stock, pursuant to acquisitions	12,792	1,279	409,459	—	—	—	410,738
Conversion of options, pursuant to acquisitions	—	—	10,304	—	—	—	10,304
Dividends on common stock ($0.35 per share)	—	—	—	(29,852)	—	—	(29,852)
Six months ended June 30, 2023	13,468	1,347	431,629	13,224	(1,152)	1,209	446,257
Balance at June 30, 2023	85,086	$ 8,509	$ 1,809,431	$ 437,087	$ (14,171)	$ (186,824)	$ 2,054,032

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 and six months ended June 30, 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 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 and six months ended June 30, 2024, options to purchase shares of the Company's common stock totaling 327,805 and 328,166, respectively, were anti-dilutive. For the three and six months ended June 30, 2023, options to purchase shares of the Company's common stock totaling 400,998 and 368,169, respectively, were anti-dilutive.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands, except per share data)	**2024**	**2023**	**2024**	**2023**
Basic earnings per share				
Net income	$ 30,244	$ 31,249	$ 56,250	$ 43,076
Average common shares outstanding	84,341	85,022	84,260	82,600
Net income per share	$ 0.36	$ 0.37	$ 0.67	$ 0.52
Diluted earnings per share				
Net income	$ 30,244	$ 31,249	$ 56,250	$ 43,076
Average common shares outstanding	84,341	85,022	84,260	82,600
Add: Dilutive effect of employee restricted stock and stock options	475	514	539	660
Average diluted shares outstanding	84,816	85,536	84,799	83,260
Net income per share	$ 0.36	$ 0.37	$ 0.66	$ 0.52

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 June 30, 2024 and December 31, 2023 are summarized as follows:

	June 30, 2024			
(In thousands)	**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	$ 52,081	$ 84	$ (526)	$ 51,639
Residential mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	1,410,486	930	(197,486)	1,213,930
Commercial mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	315,649	1,508	(17,993)	299,164
Private mortgage-backed securities and collateralized mortgage obligations	131,251	60	(10,633)	120,678
Collateralized loan obligations	267,780	662	(82)	268,360
Obligations of state and political subdivisions	7,316	—	(1,362)	5,954
Other debt securities	7,389	90	—	7,479
Totals	$ 2,191,952	$ 3,334	$ (228,082)	$ 1,967,204
Held-to-Maturity Debt Securities				
Residential mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	$ 568,957	$ —	$ (119,883)	$ 449,074
Commercial mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	89,098	—	(10,845)	78,253
Totals	$ 658,055	$ —	$ (130,728)	$ 527,327

(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 each of the three months ended June 30, 2024 and June 30, 2023, there were no sales of securities. During the six months ended June 30, 2024, debt securities with a fair value of $86.8 million were sold, with gross losses of $ 3.8 million. During the six months ended June 30, 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 six months ended June 30, 2023, with gross gains of $ 24 thousand and gross losses of $19 thousand. Included in “Securities (losses) gains, net” are decreases of $ 44 thousand and $0.2 million, respectively, for the three and six months ended June 30, 2024, and decreases of $0.2 million and $0.1 million, respectively, for the three and six months ended June 30, 2023 in the value of investments in mutual funds that invest in Community Reinvestment Act (“CRA”)-qualified debt securities.

At June 30, 2024, debt securities with a fair value of $ 1.5 billion were pledged primarily as collateral for public deposits and secured borrowings.

The amortized cost and fair value of securities as of June 30, 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 Amortized Cost	Held-to-Maturity Fair Value	Available-for-Sale Amortized Cost	Available-for-Sale Fair Value
Due in less than one year	$ —	$ —	$ 1,175	$ 1,172
Due after one year through five years	—	—	5,916	5,879
Due after five years through ten years	—	—	29,891	29,763
Due after ten years	—	—	22,415	20,779
	—	—	59,397	57,593
Residential mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	568,957	449,074	1,410,486	1,213,930
Commercial mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	89,098	78,253	315,649	299,164
Private mortgage-backed securities and collateralized mortgage obligations	—	—	131,251	120,678
Collateralized loan obligations	—	—	267,780	268,360
Other debt securities	—	—	7,389	7,479
Totals	$ 658,055	$ 527,327	$ 2,191,952	$ 1,967,204

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.

	June 30, 2024					
	Less Than 12 Months		12 Months or Longer		Total[1]	
(In thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Treasury securities and obligations of U.S. government agencies	$ 21,658	$ (34)	$ 22,384	$ (492)	$ 44,042	$ (526)
Residential mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	254,312	(2,037)	849,763	(195,449)	1,104,075	(197,486)
Commercial mortgage-backed securities and collateralized mortgage obligations of U.S. government-sponsored entities	16,902	(96)	207,786	(17,897)	224,688	(17,993)
Private mortgage-backed securities and collateralized mortgage obligations	7,720	(73)	108,756	(10,560)	116,476	(10,633)
Collateralized loan obligations	30,452	(48)	36,583	(34)	67,035	(82)
Obligations of state and political subdivisions	323	(9)	5,451	(1,353)	5,774	(1,362)
Totals	$ 331,366	$ (2,297)	$ 1,230,724	$ (225,785)	$ 1,562,090	$ (228,082)

[1]*Comprised of 414 individual securities.*

	December 31, 2023					
	Less Than 12 Months		12 Months or Longer		Total[1]	
(In thousands)	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)

[1]Comprised of 504 individual securities.

At June 30, 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 $44.0 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 June 30, 2024, no allowance for credit losses has been recorded.

At June 30, 2024, the Company had unrealized losses of $ 215.5 million on commercial and residential mortgage-backed securities and collateralized mortgage obligations issued by government-sponsored entities having a fair value of $1.3 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 June 30, 2024, no allowance for credit losses has been recorded.

At June 30, 2024, the Company had $ 10.6 million of unrealized losses on private label residential and commercial mortgage-backed securities and collateralized mortgage obligations having a fair value of $116.5 million. The securities have a weighted average credit support of 22%. 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. Therefore, at June 30, 2024, no allowance for credit losses has been recorded.

At June 30, 2024, the Company had $ 0.1 million of unrealized losses in floating rate collateralized loan obligations ("CLOs") having a fair value of $ 67.0 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 June 30, 2024, all positions held by the Company are in AAA and AA tranches, with weighted average credit support of 38% and 30%, 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 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. Therefore, at June 30, 2024, no allowance for credit losses has been recorded.

At June 30, 2024, the Company had $1.4 million of unrealized losses on municipal securities having a fair value of $ 5.8 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 June 30, 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 June 30, 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 June 30, 2024 and December 31, 2023 is $ 73.9 million and $67.7 million, respectively, 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 $7.2 million and $0.2 million, respectively, at June 30, 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 June 30, 2024 and December 31, 2023, respectively.

At December 31, 2023, the Company held 11,330 shares of Visa Class B stock. During the six months ended June 30, 2024, the Company sold all of its Visa Class B stock, receiving net proceeds of $4.1 million. 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.

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.

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:

	June 30, 2024			
(In thousands)	Portfolio Loans	Acquired Non-PCD Loans	PCD Loans	Total
Construction and land development	$ 465,950	$ 127,049	$ 535	$ 593,534
Commercial real estate - owner occupied	1,103,074	518,502	34,815	1,656,391
Commercial real estate - non-owner occupied	2,023,683	1,262,412	137,171	3,423,266
Residential real estate	1,787,664	748,736	18,920	2,555,320
Commercial and financial	1,294,592	249,604	38,094	1,582,290
Consumer	159,096	68,229	382	227,707
Totals	$ 6,834,059	$ 2,974,532	$ 229,917	$ 10,038,508

	December 31, 2023			
(In thousands)	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 $ 45.5 million at June 30, 2024 and $ 43.1 million at December 31, 2023. At June 30, 2024, the remaining fair value adjustments on acquired loans were $151.4 million, or 4.5% 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. During the three and six months ended June 30, 2024, $9.1 million in loans previously held for investment were sold, resulting in a net gain of $0.9 million.

Accrued interest receivable is included within Other Assets and was $ 40.1 million and $39.4 million at June 30, 2024 and December 31, 2023, respectively.

The following tables present the status of net loan balances as of June 30, 2024 and December 31, 2023.

	June 30, 2024					
(In thousands)	**Current**	**Accruing 30-59 Days Past Due**	**Accruing 60-89 Days Past Due**	**Accruing Greater Than 90 Days**	**Nonaccrual**	**Total**
Portfolio Loans						
Construction and land development	$ 465,162	$ —	$ —	$ —	$ 788	$ 465,950
Commercial real estate - owner occupied	1,097,060	2,167	1,013	—	2,834	1,103,074
Commercial real estate - non-owner occupied	2,018,188	—	—	—	5,495	2,023,683
Residential real estate	1,769,247	8,837	2,047	440	7,093	1,787,664
Commercial and financial	1,279,345	4,856	405	49	9,937	1,294,592
Consumer	156,197	2,096	275	33	495	159,096
Total Portfolio Loans	$ 6,785,199	$ 17,956	$ 3,740	$ 522	$ 26,642	$ 6,834,059
Acquired Non-PCD Loans						
Construction and land development	$ 126,422	$ —	$ —	$ —	$ 627	$ 127,049
Commercial real estate - owner occupied	515,005	1,221	456	—	1,820	518,502
Commercial real estate - non-owner occupied	1,256,224	634	—	1,641	3,913	1,262,412
Residential real estate	740,817	3,085	367	—	4,467	748,736
Commercial and financial	245,824	247	40	35	3,458	249,604
Consumer	62,058	2,872	1,483	873	943	68,229
Total Acquired Non-PCD Loans	$ 2,946,350	$ 8,059	$ 2,346	$ 2,549	$ 15,228	$ 2,974,532
PCD Loans						
Construction and land development	$ 441	$ —	$ —	$ —	$ 94	$ 535
Commercial real estate - owner occupied	28,562	2,564	—	—	3,689	34,815
Commercial real estate - non-owner occupied	133,627	880	—	—	2,664	137,171
Residential real estate	16,785	654	293	8	1,180	18,920
Commercial and financial	27,702	—	—	—	10,392	38,094
Consumer	303	33	—	8	38	382
Total PCD Loans	$ 207,420	$ 4,131	$ 293	$ 16	$ 18,057	$ 229,917
Total Loans	$ 9,938,969	$ 30,146	$ 6,379	$ 3,087	$ 59,927	$ 10,038,508

(In thousands)	December 31, 2023 Current	Accruing 30-59 Days Past Due	Accruing 60-89 Days Past Due	Accruing Greater Than 90 Days	Nonaccrual	Total
Portfolio Loans						
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 paid down 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 $0.7 million and $0.3 million in interest income on nonaccrual loans during the three months ended June 30, 2024 and June 30, 2023, respectively. The Company recognized $0.9 million and $0.4 million in interest income on nonaccrual loans during the six months ended June 30, 2024 and June 30, 2023, respectively.

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

	June 30, 2024			
(In thousands)	Nonaccrual Loans With No Related Allowance	Nonaccrual Loans With an Allowance	Total Nonaccrual Loans	Allowance for Credit Losses
Construction and land development	$ —	$ 1,509	$ 1,509	$ 302
Commercial real estate - owner occupied	3,299	5,044	8,343	832
Commercial real estate - non-owner occupied	8,834	3,238	12,072	1,507
Residential real estate	927	11,813	12,740	328
Commercial and financial	4,506	19,281	23,787	10,148
Consumer	—	1,476	1,476	233
Totals	$ 17,566	$ 42,361	$ 59,927	$ 13,350

	December 31, 2023			
(In thousands)	Nonaccrual Loans With No Related Allowance	Nonaccrual Loans With an Allowance	Total Nonaccrual Loans	Allowance for Credit Losses
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.

The following tables present the risk rating of loans and year-to-date [1] gross charge offs by year of origination as of:

	June 30, 2024							
(In thousands)	2024	2023	2022	2021	2020	Prior	Revolving	Total
Construction and Land Development								
Risk Ratings:								
Pass	$ 26,705	$ 107,013	$ 205,837	$ 69,649	$ 9,746	$ 39,959	$ 131,873	$ 590,782
Special Mention	—	—	770	—	—	78	—	848
Substandard	—	—	195	750	—	959	—	1,904
Doubtful	—	—	—	—	—	—	—	—
Total	$ 26,705	$ 107,013	$ 206,802	$ 70,399	$ 9,746	$ 40,996	$ 131,873	$ 593,534
Gross Charge Offs	$ —	$ —	$ —	$ —	$ —	$ 1	$ —	$ 1
Commercial real estate - owner occupied								
Risk Ratings:								
Pass	$ 64,345	$ 140,778	$ 280,676	$ 270,336	$ 161,759	$ 673,940	$ 19,251	$ 1,611,085
Special Mention	2,063	—	157	1,304	2,028	5,273	—	10,825
Substandard	—	1,073	5,104	1,223	6,883	20,198	—	34,481
Doubtful	—	—	—	—	—	—	—	—
Total	$ 66,408	$ 141,851	$ 285,937	$ 272,863	$ 170,670	$ 699,411	$ 19,251	$ 1,656,391
Gross Charge Offs	$ —	$ —	$ 179	$ —	$ —	$ 123	$ —	$ 302
Commercial real estate - non-owner occupied								
Risk Ratings:								
Pass	$ 189,579	$ 234,744	$ 847,405	$ 636,745	$ 259,785	$ 1,116,502	$ 19,435	$ 3,304,195
Special Mention	—	—	20,317	6,370	20,264	26,249	—	73,200
Substandard	—	—	9,791	6,721	7,897	21,462	—	45,871
Doubtful	—	—	—	—	—	—	—	—
Total	$ 189,579	$ 234,744	$ 877,513	$ 649,836	$ 287,946	$ 1,164,213	$ 19,435	$ 3,423,266
Gross Charge Offs	$ —	$ —	$ —	$ —	$ 90	$ 13	$ —	$ 103
Residential real estate								
Risk Ratings:								
Pass	$ 68,373	$ 174,105	$ 494,354	$ 650,808	$ 158,933	$ 471,713	$ 511,930	$ 2,530,216
Special Mention	—	418	—	—	—	553	9,083	10,054
Substandard	—	259	202	375	109	7,336	6,769	15,050
Doubtful	—	—	—	—	—	—	—	—
Total	$ 68,373	$ 174,782	$ 494,556	$ 651,183	$ 159,042	$ 479,602	$ 527,782	$ 2,555,320
Gross Charge Offs	$ —	$ —	$ —	$ —	$ 40	$ 56	$ 26	$ 122
Commercial and financial								
Risk Ratings:								
Pass	$ 151,632	$ 230,663	$ 304,742	$ 270,710	$ 100,737	$ 138,586	$ 323,386	$ 1,520,456
Special Mention	—	1,053	1,117	3,173	569	1,204	2,400	9,516
Substandard	—	—	4,171	12,124	6,417	12,693	5,548	40,953
Doubtful	—	—	5,737	5,628	—	—	—	11,365
Total	$ 151,632	$ 231,716	$ 315,767	$ 291,635	$ 107,723	$ 152,483	$ 331,334	$ 1,582,290
Gross Charge Offs	$ —	$ —	$ 2,646	$ 5,092	$ —	$ 2,335	$ 533	$ 10,606
Consumer								
Risk Ratings:								
Pass	$ 7,343	$ 16,572	$ 44,213	$ 34,424	$ 15,967	$ 40,885	$ 62,330	$ 221,734
Special Mention	88	—	862	355	2	152	6	1,465
Substandard	—	238	2,606	1,227	80	357	—	4,508
Doubtful	—	—	—	—	—	—	—	—
Total	$ 7,431	$ 16,810	$ 47,681	$ 36,006	$ 16,049	$ 41,394	$ 62,336	$ 227,707
Gross Charge Offs	$ 208	$ 220	$ 1,587	$ 2,555	$ 167	$ 56	$ 126	$ 4,919
Consolidated								
Total	$ 510,128	$ 906,916	$ 2,228,256	$ 1,971,922	$ 751,176	$ 2,578,099	$ 1,092,011	$ 10,038,508
Gross Charge Offs	$ 208	$ 220	$ 4,412	$ 7,647	$ 297	$ 2,584	$ 685	$ 16,053

[1] Represents gross charge-offs for the six months ended June 30, 2024.

	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

[1] Represents gross charge-offs for the year ended December 31, 2023.

Troubled Borrower Modifications

The following table presents the amortized cost of troubled borrower modification (“TBM”) loans that were modified during the six months ended June 30, 2024. There were five loans with an amortized cost of $0.9 million modified as a TBM during the six months ended June 30, 2023.

	June 30, 2024			
(In thousands)	**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	$ 3,257	$ —	$ 3,257	0.20 %
Commercial real estate - non-owner occupied	794	3,203	3,997	0.12 %
Residential real estate	—	130	130	0.01 %
Commercial and financial	2,543	1,293	3,836	0.24 %
Consumer	—	967	967	0.42 %
Totals	$ 6,594	$ 5,593	$ 12,187	0.12 %

[1]At June 30, 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 June 30, 2024.

	June 30, 2024					
(In thousands)	**Current**	**Accruing 30-59 Days Past Due**	**Accruing 60-89 Days Past Due**	**Accruing Greater Than 90 Days**	**Nonaccrual**	**Total**
Commercial real estate - owner occupied	$ 98	$ 520	$ —	$ —	$ 2,738	$ 3,356
Commercial real estate - non-owner occupied	—	—	—	—	3,997	3,997
Residential real estate	125	—	—	—	99	224
Commercial and financial	3,151	—	—	—	7,410	10,561
Consumer	907	640	304	207	165	2,223
Totals	$ 4,281	$ 1,160	$ 304	$ 207	$ 14,409	$ 20,361

TBM loans modified in the prior 12 months with a payment default during the six months ending June 30, 2024 were immaterial.

Note 5 – Allowance for Credit Losses

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

	Three Months Ended June 30, 2024				
(In thousands)	Beginning Balance	Provision for Credit Losses	Charge-Offs	Recoveries	Ending Balance
Construction and land development	$ 7,001	$ (1,515)	$ (1)	$ 8	$ 5,493
Commercial real estate - owner occupied	10,017	1,866	(302)	1	11,582
Commercial real estate - non-owner occupied	46,601	(1,254)	(19)	106	45,434
Residential real estate	38,628	638	(122)	65	39,209
Commercial and financial	30,707	4,706	(7,950)	966	28,429
Consumer	13,715	477	(3,031)	333	11,494
Totals	$ 146,669	$ 4,918	$ (11,425)	$ 1,479	$ 141,641

	Three Months Ended June 30, 2023					
(In thousands)	Beginning Balance	Allowance on PCD Loans Acquired During the Period [1]	Provision for Credit Losses	Charge-Offs	Recoveries	Ending Balance
Construction and land development	$ 6,540	$ —	$ 414	$ —	$ 6	$ 6,960
Commercial real estate - owner occupied	6,292	—	125	—	1	6,418
Commercial real estate - non-owner occupied	53,575	—	423	—	105	54,103
Residential real estate	39,894	—	(3,248)	(109)	173	36,710
Commercial and financial	31,593	5,544	2,202	(727)	1,660	40,272
Consumer	17,746	—	(680)	(1,904)	90	15,252
Totals	$ 155,640	$ 5,544	$ (764)	$ (2,740)	$ 2,035	$ 159,715

[1] Amount represents a measurement period adjustment of a PCD loan acquired through the acquisition of Professional. See Note 11 - Business Combinations.

	Six Months Ended June 30, 2024				
(In thousands)	Beginning Balance	Provision for Credit Losses	Charge-Offs	Recoveries	Ending Balance
Construction and land development	$ 8,637	$ (3,155)	$ (1)	$ 12	$ 5,493
Commercial real estate - owner occupied	5,529	6,350	(302)	5	11,582
Commercial real estate - non-owner occupied	48,288	(2,875)	(103)	124	45,434
Residential real estate	39,016	7	(122)	308	39,209
Commercial and financial	34,343	3,205	(10,606)	1,487	28,429
Consumer	13,118	2,754	(4,919)	541	11,494
Totals	$ 148,931	$ 6,286	$ (16,053)	$ 2,477	$ 141,641

	Six Months Ended June 30, 2023					
(In thousands)	Beginning Balance	Allowance on PCD Loans Acquired During the Period	Provision for Credit Losses	Charge-Offs	Recoveries	Ending Balance
Construction and land development	$ 6,464	$ 5	$ 483	$ —	$ 8	$ 6,960
Commercial real estate - owner occupied	6,051	139	226	—	2	6,418
Commercial real estate - non-owner occupied	43,258	647	10,138	(109)	169	54,103
Residential real estate	29,605	400	6,650	(268)	323	36,710
Commercial and financial	15,648	17,527	8,616	(3,369)	1,850	40,272
Consumer	12,869	161	4,721	(2,599)	100	15,252
Totals	$ 113,895	$ 18,879	$ 30,834	$ (6,345)	$ 2,452	$ 159,715

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 June 30, 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. Outcomes 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 June 30, 2024.

In the Construction and Land Development segment, the decrease in the allowance is due to an improvement in the forecast for macroeconomic factors and a decrease in loan balances. In this segment, the primary source of repayment is typically from proceeds of the sale 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. 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 or from the sale of the 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 increase in the allowance is due to 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 charge-offs of previously established reserves on a small number of individually evaluated loans. 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 decrease in the allowance is due to a decrease in loan balances.

Note 6 – Derivatives

Interest Rate Contracts

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

The Company has 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 assesses the effectiveness on a quarterly basis. The effect of changes in interest rates on the fair value of these derivative contracts is recognized in other comprehensive income. These derivative instruments are primarily for risk management purposes. For the three and six months ended June 30, 2024, the Company recognized, through other comprehensive income, net losses of $0.6 million and net gains of $0.8 million, respectively, and reclassified net gains of $0.1 million and $45 thousand, respectively, out of accumulated other comprehensive income into interest income. For each of the three and six months ended June 30, 2023, the Company recognized net gains through other comprehensive income of $6.3 million, and reclassified net gains of $0.1 million out of accumulated other comprehensive income into interest income.

The Company has 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 assesses the effectiveness on a quarterly basis. The effect of changes in interest rates on the fair value of these derivative contracts is recognized in interest income. These derivative instruments are primarily for risk management purposes. For the three and six months ended June 30, 2024, the Company recognized gains through interest income of $0.5 million and $0.9 million, respectively.

(In thousands)	**Notional Amount**	**Fair Value**	**Balance Sheet Category**
June 30, 2024			
Interest rate contracts[1]	$ 686,682	$ 28,274	Other Assets and Other Liabilities
Securities fair value hedges	400,000	3,502	Other Assets
Residential mortgage fair value hedges	200,000	894	Other Assets
December 31, 2023			
Interest rate contracts[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

[1]Interest rate contracts include risk participation agreements with notional amounts of $18.4 million and $9.4 million at June 30, 2024, and December 31, 2023, respectively with nominal fair value in both periods.

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

	Carrying amount of the hedged items		Cumulative amount of fair value hedging adjustment included in the carrying amount of the hedged items	
(In thousands)	**June 30, 2024**	**December 31, 2023**	**June 30, 2024**	**December 31, 2023**
Securities available-for-sale [1]	$ 534,976	$ 584,108	$ 3,424	$ 2,643
Loans, net [2]	614,394	633,693	897	44

[1] At June 30, 2024, and December 31, 2023, the amortized cost basis and unallocated basis adjustments used in hedging relationships was $638.7 million and $680.6 million, respectively. Refer to “Note 3 - Securities” for a reconciliation of the amortized cost and fair value of AFS securities.

[2] These 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 June 30, 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)	**June 30, 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	$ 375,101	$ 396,378

Note 8 – Regulatory Capital

The Company is well-capitalized and at June 30, 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 June 30, 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 June 30, 2024				
Financial Assets				
Debt securities available-for-sale[1]	$ 1,967,204	$ 192	$ 1,967,012	$ —
Derivative financial instruments[2]	32,670	—	32,670	—
Loans held for sale[2]	5,975	—	5,975	—
Loans[3]	1,701	—	—	1,701
Other real estate owned[3]	6,877	—	—	6,877
Equity securities[4]	13,462	13,462	—	—
Financial Liabilities				
Derivative financial instruments[2]	$ 28,274	$ —	$ 28,274	$ —
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[3]	7,560	—	—	7,560
Equity securities[4]	13,623	13,623	—	—
Financial Liabilities				
Derivative financial instruments[2]	$ 28,879	$ —	$ 28,879	$ —

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

[2]*Recurring fair value basis determined using observable market data.*

[3]*Fair value is measured on a nonrecurring basis.*

[4]*Investment 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.*

Loans and other real estate owned: Fair values of collateral-dependent real estate loans and other real estate owned are based on recent real estate appraisals less estimated costs of sale. Evaluations may use either a single valuation approach or a combination of approaches, such as comparative sales, cost and/or income approach. Adjustments to comparable sales may be made by an appraiser to reflect local market conditions or other economic factors and may result in changes in the fair value of an asset over time but none were made by management. As such, the fair values of these loans and properties are considered Level 3 in the fair value hierarchy. Collateral-dependent loans measured at fair value totaled $3.2 million with a specific reserve of $1.5 million at June 30, 2024, compared to $ 17.8 million with a specific reserve of $ 2.6 million at December 31, 2023.

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 six months ended June 30, 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.

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 June 30, 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)
June 30, 2024				
Financial Assets				
Held-to-maturity debt securities[1]	$ 658,055	$ —	$ 527,327	$ —
Time deposits with other banks	7,856	—	7,809	—
Loans, net	9,895,166	—	—	9,677,401
Financial Liabilities				
Deposits	12,116,118	—	—	12,115,159
FHLB borrowings	180,000	—	179,676	—
Long-term debt	106,634	—	100,860	—
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	—

[1]*See "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 June 30, 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 to purchase shares of Seacoast common stock 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 January 31, 2023	Measurement Period Adjustments	As Adjusted 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.

	January 31, 2023	
(In thousands)	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

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 and six months ended June 30, 2023 were $ 15.6 million and $33.2 million, respectively.

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 and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023 for the consolidated statements of income. For the consolidated balance sheets, the emphasis of this discussion will be the balances as of June 30, 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 proposed overdraft and late fee caps, 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), as well as the impact of prolonged elevated interest rates on our financial projections and models, 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 or delay 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 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;
- 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, 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 federal budget and economic policy;
- 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

Seacoast provides integrated financial services including commercial and consumer banking, wealth management, and mortgage services to customers at 77 full-service branches across Florida, and through advanced mobile and online banking solutions. The Company's financial results in the second quarter of 2024 include emerging loan growth and stabilizing deposit costs, supporting an improved outlook for net interest income. Growth in noninterest income continues, and with significant cost-saving initiatives now complete, Seacoast continues to prudently manage expenses while strategically investing to support continued growth. Highlights include:

- Net income of $30.2 million, or $0.36 per average diluted share, an increase of 16% from the prior quarter.
- Pre-tax pre-provision earnings on an adjusted basis[1] increased $2.0 million to $44.5 million from the prior quarter.
- Demonstrating the Company's consistent focus on driving efficiency while making investments for organic growth, adjusted noninterest expense [1] is down 10% from the prior year quarter.
- Continued success in the wealth management division, with assets under management increasing 12% year to date to reach a record $1.9 billion.
- Continued growth in lending pipelines, with the overall pipeline increasing to $834.4 million.
- Asset quality remains well controlled, including a reduction in nonperforming loans compared to the prior quarter.
- Tangible book value per share increased to $15.41.
- Strong capital position, with a Tier 1 capital ratio of 14.8%, and a tangible common equity to tangible assets ratio of 9.3%.

As the Company completes its transition from a successful period of sequential bank acquisitions, the most recent of which was integrated in the second quarter of 2023, the renewed focus on organic customer growth is generating momentum across all markets and business segments.

For the second quarter of 2024, the Company reported net income of $30.2 million, or $0.36 per average diluted share, an increase of $4.2 million, or 16%, from the first quarter of 2024 and a decrease of $1.0 million, or 3%, compared to the second quarter of 2023. Adjusted net income[1] for the second quarter of 2024 totaled $30.3 million, or $0.36 per average diluted share, a decrease of $0.9 million, or 3%, compared to the first quarter of 2024 and a decrease of $13.2 million, or 30%, compared to the second quarter of 2023. For the six months ended June 30, 2024, net income totaled $56.3 million, or $0.66 per average diluted share, an

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

increase of $13.2 million, or 31%, compared to the six months ended June 30, 2023. For the six months ended June 30, 2024, adjusted net income[1] totaled $61.4 million, or $0.72 per average diluted share, compared to $67.7 million, or $0.81 per average diluted share for the six months ended June 30, 2023.

	Second Quarter	First Quarter	Second Quarter	Six Months Ended June 30,	
	2024	2024	2023	2024	2023
Return on average tangible assets	1.00 %	0.89 %	1.06 %	0.94 %	0.80 %
Return on average tangible shareholders’ equity	10.75	9.55	12.08	10.15	9.14
Efficiency ratio	60.21	66.78	67.34	63.48	66.37
Adjusted return on average tangible assets [1]	1.00 %	1.04 %	1.41 %	1.02 %	1.16 %
Adjusted return on average tangible shareholders’ equity [1]	10.76	11.15	16.08	10.95	13.32
Adjusted efficiency ratio[1]	60.21	61.13	56.44	60.67	54.76

[1]Non-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 second quarter of 2024 totaled $104.4 million, a modest decrease of $0.7 million, or 1%, compared to the first quarter of 2024, and a decrease of $22.5 million, or 18%, compared to the second quarter of 2023. The decrease from the prior quarter reflects higher interest expense on deposits resulting from growth in deposit balances and the impact of the continued elevated rate environment. 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. For the six months ended June 30, 2024, net interest income totaled $209.5 million, a decrease of $48.6 million, or 19%, compared to the six months ended June 30, 2023.

Net interest income (on a fully taxable equivalent basis) [1] for the second quarter of 2024 was $104.7 million, a decrease of $0.6 million, or 1%, compared to the first quarter of 2024, and a decrease of $22.5 million, or 18%, compared to the second quarter of 2023. Accretion on acquired loans totaled $10.2 million for the second quarter of 2024, compared to $10.6 million for the first quarter of 2024, and $14.6 million for the second quarter of 2023. For the six months ended June 30, 2024, net interest income (on a fully taxable equivalent basis)[1] was $210.0 million, a decrease of $48.6 million, or 1%, compared to the six months ended June 30, 2023.

Net interest margin (on a fully taxable equivalent basis) [1] decreased six basis points from 3.24% in the first quarter of 2024 to 3.18% in the second quarter of 2024, and decreased 68 basis points from 3.86% in the second quarter of 2023, largely driven by the growth in deposit costs. Compared to the first quarter of 2024, securities yields increased 22 basis points in the second quarter of 2024 to 3.69% and compared to the second quarter of 2023, increased 56 basis points. The yield on loans increased to 5.93% for the second quarter of 2024 from 5.90% in the first quarter of 2024 and from 5.89% in the second quarter of 2023, reflecting the impact of a higher interest rate environment. The effect on net interest margin of accretion of purchase discounts on acquired loans was an increase of 30 basis points for the second quarter of 2024, 33 basis points in the first quarter, and 44 basis points in the second quarter of 2023. The cost of deposits was 2.31% in the second quarter of 2024, compared to 2.19% in the first quarter of 2024, and 1.38% in the second quarter of 2023.

For the six months ended June 30, 2024, net interest margin (on a fully taxable equivalent basis) [1] decreased 88 basis points to 3.21% compared to the six months ended June 30, 2023, largely driven by the growth in deposit costs. The yield on total loans increased from 5.88% for the six months ended June 30, 2023 to 5.92% for the six months ended June 30, 2024, reflecting the impact of the higher interest rate environment. The yield on securities was 3.59% for the six months ended June 30, 2024, compared to 2.99% for the six months ended June 30, 2023, also reflecting the impact of a higher interest rate environment. The effect on net interest margin of accretion of purchase discounts on acquired loans was an increase of 31 basis points for the six months ended June 30, 2024, and 49 basis points for the six months ended June 30, 2023. The cost of deposits was 2.25% for the six months ended June 30, 2024, an increase of 116 basis points compared to the six months ended June 30, 2023.

The following table details the trend for net interest income and margin results (on a fully taxable 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
Second quarter 2024	$ 104,657	3.18 %	5.47 %	3.33 %
First quarter 2024	105,298	3.24 %	5.41 %	3.20 %
Second quarter 2023	127,153	3.86 %	5.30 %	2.26 %
Six months ended June 30, 2024	209,954	3.21 %	5.44 %	3.26 %
Six months ended June 30, 2023	258,504	4.09 %	5.26 %	1.87 %

[1]*On 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.*

Average loans decreased $29.5 million for the second quarter of 2024 compared to the first quarter of 2024, and decreased $96.1 million, or 1%, from the second quarter of 2023. For the six months ended June 30, 2024, average loans increased $282.7 million, or 3%, from the six months ended June 30, 2023.

Average loans as a percentage of average earning assets totaled 76% for the second quarter of 2024, 77% for the first quarter of 2024 and 76% for the second quarter of 2023. For each of the six months ended June 30, 2024 and June 30, 2023, average loans as a percentage of average earning assets totaled 76%.

During the second quarter of 2024, average investment securities increased $50.3 million, or 2%, compared to the first quarter of 2024, and decreased $54.1 million, or 2.0%, compared to the second quarter of 2023. Securities yields increased 22 basis points to 3.69% during the second quarter of 2024 from 3.47% in the first quarter of 2024, benefiting from recent purchases. For the six months ended June 30, 2024, average investment securities were $2.6 billion, a decrease of $92.8 million, or 3%, compared to the six months ended June 30, 2023.

The cost of average interest-bearing liabilities increased 13 basis points in the second quarter of 2024 to 3.33% from 3.20% in the first quarter of 2024, and increased 107 basis points from 2.26% in the second quarter of 2023. The cost of average total deposits (including noninterest bearing demand deposits) was 2.31% in the second quarter of 2024, 2.19% in the first quarter of

2024 and 1.38% in the second quarter of 2023. For the six months ended June 30, 2024, the cost of average total deposits (including noninterest bearing demand deposits) was 2.25% compared to 1.09% for the six months ended June 30, 2023.

During the second quarter of 2024, average transaction deposits (noninterest and interest-bearing demand) decreased $91.7 million, or 1%, compared to the first quarter of 2024 and decreased $804.4 million, or 12%, compared to the second quarter of 2023. For the six months ended June 30, 2024, average transaction deposits decreased $672.3 million, or 10%, compared to the six months ended June 30, 2023. The Company’s deposit mix remains favorable, with 87% of average deposit balances comprised of savings, money market, and demand deposits for the six months ended June 30, 2024.

Average balances of sweep repurchase agreements with customers decreased $39.8 million, or 12%, from the first quarter of 2024 and increased $48.8 million, or 20%, compared to the second quarter of 2023. The average rate on customer sweep repurchase accounts was 3.68% for the second quarter of 2024, compared to 3.71% for the first quarter of 2024, and 2.61% for the second quarter of 2023. For the six months ended June 30, 2024, the average balance was $313.5 million compared to an average balance of $209.4 million for the six months ended June 30, 2023 with average rates of 3.70% and 2.37%, respectively.

The Company had an average balance of $149.2 million in FHLB borrowings outstanding for the second quarter of 2024, with an average interest rate of 4.29%, compared to $102.4 million for the first quarter of 2024, with an average interest rate of 3.77%, and $251.6 million for the second quarter of 2023, with an average interest rate of 3.62%. The Company had an average balance of $125.8 million in FHLB borrowings outstanding for the six months ended June 30, 2024, with an average interest rate of 4.08%, compared to $266.9 million for the six months ended June 30, 2023, with an average interest rate of 3.81%.

Long-term debt balances averaged $106.5 million in the second quarter of 2024, $106.4 million in the first quarter of 2024, and $105.9 million in the second quarter of 2023. The average rate on long-term debt for the second quarter of 2024 was 7.03%, a decrease of 28 basis points compared to the first quarter of 2024 and an increase of 23 basis points compared to the second quarter of 2023. For the six months ended June 30, 2024, long-term debt averaged $106.5 million, compared to $102.2 million for the six months ended June 30, 2023. The average rate on long-term debt for the six months ended June 30, 2024 was 7.17%, an increase of 44 basis points compared to the six months ended June 30, 2023. The long-term debt is comprised of trust preferred securities issued by subsidiary trusts of the Company, and notes assumed in bank acquisitions in 2022 and 2023.

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

Average Balances, Interest Income and Expenses, Yields and Rates[1]

	2024						2023		
	Second Quarter			First Quarter			Second Quarter		
(In thousands, except ratios)	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
Assets									
Earning assets:									
Securities:									
Taxable	$ 2,629,716	$ 24,155	3.69 %	$ 2,578,938	$ 22,393	3.47 %	$ 2,673,633	$ 20,898	3.13 %
Nontaxable	5,423	40	2.97	5,907	41	2.75	15,621	120	3.08
Total Securities	2,635,139	24,195	3.69	2,584,845	22,434	3.47	2,689,254	21,018	3.13
Federal funds sold	510,401	6,967	5.49	370,494	5,056	5.49	327,433	4,313	5.28
Interest bearing deposits with other banks and other investments	98,942	1,361	5.53	95,619	1,128	4.74	90,783	710	3.14
Total Loans, net	10,005,122	147,518	5.93	10,034,658	147,308	5.90	10,101,228	148,432	5.89
Total Earning Assets	13,249,604	180,041	5.47	13,085,616	175,926	5.41	13,208,698	174,473	5.30
Allowance for credit losses	(146,380)			(148,422)			(156,207)		
Cash and due from banks	168,439			166,734			165,625		
Premises and equipment, net	110,709			112,391			117,726		
Intangible assets	818,914			825,531			842,988		
Bank owned life insurance	302,165			299,765			293,251		
Other assets including deferred tax assets	336,256			349,161			415,208		
Total Assets	$ 14,839,707			$ 14,690,776			$ 14,887,289		
Liabilities and Shareholders' Equity									
Interest-bearing liabilities:									
Interest-bearing demand	$ 2,670,569	$ 14,946	2.25 %	$ 2,719,334	$ 15,266	2.26 %	$ 2,666,314	$ 7,560	1.14 %
Savings	584,490	560	0.39	628,329	540	0.35	906,936	427	0.19
Money market	3,665,858	35,813	3.93	3,409,310	31,728	3.74	2,806,672	19,196	2.74
Time deposits	1,631,290	17,928	4.42	1,590,070	17,121	4.33	1,425,344	14,477	4.07
Securities sold under agreements to repurchase	293,603	2,683	3.68	333,386	3,079	3.71	244,824	1,593	2.61
Federal Home Loan Bank borrowings	149,234	1,592	4.29	102,418	960	3.77	251,596	2,272	3.62
Long-term debt, net	106,532	1,862	7.03	106,373	1,934	7.31	105,861	1,795	6.80
Total Interest-Bearing Liabilities	9,101,576	75,384	3.33	8,889,220	70,628	3.20	8,407,547	47,320	2.26
Noninterest demand	3,485,603			3,528,489			4,294,251		
Other liabilities	134,900			154,686			114,962		
Total Liabilities	12,722,079			12,572,395			12,816,760		
Shareholders' equity	2,117,628			2,118,381			2,070,529		
Total Liabilities & Equity	$ 14,839,707			$ 14,690,776			$ 14,887,289		
Cost of deposits			2.31 %			2.19 %			1.38 %
Interest expense as a % of earning assets			2.29 %			2.17 %			1.44 %
Net interest income as a % of earning assets		$ 104,657	3.18 %		$ 105,298	3.24 %		$ 127,153	3.86 %

[1]On 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.

Average Balances, Interest Income and Expenses, Yields and Rates [1]

	2024			2023		
	Six Months Ended June 30,			Six Months Ended June 30,		
(In thousands, except ratios)	**Average Balance**	**Interest**	**Yield/ Rate**	**Average Balance**	**Interest**	**Yield/ Rate**
Assets						
Earning assets:						
Securities:						
Taxable	$ 2,604,327	$ 46,548	3.59 %	$ 2,686,804	$ 40,142	2.99 %
Nontaxable	5,665	81	2.88	15,944	251	3.15
Total Securities	2,609,992	46,629	3.59	2,702,748	40,393	2.99
Federal funds sold	440,448	12,023	5.49	228,491	5,787	5.11
Interest bearing deposits with other banks and other investments	97,281	2,489	5.15	90,750	2,710	6.02
Total Loans, net	10,019,890	294,825	5.92	9,737,236	283,773	5.88
Total Earning Assets	13,167,611	355,966	5.44	12,759,225	332,663	5.26
Allowance for credit losses	(147,401)			(148,143)		
Cash and due from banks	167,586			193,811		
Premises and equipment, net	111,550			116,909		
Intangible assets	822,222			797,096		
Bank owned life insurance	300,965			283,936		
Other assets including deferred tax assets	342,708			417,393		
Total Assets	$ 14,765,241			$ 14,420,227		
Liabilities and Shareholders' Equity						
Interest-bearing liabilities:						
Interest-bearing demand	$ 2,694,952	$ 30,212	2.25 %	$ 2,559,805	$ 10,767	0.85 %
Savings	606,410	1,100	0.36	979,674	827	0.17
Money market	3,537,584	67,541	3.84	2,760,207	31,622	2.31
Time deposits	1,610,680	35,049	4.38	1,120,576	20,029	3.60
Securities sold under agreements to repurchase	313,494	5,762	3.70	209,358	2,456	2.37
Federal Home Loan Bank borrowings	125,826	2,552	4.08	266,935	5,048	3.81
Long-term debt, net	106,453	3,796	7.17	102,164	3,410	6.73
Total Interest-Bearing Liabilities	8,995,399	146,012	3.26	7,998,719	74,159	1.87
Noninterest demand	3,507,046			4,314,498		
Other liabilities	144,791			122,746		
Total Liabilities	12,647,236			12,435,963		
Shareholders' equity	2,118,005			1,984,264		
Total Liabilities & Equity	$ 14,765,241			$ 14,420,227		
Cost of deposits			2.25 %			1.09 %
Interest expense as a % of earning assets			2.23 %			1.17 %
Net interest income as a % of earning assets		$ 209,954	3.21 %		$ 258,504	4.09 %

[1]On 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 $22.2 million for the second quarter of 2024, an increase of $1.7 million, or 8%, compared to the first quarter of 2024 and an increase of $0.6 million, or 3% from the second quarter of 2023. Noninterest income totaled $42.7 million for the six months ended June 30, 2024, a decrease of $1.3 million, or 3%, compared to the six months ended June 30, 2023.

Noninterest income is detailed as follows:

(In thousands)	Second Quarter 2024	First Quarter 2024	Second Quarter 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Service charges on deposit accounts	$ 5,342	$ 4,960	$ 4,560	$ 10,302	$ 8,802
Interchange income	1,940	1,888	5,066	3,828	9,760
Wealth management income	3,766	3,540	3,318	7,306	6,381
Mortgage banking fees	582	381	576	963	1,002
Insurance agency income	1,355	1,291	1,160	2,646	2,261
SBA gains	694	739	249	1,433	571
BOLI income	2,596	2,264	2,068	4,860	3,984
Other	5,953	5,205	4,755	11,158	11,329
	22,228	20,268	21,752	42,496	44,090
Securities (losses) gains, net	(44)	229	(176)	185	(69)
Total	$ 22,184	$ 20,497	$ 21,576	$ 42,681	$ 44,021

Service charges on deposits were $5.3 million in the second quarter of 2024, compared to $5.0 million in the first quarter of 2024, and $4.6 million in the second quarter of 2023. For the six months ended June 30, 2024, service charges on deposits totaled $10.3 million, an increase of $1.5 million, or 17%, compared to the six months ended June 30, 2023. Our investments in talent and market expansion across the state have resulted in continued growth in treasury management services to commercial customers.

Interchange income increased $0.1 million, or 3%, compared to the first quarter of 2024 and decreased $3.1 million, or 62%, compared to the second quarter of 2023. 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. For the six months ended June 30, 2024, interchange income totaled $3.8 million, a decrease of $5.9 million, or 61%, compared to the six months ended June 30, 2023.

Wealth management income, including trust fees and brokerage commissions and fees, was $3.8 million in the second quarter of 2024, compared to $3.5 million for the first quarter of 2024 and $3.3 million for the second quarter of 2023. For the six months ended June 30, 2024, wealth management income totaled $7.3 million, an increase of $0.9 million, or 14%, compared to the six months ended June 30, 2023. The wealth management division continues to demonstrate success in building relationships, and assets under management have increased $202.8 million, or 12%, from December 31, 2023, to $1.9 billion.

Insurance agency income increased $0.1 million, or 5%, compared to the first quarter of 2024 and totaled $1.4 million for the three months ended June 30, 2024. For the six months ended June 30, 2024, insurance agency income totaled $2.6 million, an increase of $0.4 million, or 17%, compared to the six months ended June 30, 2023, reflecting continued growth and expansion of insurance services.

Bank owned life insurance (“BOLI”) income was $2.6 million for the second quarter of 2024, compared to $2.3 million for the first quarter of 2024 and $2.1 million for the second quarter of 2023. For the six months ended June 30, 2024, BOLI income totaled $4.9 million, an increase of $0.9 million, or 22%, compared to the six months ended June 30, 2023, with policy exchanges executed in the first quarter of 2024 resulting in improved ongoing yields.

Other income was $6.0 million in the second quarter of 2024, an increase of $0.7 million, or 14%, compared to the first quarter of 2024, and an increase of $1.2 million, or 25%, compared to the second quarter of 2023. The second quarter of 2024 includes a gain on the sale of a single nonperforming commercial real estate loan. For the six months ended June 30, 2024, other income totaled $11.2 million, a decrease of $0.2 million, or 2%, compared to the six months ended June 30, 2023.

Net securities activity resulted in losses of $44 thousand during the second quarter of 2024, gains of $0.2 million in the first quarter of 2024, and losses of $0.2 million in the second quarter of 2023. The first quarter of 2024 included gains of $4.1 million on the sale of the Company's holdings of Visa Class B stock, which 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 second quarter of 2024 totaled $82.5 million, a decrease of $7.8 million, or 9%, compared to the first quarter of 2024, and a decrease of $25.3 million, or 23%, from the second quarter of 2023. For the six months ended June 30, 2024, noninterest expense totaled $172.9 million, a decrease of $42.4 million, or 20%, compared to the six months ended June 30, 2023. The decreases can be attributed to the completion of cost-saving initiatives and prudent management of expenses while strategically investing to support continued growth, benefiting nearly every category of expense. Noninterest expenses are detailed as follows:

(In thousands)	Second Quarter 2024	First Quarter 2024	Second Quarter 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Salaries and wages	$ 38,937	$ 40,304	$ 45,155	$ 79,241	$ 92,771
Employee benefits	6,861	7,889	7,472	14,750	16,034
Outsourced data processing costs	8,210	12,118	20,222	20,328	34,775
Occupancy	7,180	8,037	8,583	15,217	16,602
Furniture and equipment	1,956	2,011	2,345	3,967	4,612
Marketing	3,266	2,655	2,047	5,921	4,285
Legal and professional fees	1,982	2,151	4,062	4,133	11,541
FDIC assessments	2,131	2,158	2,116	4,289	3,559
Amortization of intangibles	6,003	6,292	7,654	12,295	14,381
Other real estate owned expense and net (gain) loss on sale	(109)	(26)	(57)	(135)	138
Provision for credit losses on unfunded commitments	251	250	—	501	1,239
Other	5,869	6,532	8,266	12,401	15,403
Total	$ 82,537	$ 90,371	$ 107,865	$ 172,908	$ 215,340

Salaries and wages totaled $38.9 million for the second quarter of 2024, $40.3 million for the first quarter of 2024, and $45.2 million for the second quarter of 2023. The first quarter of 2024 included $2.1 million in severance-related expenses arising from a reduction in the workforce . For the six months ended June 30, 2024, salaries and wages totaled $79.2 million, a decrease of $13.5 million, or 15%, compared to the six months ended June 30, 2023. The company continues to prioritize investment in growth-focused talent.

During the second quarter of 2024, employee benefits, which include costs associated with the Company's self-funded health insurance benefits, 401(k) plan, payroll taxes, and unemployment compensation, were $6.9 million, a decrease of $1.0 million, or 13%, compared to the first quarter of 2024, and a decrease of $0.6 million, or 8%, compared to the second quarter of 2023. The decrease compared to the first quarter of 2024 reflects higher seasonal payroll taxes and 401(k) contributions impacting the first quarter. The decrease compared to the second quarter of 2023 is related to reductions in the workforce. For the six months ended June 30, 2024, employee benefit costs totaled $14.8 million, a decrease of $1.3 million, or 8%, compared to the six months ended June 30, 2023.

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 $8.2 million, $12.1 million, and $20.2 million for the second quarter of 2024, first quarter of 2024, and second quarter of 2023, respectively. The Company incurred one-time charges of $4.1 million early in the first quarter of 2024 associated with consolidation activities, leading to a comparative decline in expense in these categories in the second quarter of 2024. For the six months ended June 30, 2024, outsourced data processing costs totaled $20.3 million, a decrease of $14.4 million, or 42%, compared to the six months ended June 30, 2023. The 2023 period included $17.5 million in costs directly associated with bank acquisitions.

Total occupancy and furniture and equipment expenses were $9.1 million in the second quarter of 2024, $10.0 million in the first quarter of 2024, and $10.9 million in the second quarter of 2023. 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. For the six months ended June 30, 2024, occupancy and furniture and equipment expenses totaled $19.2 million, a decrease of $2.0 million, or 10%, compared to the six months ended June 30, 2023.

Marketing expenses totaled $3.3 million in the second quarter of 2024, $2.7 million in the first quarter of 2024, and $2.0 million in the second quarter of 2023. For the six months ended June 30, 2024, marketing expenses totaled $5.9 million, an increase of $1.6 million, or 38%, compared to the six months ended June 30, 2023. Planned investments in branding and in marketing campaigns across the state led to higher marketing expenses.

Legal and professional fees for the second quarter of 2024 were $2.0 million, a decrease of $0.2 million, or 8%, compared to the first quarter of 2024, and a decrease of $2.1 million, or 51%, compared to the second quarter of 2023, which included $1.7 million in acquisition-related expenses. For the six months ended June 30, 2024, legal and professional fees totaled $4.1 million, a decrease of $7.4 million, or 64%, compared to the six months ended June 30, 2023. The 2023 period included $6.5 million in costs directly associated with bank acquisitions.

Provision for Credit Losses

The provision for credit losses was $4.9 million for the second quarter of 2024, compared to $1.4 million for the first quarter of 2024, and a net benefit of $0.8 million for the second quarter of 2023. For the six months ended June 30, 2024, provision for credit losses was $6.3 million, compared to $30.8 million for the six months ended June 30, 2023. The first quarter of 2023 included a $26.6 million day-one provision recorded in conjunction with the Professional acquisition.

Income Taxes

For the second quarter of 2024, the Company recorded tax expense of $8.9 million, an increase of $1.1 million, or 14%, compared to the first quarter of 2024 and a decrease of $1.3 million, or 13%, compared to the second quarter of 2023. The effective tax rate for the second quarter of 2024 was 22.8%, compared to 24.6% in the first quarter of 2024 and 23.1% in the second quarter of 2023. For the six months ended June 30, 2024, tax expense totaled $16.7 million, an increase of $3.9 million, or 30%, compared to the six months ended June 30, 2023, with an effective tax rate of 22.9% for the six months ended June 30, 2024, compared to 23.0% for the six months ended June 30, 2023.

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.

Reconciliation of Non-GAAP Measures

	Second Quarter	First Quarter	Second Quarter	Six Months Ended June 30,	
(Amounts in thousands, except per share data)	**2024**	**2024**	**2023**	**2024**	**2023**
Net income	$ 30,244	$ 26,006	$ 31,249	$ 56,250	$ 43,076
Total noninterest income	$ 22,184	$ 20,497	$ 21,576	$ 42,681	$ 44,021
Securities losses (gains), net	44	(229)	176	(185)	69
BOLI benefits on death (included in other income)	—	—	—	—	(2,117)
Total adjustments to noninterest income	44	(229)	176	(185)	(2,048)
Total adjusted noninterest income	$ 22,228	$ 20,268	$ 21,752	$ 42,496	$ 41,973
Total noninterest expense	$ 82,537	$ 90,371	$ 107,865	$ 172,908	$ 215,340
Merger related charges:					
Salaries and wages	—	—	(1,573)	—	(5,813)
Outsourced data processing	—	—	(10,904)	—	(17,455)
Legal and professional fees	—	—	(1,664)	—	(6,453)
Other	—	—	(1,507)	—	(3,459)
Total merger related charges	—	—	(15,648)	—	(33,180)
Branch reductions and other expense initiatives[1]:					
Salaries and wages	—	(2,073)	(462)	(2,073)	(1,081)
Outsourced data processing	—	(4,089)	—	(4,089)	—
Occupancy	—	(771)	—	(771)	(774)
Other	—	(161)	(109)	(161)	(7)
Total branch reductions and other expense initiatives[1]	—	(7,094)	(571)	(7,094)	(1,862)
Adjustments to noninterest expense	—	(7,094)	(16,219)	(7,094)	(35,042)
Adjusted noninterest expense[2]	$ 82,537	$ 83,277	$ 91,646	$ 165,814	$ 180,298
Income taxes	$ 8,909	$ 7,830	$ 10,189	$ 16,739	$ 12,886
Tax effect of adjustments	11	1,739	4,155	1,751	8,362
Adjusted income taxes	8,920	9,569	14,344	18,490	21,248
Adjusted net income[2]	$ 30,277	$ 31,132	$ 43,489	$ 61,408	$ 67,708
Earnings per diluted share, as reported	$ 0.36	$ 0.31	$ 0.37	$ 0.66	$ 0.52
Adjusted earnings per diluted share	0.36	0.37	0.51	0.72	0.81
Average diluted shares outstanding	84,816	85,270	85,536	84,799	83,260
Adjusted noninterest expense	$ 82,537	$ 83,277	$ 91,646	$ 165,814	$ 180,298
Provision for credit losses on unfunded commitments	(251)	(250)	—	(501)	(1,239)
Other real estate owned expense and net gain (loss) on sale	109	26	57	135	(138)
Amortization of intangibles	(6,003)	(6,292)	(7,654)	(12,295)	(14,381)
Net adjusted noninterest expense	$ 76,392	$ 76,761	$ 84,049	$ 153,153	$ 164,540
Net adjusted noninterest expense	$ 76,392	$ 76,761	$ 84,049	$ 153,153	$ 165,540
Average tangible assets	$ 14,020,793	$ 13,865,245	$ 14,044,301	$ 13,943,019	$ 13,623,131
Net adjusted noninterest expense to average tangible assets	2.19 %	2.23 %	2.40 %	2.21 %	2.44 %

(Amounts in thousands, except per share data)	Second Quarter 2024	First Quarter 2024	Second Quarter 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Net revenue	$ 126,608	$ 125,575	$ 148,539	$ 252,183	$ 302,136
Total adjustments to net revenue	44	(229)	176	(185)	(2,048)
Impact of FTE adjustment	233	220	190	452	389
Adjusted net revenue on a fully taxable equivalent basis	$ 126,885	$ 125,566	$ 148,905	$ 252,450	$ 300,477
Adjusted efficiency ratio	60.21 %	61.13 %	56.44 %	60.67 %	54.76 %
Net interest income	$ 104,424	$ 105,078	$ 126,963	$ 209,502	$ 258,115
Impact of FTE adjustment	233	220	190	452	389
Net interest income including FTE adjustment	104,657	105,298	127,153	209,954	258,504
Total noninterest income	22,184	20,497	21,576	42,681	44,021
Total noninterest expense less provision for credit losses on unfunded commitments	82,286	90,121	107,865	172,407	214,101
Pre-tax pre-provision earnings	44,555	35,674	40,864	80,228	88,424
Total adjustments to noninterest income	44	(229)	176	(185)	(2,048)
Total adjustments to noninterest expense including other real estate owned expense and net (gain) loss on sale	(109)	7,068	16,162	6,959	35,180
Adjusted pre-tax pre-provision earnings[2]	$ 44,490	$ 42,513	$ 57,202	$ 87,002	$ 121,556
Average assets	$ 14,839,707	$ 14,690,776	$ 14,887,289	$ 14,765,241	$ 14,420,227
Less average goodwill and intangible assets	(818,914)	(825,531)	(842,988)	(822,222)	(797,096)
Average tangible assets	$ 14,020,793	$ 13,865,245	$ 14,044,301	$ 13,943,019	$ 13,623,131
Return on average assets (ROA)	0.82 %	0.71 %	0.84 %	0.77 %	0.60 %
Impact of removing average intangible assets and related amortization	0.18	0.18	0.22	0.17	0.20
Return on average tangible assets (ROTA)	1.00	0.89	1.06	0.94	0.80
Impact of other adjustments for adjusted net income	—	0.15	0.35	0.08	0.36
Adjusted return on average tangible assets	1.00 %	1.04 %	1.41 %	1.02 %	1.16 %
Pre-tax pre-provision return on average tangible assets	1.45 %	1.22 %	1.39 %	1.33 %	1.52 %
Impact of adjustments on pre-tax pre-provision earnings	—	0.20	0.46	0.10	0.49
Adjusted pre-tax pre-provision return on average tangible assets[2]	1.45 %	1.42 %	1.85 %	1.43 %	2.01 %
Average shareholders’ equity	$ 2,117,628	$ 2,118,381	$ 2,070,529	$ 2,118,005	$ 1,984,264
Less average goodwill and intangible assets	(818,914)	(825,531)	(842,988)	(822,222)	(797,096)
Average tangible equity	$ 1,298,714	$ 1,292,850	$ 1,227,541	$ 1,295,783	$ 1,187,168
Return on average shareholders’ equity	5.74 %	4.94 %	6.05 %	5.34 %	4.38 %
Impact of removing average intangible assets and related amortization	5.01	4.61	6.03	4.81	4.76
Return on average tangible common equity (ROTCE)	10.75	9.55	12.08	10.15	9.14
Impact of other adjustments for adjusted net income	0.01	1.60	4.00	0.80	4.18
Adjusted return on average tangible common equity	10.76 %	11.15 %	16.08 %	10.95 %	13.32 %

(Amounts in thousands, except per share data)	Second Quarter 2024	First Quarter 2024	Second Quarter 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Loan interest income[3]	$ 147,518	$ 147,308	$ 148,432	$ 294,826	$ 283,773
Accretion on acquired loans	(10,178)	(10,595)	(14,580)	(20,773)	(30,522)
Loan interest income excluding accretion on acquired loans[3]	$ 137,340	$ 136,713	$ 133,852	$ 274,053	$ 253,251
Yield on loans[3]	5.93 %	5.90 %	5.89 %	5.92 %	5.88 %
Impact of accretion on acquired loans	(0.41)	(0.42)	(0.58)	(0.42)	(0.64)
Yield on loans excluding accretion on acquired loans[3]	5.52 %	5.48 %	5.31 %	5.50 %	5.24 %
Net interest income[3]	$ 104,657	$ 105,298	$ 127,153	$ 209,954	$ 258,504
Accretion on acquired loans	(10,178)	(10,595)	(14,580)	(20,773)	(30,522)
Net interest income excluding accretion on acquired loans[3]	$ 94,479	$ 94,703	$ 112,573	$ 189,181	$ 227,982
Net interest margin[3]	3.18 %	3.24 %	3.86 %	3.21 %	4.09 %
Impact of accretion on acquired loans	(0.30)	(0.33)	(0.44)	(0.31)	(0.49)
Net interest margin excluding accretion on acquired loans[3]	2.87 %	2.91 %	3.42 %	2.89 %	3.60 %
Securities interest income[3]	$ 24,195	$ 22,434	$ 21,018	$ 46,629	$ 40,393
Fully taxable equivalent adjustment to securities	(7)	(7)	(23)	(14)	(49)
Securities interest income excluding fully taxable equivalent adjustment	$ 24,188	$ 22,427	$ 20,995	$ 46,615	$ 40,344
Loan interest income[3]	$ 147,518	$ 147,308	$ 148,432	$ 294,825	$ 283,773
Fully taxable equivalent adjustment to loans	(226)	(213)	(167)	(438)	(340)
Loan interest income excluding fully taxable equivalent adjustment	$ 147,292	$ 147,095	$ 148,265	$ 294,387	$ 283,433
Net interest income[3]	$ 104,657	$ 105,298	$ 127,153	$ 209,954	$ 258,504
Fully taxable equivalent adjustments to securities	(7)	(7)	(23)	(14)	(49)
Fully taxable equivalent adjustments to loans	(226)	(213)	(167)	(438)	(340)
Net interest income excluding fully taxable equivalent adjustments	$ 104,424	$ 105,078	$ 126,963	$ 209,502	$ 258,115

[1]Includes 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.

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

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

Financial Condition

Total assets as of June 30, 2024 were $15.0 billion, an increase of $372.4 million, or 3%, 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 June 30, 2024, the Company had $2.0 billion in AFS securities and $658.1 million in HTM securities. The Company's total debt securities portfolio increased $108.9 million from December 31, 2023. During the first quarter of 2024, the Company recognized a $4.1 million gain on the opportunistic sale of its 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. During the six months ended June 30, 2024, there were $376.7 million of debt securities purchased and $167.2 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 4.8, respectively, at June 30, 2024 compared to 4.5 and 4.9, respectively, at December 31, 2023.

At June 30, 2024, AFS securities had gross unrealized losses of $228.1 million and gross unrealized gains of $3.3 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 85%, of the total portfolio.

The portfolio includes $131.3 million, with a fair value of $120.7 million, in private label residential and commercial mortgage-backed securities and collateralized mortgage obligations. Included are $121.6 million, with a fair value of $111.4 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 22%. The collateral underlying these mortgages are primarily pooled multifamily loans.

The Company also has invested $267.8 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 June 30, 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 June 30, 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 June 30, 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 June 30, 2024, a $24.4 million, or 0.2%, 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 $345 thousand, and the average commercial loan size is only $758 thousand at June 30, 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").

The following tables detail loan portfolio composition at June 30, 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".

	June 30, 2024			
(In thousands)	Portfolio Loans	Acquired Non-PCD Loans	PCD Loans	Total
Construction and land development	$ 465,950	$ 127,049	$ 535	$ 593,534
Commercial real estate - owner occupied	1,103,074	518,502	34,815	1,656,391
Commercial real estate - non-owner occupied	2,023,683	1,262,412	137,171	3,423,266
Residential real estate	1,787,664	748,736	18,920	2,555,320
Commercial and financial	1,294,592	249,604	38,094	1,582,290
Consumer	159,096	68,229	382	227,707
Totals	$ 6,834,059	$ 2,974,532	$ 229,917	$ 10,038,508

	December 31, 2023			
(In thousands)	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 $45.5 million at June 30, 2024 and $43.1 million at December 31, 2023. At June 30, 2024, the remaining fair value adjustments on acquired loans were $151.4 million, or 4.5%, 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 June 30, 2024 were as follows:

	June 30, 2024					
(In thousands)	Balance	Balance % of Total Loans	Average Loan Size	30+ Days Past Due-Accruing	Non Accrual	Weighted Avg LTV[1]
Retail	$ 1,132,190	11.3 %	$ 2,190	$ —	$ 2,273	50 %
Office	535,178	5.3	1,538	—	2,916	54
Multifamily 5+	408,909	4.1	2,076	—	—	51
Hotel/Motel	369,211	3.7	3,692	1,641	—	49
Industrial/Warehouse	380,289	3.8	1,901	568	814	53
Other	597,489	6.0	1,043	946	6,069	51
Total	$ 3,423,266	34.1 %	$ 1,769	$ 3,155	$ 12,072	51 %

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

Non-owner occupied CRE loans increased by $103.4 million in the six months ended June 30, 2024, totaling $3.4 billion at June 30, 2024 compared to $3.3 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 $1.1 billion at June 30, 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 50% and an average loan size of $2.2 million.

The second-largest segment in the non-owner occupied CRE portfolio is office properties, which totaled $535.2 million at June 30, 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 54% and an average loan size of $1.5 million.

Owner-occupied CRE loans decreased by $13.9 million in the six months ended June 30, 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 $25.6 million, or 2%, from December 31, 2023, totaling $1.6 billion at June 30, 2024.

Residential mortgage loans increased $109.6 million to $2.6 billion during the six months ended June 30, 2024. Included in the balance as of June 30, 2024, were $984.6 million of fixed rate mortgages, $973.9 million of adjustable rate mortgages and $596.9 million in home equity loans and home equity lines of credit ("HELOCs"), compared to $1.0 billion, $865.2 million and $488.2 million, respectively, at December 31, 2023. 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 34% of the loans being in first lien position at June 30, 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 $23.9 million, or 9%, to total $227.7 million at June 30, 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. Pipelines include lines of credit at the full proposed commitment amount, which may not result in fully funded originations.

(In thousands)	**Second Quarter 2024**	**First Quarter 2024**	**Second Quarter 2023**
Commercial/commercial real estate loan pipeline at period end	$ 743,789	$ 498,617	$ 198,984
Commercial/commercial real estate loans closed	405,957	260,032	307,430
SBA pipeline at period end	29,296	15,630	18,590
SBA originations	8,226	18,944	9,948
Residential pipeline - saleable at period end	12,095	9,279	11,492
Residential loans - sold	21,417	15,305	19,078
Residential pipeline - portfolio at period end	24,721	24,364	27,110
Residential loans - retained	42,431	51,435	85,294
Consumer pipeline at period end	24,532	25,057	28,446
Consumer originations	59,973	48,244	97,184

Commercial and commercial real estate originations during the second quarter of 2024 were $406.0 million, an increase of $145.9 million, or 56%, compared to the first quarter of 2024, and an increase of $98.5 million, or 32%, compared to the second quarter of 2023. The Company is benefiting from the investment made in recent years to attract talent from regional banks across its markets. This talent is onboarding significant new relationships, resulting in growing pipelines. Commercial and commercial real estate pipelines were $743.8 million as of June 30, 2024, an increase of 49% from $498.6 million at March 31, 2024, and an increase of 274% from $199.0 million at June 30, 2023.

SBA originations totaled $8.2 million during the second quarter of 2024, a decrease of $10.7 million compared to the first quarter of 2024, and a decrease of $1.7 million compared to the second quarter of 2023.

Residential loans originated for sale in the secondary market totaled $21.4 million in the second quarter of 2024, compared to $15.3 million in the first quarter of 2024 and $19.1 million in the second quarter of 2023. Residential saleable pipelines were $12.1 million as of June 30, 2024, compared to $9.3 million as of March 31, 2024 and $11.5 million as of June 30, 2023.

Residential loan production retained in the portfolio for the second quarter of 2024 was $42.4 million, compared to $51.4 million in the first quarter of 2024 and $85.3 million in the second quarter of 2023. The pipeline of residential loans intended to be retained in the portfolio was $24.7 million as of June 30, 2024, compared to $24.4 million as of March 31, 2024, and $27.1 million as of June 30, 2023.

Consumer originations, which include HELOCs, totaled $60.0 million during the second quarter of 2024, compared to $48.2 million in the first quarter of 2024 and $97.2 million in the second quarter of 2023. The consumer pipeline was $24.5 million as of June 30, 2024, compared to $25.1 million as of March 31, 2024 and $28.4 million at June 30, 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 $2.4 billion, representing 24% of the total portfolio at June 30, 2024, compared to $2.3 billion, or 23%, at December 31, 2023. The Company's ten largest commercial and commercial real estate funded and unfunded relationships at June 30, 2024 aggregated to $546.7 million, of which $400.6 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 36% and 235%, respectively, at June 30, 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 34% and 222%, respectively, of total consolidated risk based capital as of June 30, 2024 compared to 45% and 228%, respectively, at December 31, 2023. 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 June 30, 2024 totaled $66.8 million, and were comprised of $59.9 million of nonaccrual loans, and $6.9 million of other real estate owned ("OREO"), including $5.7 million of branches taken out of service. Overall, NPAs decreased $5.9 million, or 8%, from $72.7 million as of December 31, 2023. Nonperforming assets to total assets at June 30, 2024 decreased to 0.45% from 0.50% at December 31, 2023.

Compared to December 31, 2023, nonaccrual loans decreased $5.2 million, or 8%. Approximately 58% of nonaccrual loans were secured with real estate at June 30, 2024. Nonperforming loans to total loans outstanding at June 30, 2024 decreased to 0.60% from 0.65% at December 31, 2023. See the tables below for the payment status of nonaccrual loans.

The table below sets forth details related to nonaccrual loans.

	June 30, 2024		
	Nonaccrual Loans		
(In thousands)	**Non-Current**	**Current**	**Total**
Construction & land development	$ 202	$ 1,307	$ 1,509
Commercial real estate - owner occupied	4,021	4,322	8,343
Commercial real estate - non owner occupied	4,092	7,980	12,072
Residential real estate	5,613	7,127	12,740
Commercial and financial	9,098	14,689	23,787
Consumer	1,223	253	1,476
Total	$ 24,249	$ 35,678	$ 59,927

	December 31, 2023		
	Nonaccrual Loans		
(In thousands)	**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 six months ended June 30, 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.

The Company recorded provision expense of $4.9 million and $6.3 million, respectively, for the three and six months ended June 30, 2024, compared to $0.8 million and $30.8 million, respectively, for the three and six months ended June 30, 2023. The Company recorded net charge-offs of $9.9 million and $13.6 million, respectively, in the three and six months ended June 30, 2024, compared to $0.7 million and $3.9 million, respectively, for the three and six months ended June 30, 2023.

The ratio of allowance for credit losses to total loans was 1.41% at June 30, 2024, 1.48% at December 31, 2023, and 1.58% at June 30, 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 $749.5 million at June 30, 2024, compared to $447.2 million at December 31, 2023. Higher cash and cash equivalent balances at June 30, 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 $4.1 billion at June 30, 2024, representing 34% 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 June 30, 2024. The Company has liquidity sources as discussed below, including cash and lines of credit with the FRB and FHLB, that represent 154% of uninsured deposits, and 181% of uninsured and uncollateralized deposits.

In addition to $749.5 million in cash and cash equivalents at June 30, 2024, the Company had $5.6 billion in available borrowing capacity, including $4.3 billion in available collateralized lines of credit, $944.3 million of unpledged debt securities available as collateral for potential additional borrowings, and available unsecured lines of credit of $348.0 million. The Company may also access funding by acquiring brokered deposits. Brokered deposits at June 30, 2024 totaled $325.0 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 second quarter of 2024, Seacoast Bank distributed $13.3 million to the Company and, at June 30, 2024, is eligible to distribute dividends to the Company of approximately $156.2 million without prior regulatory approval. At June 30, 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)	June 30, 2024	December 31, 2023
Noninterest demand	$ 3,397,918	$ 3,544,981
Interest-bearing demand	2,622,755	2,790,210
Money market	3,707,761	3,314,288
Savings	566,052	651,454
Time deposits	1,496,627	1,353,655
Brokered deposits	$ 325,005	$ 122,347
Total deposits	$ 12,116,118	$ 11,776,935
Securities sold under agreements to repurchase	262,103	374,573
Total customer funding[1]	$ 12,053,216	$ 12,029,161
Noninterest demand deposits as % of total deposits	28 %	30 %

[1]Total deposits and securities sold under agreements to repurchase, excluding brokered deposits. Securities sold under agreements to repurchase consists of customer sweep accounts.

The Company benefits from a diverse and granular deposit base that serves as a significant source of strength. Total deposits increased $339.2 million, or 2.9%, to $12.1 billion at June 30, 2024 compared to December 31, 2023.

Noninterest demand deposits represented 28% and 30% of total deposits at June 30, 2024 and December 31, 2023, respectively. Customer transaction account balances (noninterest demand and interest-bearing demand) represented 50% of total deposits at June 30, 2024, compared to 54% at December 31, 2023.

Customer sweep accounts totaled $262.1 million at June 30, 2024, decreasing $112.5 million, or 30%, 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 June 30, 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 June 30, 2024, the average interest rate in effect on our outstanding subordinated debt related to trust preferred securities was 7.31%, 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 $180.0 million at June 30, 2024 with a weighted average interest rate of 4.18%, 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 June 30, 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 June 30, 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 June 30, 2024, the maximum amount available for transfer from Seacoast Bank to the Company in the form of loans approximated $184.5 million, if the Company has sufficient acceptable collateral. There were no loans made to affiliates during the six months ended June 30, 2024.

Capital Resources

The Company's equity capital at June 30, 2024 increased $22.3 million, or 1%, from December 31, 2023 to $2.1 billion. Changes in equity included an increase from net income of $56.3 million, partially offset by the payment of common stock dividends totaling $30.8 million.

The ratio of shareholders' equity to period end total assets was 14.25% and 14.46% at June 30, 2024 and December 31, 2023, respectively. The ratio of tangible shareholders' equity to tangible assets was 9.30% and 9.31% at June 30, 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 8.64% at June 30, 2024 and 8.68% at December 31, 2023.

Activity in shareholders' equity for the six months ended June 30, 2024 and 2023 follows:

(In thousands)	**2024**	**2023**
Beginning balance at December 31, 2023 and 2022	$ 2,108,086	$ 1,607,775
Net income	56,250	43,076
Stock based compensation expense	6,105	7,096
Common stock transactions related to stock based employee benefit plans	(298)	3,731
Issuance of common stock and conversion of options pursuant to acquisition	—	421,042
Repurchase of common stock	(880)	(45)
Dividends on common stock ($0.36 per share and $0.35 per share, respectively)	(30,750)	(29,852)
Change in accumulated other comprehensive income	(8,132)	1,209
Ending balance at June 30, 2024 and 2023	$ 2,130,381	$ 2,054,032

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”).

June 30, 2024	Seacoast (Consolidated)	Seacoast Bank	Minimum to be Well-Capitalized[1]
Total Risk-Based Capital Ratio	16.20%	15.29%	10.00%
Tier 1 Capital Ratio	14.79	14.08	8.00
Common Equity Tier 1 Ratio (CET1)	14.11	14.08	6.50
Leverage Ratio	11.07	10.54	5.00

[1]For 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 $156.2 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 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 July 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 Projected Baseline Net Interest Income June 30, 2024	
Change in Interest Rates	**1-12 months**	**13-24 months**
+2.00%	(9.5)%	(8.0)%
+1.00%	(4.2)%	(3.3)%
Current	—%	—%
-1.00%	0.8%	(0.4%)
-2.00%	1.1%	(2.3%)

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%	(14.5)%
+1.00%	(6.3)%
Current	—%
-1.00%	4.5%
-2.00%	7.7%

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 June 30, 2024 and concluded that those disclosure controls and procedures are effective.

During the quarter ended June 30, 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 and Use of Proceeds

During the three months ended June 30, 2024, the Company repurchased shares of its common stock as indicated in the following table:

Period	Total Number of Shares Purchased[1]	Average Price Paid Per Share	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)
4/1/24 to 4/30/24	53,179	$ 23.69	35,000	$ 99,228
5/1/24 to 5/31/24	—	—	—	99,228
6/1/24 to 6/30/24	—	22.07	4,892	99,120
Total - 2nd Quarter	53,179	$ 23.60	39,892	$ 99,120

[1]Includes 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.

39,892 shares of the Company's common stock were repurchased under the program during the three months ended June 30, 2024.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

Trading arrangements

There were no 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 June 30, 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 June 30, 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 June 30, 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
August 7, 2024	/s/ Charles M. Shaffer
	Charles M. Shaffer
	Chairman and Chief Executive Officer
August 7, 2024	/s/ Tracey L. Dexter
	Tracey L. Dexter
	Executive Vice President and Chief Financial Officer

EXHIBIT 31.1

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: August 7, 2024	/s/ Charles M. Shaffer
	Charles M. Shaffer
	Chairman and Chief Executive Officer

EXHIBIT 31.2

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: August 7, 2024

/s/ Tracey L. Dexter

Tracey L. Dexter

Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

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 June 30, 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: August 7, 2024

/s/ Charles M. Shaffer
Charles M. Shaffer
Chairman and Chief Executive Officer

EXHIBIT 32.2

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 June 30, 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: August 7, 2024

/s/ Tracey L. Dexter
Tracey L. Dexter
Executive Vice President and Chief Financial Officer