

Risk Factors Comparison 2025-03-05 to 2024-03-07 Form: 10-K

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We are subject to risks and uncertainties that could potentially negatively impact our business, financial conditions, results of operations and cash flows. In evaluating us and our business and making or continuing an investment in our securities, you should carefully consider the risks described below as well as other information contained in this Form 10-K and any risk factors and uncertainties discussed in our other public filings with the SEC under the caption “ Risk Factors ”. We may face other risks that are not contained in this Form 10-K, including additional risks that are not presently known, or that we presently deem immaterial. This Form 10-K and the risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in such forward-looking statements. Please refer to the section in this Form 10-K titled “ Cautionary Note Regarding Forward-Looking Statements ” for additional information regarding forward-looking statements. Risks related to Funding and Liquidity Liquidity risks could affect our operations and jeopardize our financial condition and certain funding sources could increase our interest rate expense. Liquidity is essential to our business. An inability to raise funds through deposits, borrowings, proceeds from loan repayments or sales, and other sources could have a substantial negative effect on our liquidity. Our funding sources include deposits (core and non-core), federal funds purchased, securities sold under repurchase agreements, short- and long- term debt, the Federal Reserve Discount Window (Discount Window) and Federal Home Loan Bank of Atlanta, or FHLB, advances. We also maintain a portfolio of securities that can be used as a source of liquidity. A substantial portion of our liabilities consist of deposit accounts that are payable on demand or upon several days' notice, including deposit accounts from Large Fund Providers (third- party customer relationships with balances of over \$ 20 million). We also use brokered deposits and wholesale funding, which not only increases our liquidity risk but could also increase our interest rate expense and potentially increase our deposit insurance costs. Institutions that are less than well-capitalized may be unable to raise or renew brokered deposits under the prompt corrective action rules. See “ Supervision and Regulation — Capital Requirements ” in the Form 10-K. Any significant restriction or disruption of our ability to obtain funding from these or other sources could have a negative effect on our ability to satisfy our current and future financial obligations, which could materially affect our financial condition or results of operations. Our access to funding sources in amounts adequate to finance or capitalize our activities on terms which are acceptable to us could be impaired by factors that affect us specifically or the financial services industry or the economy in general, including but not limited to: a downturn in economic conditions in the geographic markets in which we operate or in the financial or credit markets in general; increases in interest rates; the liquidity needs of our depositors as well as competition for deposits; the availability of sufficient collateral that is acceptable to the FHLB and the Federal Reserve Bank, fiscal and monetary policy; and regulatory changes. In addition, our ability to otherwise borrow money or issue and sell debt will depend on a variety of factors such as market conditions, the general availability of credit, our credit ratings, and our credit capacity. Alternative funding to deposits may carry higher costs. If we are required to rely more heavily on more expensive and potentially less stable funding sources or if additional financing sources are unavailable or are not available on acceptable terms, our profitability, liquidity, and prospects could be adversely affected. We may not be able to develop and maintain a strong core deposit base or other low- cost funding sources. Our deposits (including checking, savings, money market and other deposits) are the primary funding source for our lending activities. Our future growth will largely depend on our ability to expand core deposits, which provide a less costly and stable funding source. The deposit markets are competitive; therefore, growing our core deposit base could be difficult. In a competitive market, depositors have many choices for where to place their deposits. As we continue to grow our core deposit base and seek to reduce our exposure to high rate / high volatility accounts, we may experience a net deposit outflow, which could negatively impact our business, financial condition, results of operations, or cash flows. We may elect or be compelled to seek additional capital in the future, but that capital may not be available when it is needed or on acceptable terms. We and the Bank are required by federal regulatory authorities to maintain adequate levels of capital to support our operations. While we believe that our existing capital (which currently exceeds the capital requirements) will be sufficient to support our current operations and expected growth. However, factors such as faster- than- anticipated growth, reduced earnings levels, operating losses, changes in economic conditions, revisions in regulatory requirements, or acquisition opportunities may lead us to seek additional capital. Our ability to raise additional capital, if needed, will depend on our financial performance and the conditions in the capital markets, economic conditions, and other factors, many of which are outside our control. Accordingly, we may be unable to raise additional capital if needed or on acceptable terms. If we cannot raise additional capital when needed, our ability to further expand our operations, business, financial condition, results of operations, and cash flows could be adversely affected, and the price of our securities may decline. Our ability to receive dividends from our subsidiaries could affect our liquidity and our ability to pay dividends. We are a legal entity separate and distinct from the Bank and our other subsidiaries. The Federal Reserve Act, Section 23A, limits our ability to borrow from the Bank and our principal source of cash, other than securities offerings, is dividends from the Bank. These dividends are the principal source of funds to pay dividends on our common stock, as well as interest on our junior subordinated debentures and interest and principal on our Senior Notes and our Subordinated Notes. Several laws and regulations limit the amount of dividends that the Bank may pay us as well as the dividends that we may pay on our common stock, see “ Supervision and Regulation- Payment of Dividends. ” Limitations on our ability to receive dividends from our subsidiaries could adversely affect our liquidity and on our ability to service our debt and pay dividends. We cannot assure that we will continue to pay dividends on our common stock in the future. Future dividends will be declared and paid at the discretion of our Board of Directors and will depend on a number of factors including, our results of operations,

financial condition, liquidity, capital adequacy, cash requirements, prospects, regulatory capital and limitations, among others. Our inability to service our debt, pay our other obligations or pay dividends to our shareholders could adversely impact our financial condition and the value of our securities. Risks related to Credit and Interest Rate Our profitability is subject to interest rate risk. Our profitability depends largely upon net interest income, which is the difference between interest earned on assets, such as loans and investments, and interest expense on interest-bearing liabilities, such as deposits and borrowings. Interest rate changes may impact our profits and the values of several of our assets and liabilities. We expect to periodically experience “gaps” in the interest rate sensitivities of the Company’s assets and liabilities, meaning that either our interest-bearing liabilities will be more sensitive to changes in market interest rates than our interest-earning assets, or vice versa. If interest rates rise, our net interest income and the value of our assets could be reduced if interest paid on interest-bearing liabilities, such as deposits and borrowings, increases more quickly than interest received on interest-earning assets, such as loans and investment securities. In addition, rising interest rates may reduce the demand for loans and the volume of mortgage originations and refinancings, adversely affecting the profitability of our business. Increases in market interest rates may also impact our customers’ ability to repay their loans, which could increase the potential for default and our level of nonperforming assets and adversely affect our operating results. Further, when loans are placed on nonaccrual status any accrued but unpaid interest receivable is reversed, which decreases interest income; simultaneously, we will continue to have a cost to fund the loan, which is reflected as interest expense, without any interest income to offset the associated funding expense. Thus, an increase in the amount of nonperforming assets would have an adverse impact on net interest income. Also, in a rising interest rate environment, fixed-rate loans may adversely affect our margin and present asset / liability mismatches and risks since our liabilities are generally floating rate or have shorter maturities. In declining rate environments, we may experience numerous loan prepayments and replacement loans may be priced at a lower rate, decreasing our net interest income. Further, should market interest rates fall below current levels, our net interest income could also be negatively affected if competitive pressures keep us from further reducing rates on our deposits, while the yields on our assets decrease through loan prepayments and interest rate adjustments. Since our balance sheet is asset sensitive, a decrease in interest rates or a flattening or inversion of the yield curve could adversely affect us. Market interest rate changes are unpredictable and caused by many factors beyond our control, including general economic conditions (inflation, recession, and unemployment), fiscal and monetary policy, and changes in the United States and other financial markets. In a rapidly changing interest rate environment, we may be unable to manage our interest rate risk effectively, which could adversely impact our business, financial condition, results of operations, or cash flows. Our allowance for credit losses may prove inadequate. The determination of the appropriate level of the allowance for credit losses inherently involves a high degree of subjectivity and judgment and requires us to make various assumptions and estimates about the collectability of our loan portfolio, including the creditworthiness of our borrowers, the value of the collateral securing our loans, our delinquency experience, economic conditions and trends, reasonable and supportable forecasts, and credit quality indicators (including past charge-off experience and levels of past due loans and nonperforming assets). We cannot assure that these assumptions and estimates will be adequate over time to cover expected credit losses in our portfolio. These assumptions and estimates may be affected by changes in the economy, market conditions, or events negatively impacting specific customers, industries or markets, or borrowers repaying their loans. If our allowance for credit losses on loans is not adequate, our business, financial condition, results of operations, or cash flows could be adversely affected. In addition, bank regulatory agencies periodically review our allowance for credit losses and may require an increase in the provision for credit losses or the recognition of further charge-offs. Any increases in the provision for credit losses will result in a decrease in net income and may adversely affect our business, financial condition, results of operations, or cash flows. On December 31, 2022, we ceased to be an Emerging Growth Company, and we implemented FASB’s Accounting Standards Codification (“ASC”) Topic 326, Financial Instruments- Credit Losses, a new guidance on accounting for current expected credit losses on financial instruments (“CECL”). This guidance substantially changed the accounting for credit losses on loans and other financial assets held by banks, financial institutions, and other organizations. The standard changed the previous incurred loss impairment methodology in GAAP. Under the incurred loss model, we recognized losses when they were incurred. On the other hand, CECL requires loans held for investment and debt securities held to maturity to be presented at the net amount expected to be collected (net of the allowance for credit losses). CECL generally results in earlier recognition of expected credit losses and may result in higher provision for credit losses and higher volatility in the quarterly provision for credit losses. Future provisions under the CECL model could adversely affect our business, financial condition, results of operations, or cash flows. Our concentration of CRE loans could result in increased loan losses. CRE is cyclical and poses risks of possible loss due to concentration levels and risks of the assets being financed. Disruptions in markets, economic conditions, including those resulting from a pandemic, changes in laws or regulations or other events could have a significant impact on the ability of our customers to repay and may adversely affect our business, financial condition, results of operations, or cash flows. Our CRE loans included approximately \$ 1. ~~2~~¹ billion and \$ 1. ~~4~~² billion of fixed rate loans at December 31, ~~2024~~ and 2023 and ~~2022~~, respectively. In a rising interest rate environment, fixed rate loans may adversely affect our margin and present asset / liability mismatches and risks since our liabilities are generally floating rate or have shorter maturities. As of December 31, ~~2023~~²⁰²⁴, the Bank’s portfolio of CRE loans was ~~274~~²³⁹. ~~3~~⁴ % of its risk-based capital, or ~~38~~³⁴. ~~4~~⁵ % of its total loans, as of December 31, ~~2023~~²⁰²⁴ compared to ~~289~~²⁷⁴. ~~1~~³ % of its risk-based capital, or ~~45~~³⁸. ~~3~~⁴ % of its total loans, as of December 31, ~~2022~~²⁰²³. We cannot assure that our CRE concentration risk management program will effectively manage our CRE concentration. CRE loans as well as other loans in our portfolio are secured by real estate. We may experience a significant level of nonperforming real estate loans if the economic conditions of the markets where we operate deteriorate, or in areas where real estate market conditions become distressed. The value of the collateral securing those loans and the revenue stream from those loans could be negatively impacted, and additional provisions for the allowance for credit losses could be required. Our ability to dispose of Other Real Estate Owned (“OREO”) properties at prices at or above the respective carrying values

could also be impaired, causing additional losses. In addition, if the United States economy returns to a recessionary state, management believes that it could significantly affect the economic conditions of the market areas we serve and we could experience significantly higher delinquencies and loan losses, and therefore impact our earnings and financial condition, including our capital and liquidity. Many of our loans are to commercial borrowers, which have unique risks compared to other types of loans. As of December 31, ~~2023~~ **2024**, approximately \$ ~~2.3~~ **5** billion, or ~~34~~ **35**%, and \$ ~~1.5~~ **8** billion, or ~~22~~ **26**%, of our loan portfolio was comprised of CRE loans and commercial loans, respectively. Since payments on these loans are often dependent on the successful operation or development of the property or business involved, their repayment is sensitive to adverse conditions in the real estate market and the general economy and the collateral securing these loans may not be sufficient to repay the loan in the event of default. Consequently, downturns in the real estate market and economy increase the risk related to commercial loans, including CRE loans. Unlike residential mortgage loans, which generally are made on the basis of the borrowers' ability to make repayment from their employment and other income and which are secured by real property whose value tends to be more easily ascertainable, commercial loans typically are made on the basis of the borrowers' ability to make repayment from the cash flow of the commercial venture. Our commercial loans are primarily made based on the identified cash flow of the borrower and secondarily on the collateral underlying the loans. Most often, this collateral consists of accounts receivable, inventory and equipment. Inventory and equipment may depreciate over time, may be difficult to appraise and may fluctuate in value based on the success of the business. In some cases, the repossession of collateral may not be possible or may be delayed which could negatively impact the value we may realize from that collateral to repay the loan. If the cash flow from business operations is reduced, the borrower's ability to repay the loan may be impaired. We attempt to mitigate this risk through our underwriting standards, including evaluating the creditworthiness of the borrower, and regular monitoring. However, these procedures cannot entirely eliminate the risk of loss associated with commercial lending. Due to the larger average size of each commercial loan as compared with other loans such as residential loans, as well as collateral that is generally less readily- marketable, losses incurred on a small number of commercial loans could have a material adverse impact on our financial condition and results of operations. ~~Also~~ **In addition, many of the these COVID-19 pandemic affected the markets where we operate, in particular, in the metropolitan New York area, where we no longer generate loans but still had are made to small business or middle market customers. In general, these businesses have less capital or borrowing capacity than larger businesses, may be more vulnerable to declines in economic conditions, often need substantial additional capital to expand or compete, and may experience significant volatility in operating results, any of which, individually or in the aggregate, may impair their ability to repay their** loans held for investment as of December 31, ~~which could~~ **2023** totaling \$ ~~217.0~~ million corresponding to commercial real estate properties, including retail and office properties. ~~These properties have been a material adverse effect on our business, financial condition and may continue to be, results negatively impacted by the consequences of the pandemic-operations or cash flows~~. If a decline in economic conditions, natural disasters affecting business development or other issues cause difficulties for our borrowers of these types of loans, if we fail to assess the credit of these loans accurately when underwriting them or if we fail to adequately continue to monitor the performance of these loans, our loan portfolio could experience delinquencies, defaults and credit losses that could have a material adverse effect on our business, financial condition, results of operations or cash flows. Our valuation of securities and the determination of a credit loss allowance in our investment securities portfolio are subjective and, if changed, could materially adversely affect our results of operations or financial condition. Fixed- maturity securities, as well as short- term investments which are reported at estimated fair value, represent the majority of our total investments. We generally define fair value as the price that would be received in the sale of an asset or paid to transfer a liability. Considerable judgment is often required in interpreting market data to develop estimates of fair value, and the use of different assumptions or valuation methodologies may have a material effect on the estimated fair value amounts. During periods of market disruption (including periods of significantly rising or high interest rates, or rapidly widening credit spreads) certain asset classes may become illiquid and it may be difficult to value certain of our securities if trading becomes less frequent or market data becomes less observable. In those cases, the valuation process includes inputs that are less observable and require more subjectivity and management judgment. Valuations may result in estimated fair values which vary significantly from the amount at which the investments may ultimately be sold. Further, rapidly changing and unprecedented credit and equity market conditions could materially affect the valuation of securities in our financial statements and the period- to- period changes in estimated fair value could vary significantly. As of December 31, ~~2023~~ **2024**, the fair value of the Company's debt securities available for sale was approximately \$ ~~1.4~~ **4** billion, compared to \$ ~~1.2~~ **1** billion, compared to \$ ~~1.1~~ **1** billion as of December 31, ~~2022~~ **2023**. As of December 31, ~~2023~~ **2024** debt securities available- for- sale had net unrealized holding losses of \$ ~~100.0~~ **55.3** million (\$ ~~113.0~~ **100.0** million in ~~2022~~ **2023**) and net unrealized holding gains of \$ ~~3.0~~ **2.9** million (\$ ~~1.3~~ **0.2** million in ~~2022~~ **2023**). In ~~2023~~ **2024**, the Company recorded pre- tax net unrealized holding losses of \$ ~~14.4~~ **2.9** million (\$ ~~127.1~~ **14.7** million in ~~2022~~ **2023**) which are included in accumulated other comprehensive (loss) income for the period. These unrealized losses were mainly attributable to increases in market interest rates during the periods which translated into a decline in the estimated fair value of debt securities ~~markets and other instruments~~. Beginning January 1, 2022, debt securities available for sale are analyzed for credit losses under the new guidance on accounting for CECL, which requires the Company to determine whether the securities are considered impaired because their fair value is below their amortized cost basis as of the reporting date, and whether there is a need of a credit loss allowance. An allowance for credit losses is established for losses on debt securities available for sale due to credit losses and is reported as a component of provision for credit losses. Accrued interest is excluded from our expected credit loss estimates. In ~~2023~~ **2024**, the Company did not record an allowance for estimated credit losses on any of its debt securities available for sale. For more information about CECL, see Note 1 of our audited consolidated financial statements in this Form- 10- K. Prior to January 1, 2022, our debt securities classified as available for sale or held to maturity were generally evaluated for other than temporary impairment under the applicable accounting guidance. The valuation of our

investment portfolio is also influenced by external market and other factors, including implementation of SEC and FASB guidance on fair value accounting. Accordingly, if market conditions deteriorate further and / or accounting guidance is updated and we determine our holdings of investment securities have experienced credit losses, our future earnings, financial condition, regulatory capital and continuing operations could be materially adversely affected. Nonperforming and similar assets take significant time to resolve and may adversely affect our business, financial condition, results of operations, or cash flows. At December 31, **2024 and 2023 and 2022**, our nonperforming loans totaled \$ **104.1 million and \$ 34.4 million and \$ 37.6 million**, respectively, or **1.43 % and 0.47 % and 0.54 %** of total loans, respectively. We had ~~no~~ OREO balances **of \$ 18.1 million and \$ 20.2 million** at December 31, **2024 and 2023 and 2022**, respectively. Our non-performing assets may adversely affect our net income in various ways. We do not record interest income on nonaccrual loans or OREO, and these assets require higher loan administration and other costs, thereby adversely affecting our income. Decreases in the value of these assets, or the underlying collateral, or in the related borrowers' performance or financial condition, whether or not due to economic and market conditions beyond our control, could adversely affect our business, financial condition, results of operations, or cash flows. Any increase in our nonperforming assets and related increases in our provision for credit losses could negatively affect our business and could have a material adverse effect on our capital, financial condition and results of operations. In addition, the resolution of nonperforming assets requires commitments of time from management, which can be detrimental to their other responsibilities. We cannot assure you we will not experience increases in nonperforming loans, OREO and similar nonperforming assets in the future. We are subject to environmental liability risk associated with lending activities. A significant portion of our loan portfolio is secured by real property. During our ordinary course of business, we may foreclose on and take title to properties securing certain loans. There is a risk that hazardous or toxic substances could be found on these properties. If hazardous or toxic substances are found, we may be liable for remediation costs, as well as for personal injury and property damage. Environmental laws may require the Company to incur substantial expenses and may materially reduce the affected property's value or limit our ability to use or sell the affected property. In addition, future laws or more stringent interpretations or enforcement policies with respect to existing laws and regulations may increase our exposure to environmental liability. Environmental reviews of real property before initiating foreclosure may not be sufficient to detect all potential environmental hazards. The remediation costs and any other financial liabilities associated with an environmental hazard could have a material adverse effect on the Company's business, financial condition, results of operations, or cash flows.

Deterioration Weakness in the real estate markets, including demand for mortgage loans or in the secondary market for residential mortgage loans, can adversely affect us. **A Interest rates, housing inventory, housing demand, and other market conditions have a direct effect on mortgage loan originations. Since 2022, as market interest rates increased, the demand for residential mortgage loans has declined, negatively impacting revenue from our mortgage business, primarily due to lower mortgage volumes. Noninterest income from our mortgage operations may continue to suffer as a result of decreased loan origination activity caused by an economic downturn, fewer refinancing transactions, higher interest rates, or housing price pressure. Also, our results of operations are affected by the amount of noninterest expenses (including personnel and systems infrastructure expenses) associated with our mortgage business activities. During periods of reduced loan demand, our results of operations may be adversely affected should we be unable to reduce expenses proportionate with the decline in mortgage loan origination activity. In addition, a** decrease in residential real estate market prices or lower levels of home sales, could result in lower single family home values, adversely affecting the value of collateral securing residential mortgage loans and residential property collateral securing loans that we hold, mortgage loan originations and gains on the sale of mortgage loans. A decline in real estate prices increases delinquencies and losses on certain mortgage loans, generally, and particularly on second lien mortgages and home equity lines of credit. A substantial portion of our single family loans consist of jumbo loans, and the secondary market for jumbo mortgages has historically been less liquid compared to conforming loans. Significant ongoing disruptions in the secondary market for residential mortgage loans can limit the market for and liquidity of most residential mortgage loans other than conforming Fannie Mae and Freddie Mac loans. Deteriorating trends could occur, including declines in real estate values, home sales volumes, financial stress on borrowers as a result of job losses, increase in interest rates or other factors. These could adversely impact borrowers and result in higher delinquencies and greater charge-offs in future periods, which would adversely affect our business, financial condition, results of operations, or cash flows. In the event our allowance for credit losses on these loans is insufficient to cover such losses, our business, financial condition, results of operations, or cash flows could be adversely affected.

Risks Related to Our Business and Operations Many of our major systems depend on and are operated by third-party vendors, and any systems failures or interruptions could adversely affect our operations and the services we provide to our customers. We outsource many of our major systems and critical back-office operations, such as data processing, recording, and monitoring transactions, online banking interfaces and service, internet connections and network access. For example, we entered into a new multi-year outsourcing agreement with the world's largest provider of banking and payments technology, to assume full responsibility over a significant number of the Bank's support functions and staff, including certain critical back-office operations. In November 2023 we transitioned our entire core banking system to the one this vendor offers and services. An interruption or failure of the services we receive through these outsourced systems could cause an interruption of our operations. The occurrence of any systems failure or interruption could damage our reputation and result in a loss of customers and business, could subject us to additional regulatory scrutiny, or could expose us to legal liability. Any of these occurrences could have a material adverse effect on our business, financial condition, results of operations, or cash flows. Our information systems are exposed to cybersecurity threats and may experience interruptions and security breaches that could adversely affect our business and reputation. We rely heavily on communications and information systems, including those provided by third-party service providers, to conduct our business. Any failure, interruption, or security breach of these systems could result in failures or disruptions which could impact our ability to serve our customers, operate our business and affect our customers' privacy and

could damage our reputation, result in a loss of business, subject us to additional regulatory scrutiny or enforcement or expose us to civil litigation and possible financial liability. Our systems and networks, as well as those of our third- party service providers, are subject to security risks and could be susceptible to cyberattacks by third parties, including through coordinated attacks sponsored by foreign nations and criminal organizations to disrupt business operations and other compromises to data and systems for political or criminal purposes. Cyber threats are rapidly evolving and we may not be able to anticipate or prevent all such attacks and could be held liable for any security breach or loss. These risks have increased with the implementation of remote and / or hybrid work protocols and may continue to increase in the future as the use of mobile banking and other internet- based products and services continues to grow. For example, in August 2022 and November 2023, we were notified by different third- party vendors that they had experienced potential cybersecurity incidents. On both occasions, we activated our incident response plan and the vendors completed forensic analyses to determine whether information from the Bank' s customers was accessed and exfiltrated in an unauthorized manner. Once the forensic analyses were completed, we worked with the vendors and outside advisors to determine the appropriate course of action, including having the vendors provide notice to our affected customers and offer free credit monitoring services when appropriate. Our business, financial condition, or results of operations were not materially adversely affected by these cybersecurity incidents. We are not aware of any continuing cybersecurity threats or breaches involving these vendors, however, we, as well as our customers, regulators, and service providers, have experienced and will likely continue to experience a significant increase in information security and cybersecurity threats and attacks, see Item 1C. Cybersecurity for an additional discussion on our information security program. Despite our cybersecurity policies and procedures and our efforts to monitor and ensure the integrity of our and our service providers' systems, we may not be able to anticipate all types of security threats, nor may we be able to implement preventive measures effective against all such security threats. In addition, the impact and severity of a particular cyberattack may not be immediately clear, and it may take a significant amount of time before such determination can be made. While the investigation of a cyberattack is ongoing, we may not be fully aware of the extent of the harm caused by the cyberattack and it may not be clear how to contain and remediate such harm and any damage may continue to spread. Security breaches or failures may have serious adverse financial and other consequences, including significant legal and remediation costs, disruption of operations, misappropriation of confidential information, damage to systems operated by us or our third- party service providers, as well as damaging our customers and our counterparties. Such losses and claims may not be covered by our insurance. In addition to the immediate costs of any failure, interruption or security breach, including those at our third- party service providers, these events could damage our reputation, result in a loss of customer business, subject us to additional regulatory scrutiny, or expose us to civil litigation and possible financial liability, any of which could adversely affect on business, financial condition, results of operations, or cash flows. Our strategic plan and growth strategy may not be achieved as quickly or as fully as we seek. The implementation of our strategic plan and growth strategy may take longer than we anticipate to implement, and the results we achieve may not be as successful as we seek, all of which could adversely affect our business, financial conditions, results of operations, or cash flows. Additionally, the results of our strategic plan and growth strategy are subject to the other risks described herein that affect our business, which include: lending, interest rate risk, seeking deposits and wealth management clients in highly competitive domestic markets; our ability to achieve our growth plans or to manage our growth effectively; the benefits from our technology investments **may not be realized**, including the benefits and cost savings we expect to achieve from our ~~or outsourcing relationship with FIS,~~ may take longer than expected to be realized and may not be as large as expected, or may require additional investments; and if we are unable to **achieve economies of scale or** reduce our cost structure, we may not be able to meet our profitability objectives. Defaults by or deteriorating asset quality of other financial institutions could adversely affect us. Financial services institutions are interrelated as a result of trading, clearing, counterparty, or other relationships. We ~~have exposure to many different industries and counterparties, and~~ routinely execute transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, and other institutional clients. Many of these transactions expose us to credit risk and losses in the event of a default by a counterparty. Any such losses could have a material adverse effect on our business, financial condition, results of operations or cash flows. We also may have exposure to these financial institutions in the form of unsecured debt instruments, derivatives and other securities. **As a result, defaults by, or even rumors or questions about, one or more financial services institutions, or the financial services industry in general, have led to market- wide liquidity problems and could lead to losses or defaults by us or by other institutions in the future.** Further, potential action by governments and regulatory bodies in response to financial crises affecting the global and U. S. banking systems and financial markets, such as nationalization, conservatorship, receivership and other intervention, or lack of action by governments and central banks, as well as deterioration in ~~the banks a~~ **financial institution** 's creditworthiness, could adversely affect the value and / or liquidity of these instruments, securities, transactions and investments or limit our ability to trade with them. Any losses or impairments to the carrying value of these investments or other changes may adversely affect our business, financial condition, results of operations, or cash flows. ~~The events in 2023 resulting in the failure of several banks in the U. S. may also result in potentially adverse changes to laws or regulations governing banks and bank holding companies or result in the imposition of restrictions through supervisory or enforcement activities, including higher capital requirements, which could adversely affect our business, financial condition, results of operations~~ or cash flows. New lines of business, new products and services, or strategic project initiatives may subject us to additional risks. We periodically evaluate our service offerings and, occasionally, may seek to implement new lines of business or offer new products and services within existing lines of business. There are substantial risks and uncertainties associated with these efforts, including external factors, such as compliance with regulations, competitive alternatives, and shifting market preferences, that may impact the successful implementation of a new line of business and / or a new product or service. In developing and marketing new lines of business and / or new products and services, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and / or new products or services

may not be achieved, and price and profitability targets may not prove feasible, which could in turn have a material negative effect on our operating results. Additionally, any new line of business and / or new product or service could require the establishment of new key and other controls and have a significant impact on our existing system of internal controls. Failure to successfully manage these risks in the development and implementation of new lines of business and / or new products or services could adversely affect our business, financial condition, results of operations, or cash flows. We **face significant and are susceptible to** operational risks **in general and fraudulent risk in particular**. We operate many different financial service functions and rely on the ability of our employees, third party vendors and systems to process a significant number of transactions. Operational risk is the risk of loss from operations, including fraud by employees or outside persons, employees' execution of incorrect or unauthorized transactions, data processing and technology errors or hacking and breaches of internal control systems. **We** ~~These risks have~~ **adopted flexible** ~~increased in light of remote and hybrid work arrangements that were~~ **permit some employees to work from home full or part time, and these work arrangements could strain our technology resources and introduce operational risks, including heightened cybersecurity risk, as remote working environments can be less secure.** We, as other financial institutions, are inherently exposed to fraud risk. **Fraudsters are leveraging new technologies, including artificial intelligence, to impersonate our customers and / or steal personally identifiable information to commit fraud. Fraudulent activity can take many forms and has increased as new products and features that facilitate the access for financial services are implemented, such as real in response to the COVID- 19 pandemic time payment services. We are susceptible to fraud being perpetrated by customers, and currently remain employees, vendors, or members of the general public. We are subject to fraud risk in connection with loan origination, payment transactions (including ACH transactions, wire transactions, and digital payments), ATM transactions, checking, withdrawal transactions and other transactions. In connection with loan origination, we significantly rely on information supplied by loan applicants and third parties, including the information contained in the loan application, appraisals of property, title information as well as employment and income documentation provided by third parties. If any of this information is misrepresented and we do not detect such misrepresentation prior to funding, we generally bear the risk of loss related to the misrepresentation. Although we are constantly investing in systems, resources, and controls aimed at mitigating fraud risk, there can be no assurance that our efforts will be effective in detecting and preventing fraud or that we will not incur fraud losses or costs or other damage related to such fraud, at levels that adversely effect affect our business, financial condition, results of operations, cash flows, or reputation.** We may not have the ability or resources to keep pace with rapid technological changes in the financial services industry or implement new technology effectively. The financial services industry is undergoing rapid technological changes with frequent introductions of new technology- driven products and services. In addition to allowing us to service our clients better, the effective use of technology may increase efficiency and may enable financial institutions to reduce costs and the risks associated with fraud and other operational risks. Our future success will partially depend upon our ability to use technology effectively. We may be unable to effectively implement new technology- driven enhancements of products and services as quickly or at the costs anticipated, which could impair our ability to realize the anticipated benefits from such new technology or require us to incur significant costs to remedy any such challenges in a timely manner. Many larger competitors have substantially greater resources to invest in technological improvements and, increasingly, non- banking firms are using technology to compete with traditional lenders for loans and other banking services. Third parties and vendors upon which we rely for our technology needs may not be able to develop, on a cost-effective basis, systems that will enable us to keep pace with such developments. As a result, our larger competitors may be able to offer additional or superior products compared to those that we will be able to provide, which would put us at a competitive disadvantage. We may lose customers seeking new technology- driven products and services to the extent we are unable to provide such products and services. The ability to keep pace with technological change is important and the failure to do so could adversely affect our business, financial condition, results of operations, or cash flows. Conditions in Venezuela could adversely affect our operations. At December 31, ~~2023~~ **2024**, 24 % of our deposits, or approximately \$ 1. 9 billion, were from Venezuelan residents. ~~The Bank's Venezuelan deposits have declined from December 31, 2019 to December 31, 2023 (see Deposits by Country of Domicile in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations). These declines were due in part to actions by the Company to reduce its compliance costs and to economic conditions in Venezuela that adversely impact our Venezuelan customers' ability to generate and save U. S. dollars.~~ All of the Bank's deposits are denominated in U. S. Dollars. Adverse economic conditions in Venezuela may continue to negatively affect our Venezuelan deposit base, as customers residing in Venezuela rely on their U. S. Dollar deposits to fund living expenses and other necessities without being able to generate additional U. S. Dollars. In addition, although we seek to increase our trust, brokerage and investment advisory business from our domestic markets, substantially all our revenue from these services currently is from Venezuelan customers. Economic and other conditions in Venezuela, or U. S. regulations or sanctions affecting the services we may provide to our Venezuelan customers may adversely affect the amounts of assets we manage or custody, and the trading volumes of our Venezuelan customers, reducing fees and commissions we earn from these businesses, and may adversely affect our business, financial condition, results of operations, or cash flows. **We** ~~Our ability to achieve our environmental, social and governance goals are subject to~~ **environmental, social and governance, or ESG,** risks, many of which are outside of our control, ~~and that could harm our reputation could be harmed if we fail to meet such goals, our~~ **business, operations, financial condition, and / or the price of our common stock.** Companies across all industries are facing scrutiny from stakeholders **(among them shareholders, customers, employees, federal and state regulatory authorities, and policy makers)** related to ESG matters. **These stakeholders may often have differing, and sometimes conflicting, priorities and expectations regarding ESG issues. Recently, there have been an increase in the number of state- level anti- ESG initiatives in the U. S. that may conflict with regulatory requirements or our various stakeholders' expectations. Also, diversity, equity and inclusion (" DEI ") practices being implemented by corporations have recently**

come under increased scrutiny and recent actions taken by federal executive branch agencies and federal and state attorneys general may signal an increased focus on investigating private entities with respect to DEI programs and policies, including practices publicly traded companies. These conflicting and disclosures divergent attitudes towards ESG-related matters increase the risk that any action to environmental stewardship; social responsibility; diversity, equity and inclusion; and workplace rights. Our ability to achieve our or lack thereof ESG targets, including our goal to have offered \$ 500 million in sustainable financing by 2025, and our plan to lead us to carbon neutral operations on such matters will be perceived negatively by some stakeholders 2030 along with our other ESG targets for 2024- 2030, and to accurately and transparently report our progress presents numerous operational, financial, legal and other risks, may be dependent on the actions of third parties, all of which are outside of our control. If we are unable to meet our expectations and standards from stakeholders, including policy makers, regarding ESG related issues targets or stakeholder expectations and industry standards, or if we are perceived to have not responded appropriately, or take action in conflict with one or another of those stakeholder's expectations, our reputation could be negatively impacted. In addition, in recent years, investor advocacy groups and certain institutional investors have placed increasing importance could lead to loss of business, adverse publicity, or customer complaints. Any negative impact on our reputation in connection with ESG matters. If, changes in investing priorities among as a result of their assessment of our ESG practices, certain investors, are unsatisfied with our or actions any loss of business resulting from these issues, may adversely affect or our progress business, financial condition, operations, and / or effects they- the may reconsider their investment in our company. As the nature, scope and complexity of ESG reporting, diligence and disclosure requirements expand, including the SEC's proposed disclosure requirements regarding trading price of, among other matters, Greenhouse gas emissions, we may have to undertake additional costs to control, assess and report on ESG metrics. Any failure or our common stock perceived failure, whether or not valid, to pursue or fulfill our ESG goals, targets and objectives or to satisfy various ESG reporting standards within the timelines we announce, or at all, could increase the risk of litigation. We may be unable to attract and retain key people to support our business. Our success depends, in large part, on our ability to attract and retain experienced personnel in key positions. Intense competition exists in the activities and markets that we serve for candidates with appropriate qualifications and demonstrated ability. If we are unable to hire and retain key individuals, we may be unable to implement our business strategy and our business, financial condition and results of operations may be negatively impacted. Our ability to attract and retain employees could also be impacted by changing workforce expectations, practices, and preferences, including remote work and hybrid work preferences, and increasing labor shortages and competition for labor, which could increase labor costs. Failure to attract well- qualified employees or to develop and retain our employees may adversely affect our business, financial condition, results of operations, or cash flows. Severe weather, natural disasters, global pandemics, acts of war or terrorism, theft, civil unrest, government expropriation or other external events could have significant effects on our business. Severe weather and natural disasters, (including hurricanes, tornados, earthquakes, fires, droughts and floods), acts of war or terrorism (such as hostilities in Russia's invasion of Ukraine and the Middle- East region hostilities in Israel and surrounding areas), epidemics and global pandemics (such as the recent COVID- 19 outbreak), theft, civil unrest, government expropriation, condemnation or other external events in the markets where we operate or where our customers live (including Venezuela) could have a significant effect on our ability to conduct business. Such events could affect the stability of our deposit base, impair the ability of borrowers to repay outstanding loans, impair the value of collateral securing loans, cause significant property damage, impair employee productivity, result in loss of revenue and / or cause us to incur additional expenses. The occurrence of any such event could adversely affect our business, financial condition, results of operations, or cash flows. Our business is mainly concentrated in two markets: South Florida and the Houston greater Tampa, Texas Florida area, which may increase our risks from extreme weather. These two market areas are susceptible to hurricanes, tropical storms and other similar severe weather events which could have the effects indicated above. Additionally, the potential for such weather events has and may continue to cause our customers to incur higher property and casualty insurance premiums which may adversely affect the value and sales of real estate in the markets we operate. Additionally, the impact of severe weather in the markets where we operate has and may continue to increase the cost and reduce the availability of insurance needed for our business operations. Any failure to protect the confidentiality of customer information could adversely affect our reputation and subject us to financial sanctions and other costs that could adversely affect our business, financial condition, results of operations, or cash flows. Various federal, state and foreign laws enforced by the bank regulators and other agencies protect the privacy and security of customers' non- public personal information. Many of our employees have access to, and routinely process, sensitive personal customer information, including through their access to information technology systems. An employee could, intentionally or unintentionally, disclose or misappropriate confidential client information or our data could be the subject of a cybersecurity attack (including intrusion by hackers, and phishing attacks). If we or any of our third party vendors are subject to a successful cybersecurity attack or fail to maintain adequate internal controls, or if our employees fail to comply with our policies and procedures, misappropriation or intentional or unintentional inappropriate disclosure or misuse of client information could occur. Such cyberattacks, if they result from internal control inadequacies or non- compliance, could materially damage our reputation, lead to civil or criminal penalties, or both, which, in turn, could adversely affect our business, financial condition, results of operations, or cash flows. We could be required to write down our goodwill and other intangible assets. We had goodwill of \$ 19. 2 million and other intangible assets of \$ 5. 8 million at December 31, 2023- 2024. Our business acquisitions typically have resulted in goodwill and other intangible assets and, which affect the these amount of may result in a future amortization expense and potential impairment expense. We make estimates and assumptions in valuing such goodwill and intangible assets that affect our consolidated financial statements. In accordance with GAAP, our goodwill and indefinite- lived intangible assets are not amortized, but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that an asset might be impaired. The estimated fair value is affected by the performance of the business, which may be especially diminished by prolonged market

declines. If the goodwill has been impaired, we must write down the goodwill by the amount of the impairment, with a corresponding charge to net income. Based on the annual impairment analysis, **the Company determined that goodwill was not impaired** as of December 31, **2023-2024**. **In 2024**, we **the Company** recorded a \$ **10.73** million pre-tax write off in **goodwill and other intangibles assets - in connection with the Houston Sale Transaction**. If we record any future impairment loss related to our goodwill or other intangible assets, it could adversely affect our business, financial condition, results of operations, or cash flows. Notwithstanding the foregoing, the results of impairment testing on our goodwill or other intangible assets have no impact on our tangible book value or regulatory capital levels. We have a net deferred tax asset that may or may not be fully realized. Deferred income tax represents the tax effect of the timing differences between financial accounting and tax reporting. Deferred tax assets, or DTAs, are assessed periodically by management to determine whether they are realizable. Factors in management's determination include the performance of the business, including the ability to generate future taxable income. Realizing a deferred tax asset requires us to apply significant judgment and such judgment is inherently speculative because it requires estimates that cannot be made with certainty. If, based on available information, it is more likely than not that the deferred income tax asset will not be realized, then a valuation allowance must be established with a corresponding charge to net income. Such charges could adversely affect our business, financial condition, results of operations, or cash flows. In addition, changes in the corporate tax rates could affect the value of our DTAs and may require a write-off of a portion of some of those assets. At December 31, **2023-2024**, we had net DTAs with a book value of \$ **55.53.65** million, based on a U. S. corporate income tax rate of 21 %. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates." We may incur losses due to minority investments in fintech and specialty finance companies. From time to time, we may make or consider making minority investments in fintech and specialty finance companies. If we do so, we may not be able to influence the activities of companies in which we invest and may suffer losses due to these activities. For example, the companies we invest in may have economic or business interests, values, or goals that are inconsistent or conflict with ours, which could damage our reputation or business. Additionally, the companies we invest in may experience financial difficulties, default on their obligations, diminished liquidity or insolvency; or our management team's distraction relative to the potential financial benefit may be disproportional. In addition, although we may seek board representation in connection with certain investments, we cannot assure you that such representation will be obtained or that such representation will result in Amerant having a meaningful say in the Board decisions of such company. If the companies we invest in seek additional financing in the future to fund their growth strategies, these financing transactions may result in dilution to our ownership stakes and these transactions may occur at lower valuations than the investment transaction through which we acquired such ownership interest, which could significantly decrease the fair value of our investment in those entities. We may also be unable to dispose of our minority investments within our contemplated time horizon or at all. Our inability to dispose of our minority investment in an entity or a downward adjustment to or impairment of an equity investment could adversely impact our business, financial condition, results of operations, or cash flows. We are subject to risks associated with sub-leasing portions of our corporate headquarters building. In December 2021, we sold our approximately 177,000 square foot headquarters building (the "Property") and entered into an 18-year triple net lease for the Property (the "Lease") at an initial base rent of \$ 7,500,000 per year (escalating 1.5% each year), under which we are also responsible for the Property's insurance, real estate taxes, and maintenance and repair expenses. During the term of the Lease, we have the right to sublet the whole or any part of the Property. While we occupy and we expect to continue to occupy a portion of the Property, we also currently sublease and intend to continue to sublease a significant portion of the Property to third parties. When we sublease spaces in the Property to third parties, we are not released from our underlying obligations under the Lease. We rely on the sublease income from subtenants to offset the expenses incurred related to our obligations under the Lease. Although we assess the financial condition of each subtenant to which we sublease space in the Property, the financial condition of each such subtenant or of a sublease guarantor(s), if any, may deteriorate over time. If a subtenant of the Property does not perform under the terms of a sublease agreement (due to its financial condition or other factors), we may not be able to recover amounts owed to us under the terms of each sublease agreement or the related guarantees, if any. If subtenants default or terminate their subleases with us, we may experience a loss of planned sublease rental income, which could adversely impact our business, financial condition, results of operations, or cash flows. Additionally, if subtenants default on their sublease obligations with us or otherwise terminate their sublease agreement with us, we may be unable to secure a new subtenant on a timely basis, or at all, on the same or more favorable rent terms. Our success depends on our ability to compete effectively in highly competitive markets. The Florida ~~and Houston, Texas~~ banking markets in which we do business are highly competitive; therefore, our future growth and success will depend on our ability to compete effectively in these markets. We compete for deposits, loans, and other financial services in our markets with other local, regional and national commercial banks, thrifts, credit unions, mortgage lenders, trust services providers and securities advisory and brokerage firms. Marketplace lenders operating nationwide over the internet are also growing rapidly, other fintech developments, including blockchain and other technologies, may potentially disrupt the financial services industry and impact the way banks do business. Many of our competitors offer products and services different from us, and have substantially greater resources, name recognition and market presence than we do, which benefits them in attracting business. In addition, larger competitors may be able to price loans and deposits more aggressively than we are able to and have broader and more diverse customer and geographic bases to draw upon. Risks Related to Risk Management, Internal Audit, Internal and Disclosure Controls Potential gaps in our risk management policies and internal audit procedures may leave us exposed to unidentified or unanticipated risk, which could negatively affect our business. Our enterprise risk management and internal audit programs are designed to mitigate material risks. There may be inherent limitations to our current and future risk management strategies, including risks that we have not appropriately anticipated or identified. Additionally, our internal audit process may fail to detect such weaknesses or deficiencies in our risk management framework. Many of our methods for managing risk and exposures are based on observed historical market behavior to model or

project potential future exposure. Models used by our business are based on assumptions and projections. These models may not operate properly, or our inputs and assumptions may be inaccurate or not be adopted quickly enough to reflect changes in behavior, markets, or technology. As a result, these methods may not fully predict future exposures, which can be significantly different and greater than historical measures indicate. In addition, our business and the markets in which we operate are continuously evolving, and we may fail to fully understand the implications of changes in our business or the financial markets or fail to adequately or timely enhance our enterprise risk framework to address those changes. Furthermore, we cannot assure that we can effectively review and monitor all risks or that all of our employees will closely follow our risk management policies and procedures, or that our risk management policies and procedures will enable us to accurately identify all risks and limit timely our exposures based on our assessments. If our enterprise risk management framework proves ineffective, we could suffer unexpected losses, which could adversely affect our business, financial condition, results of operations, or cash flows. Any failure to maintain effective internal control over financial reporting could impair the reliability of our financial statements, which in turn could harm our business, impair investor confidence in the accuracy and completeness of our financial reports and our access to the capital markets and cause the price of our common stock to decline and subject us to regulatory penalties. Our management is responsible for establishing and maintaining adequate internal control over financial reporting, or ICFR and for evaluating and reporting on that system of internal control. Our ICFR is a process designed 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. Section 404 of the Sarbanes- Oxley Act requires us to furnish annually a report by management on the effectiveness of our ICFR. In addition, our independent registered public accounting firm is required to report on the effectiveness of our ICFR. If we fail to implement and maintain effective ICFR, our ability to accurately and timely report our financial results could be impaired, which could result in late filings of our periodic reports under the Exchange Act, restatements of our consolidated financial statements, and suspension or delisting of our common stock from the New York Stock Exchange. Such events could harm our business, cause investors to lose confidence in the accuracy and completeness of our reported financial information, cause the trading price of our shares of common stock to decline, our access to the capital markets or other financing sources could be limited and subject us to investigations, enforcement actions or regulatory penalties. Changes in accounting standards could materially impact our financial statements From time to time, accounting standards setters change the financial accounting and reporting standards that govern the preparation of our consolidated financial statements. These changes can be difficult to predict and can materially impact how we record and report our consolidated financial condition and consolidated results of operations. In some cases, we could be required to apply a new or revised standard retroactively, resulting in changes to previously reported financial results or a cumulative charge to retained earnings. See Note 1- Business, Basis of Presentation and Summary of Significant Accounting Policies in the notes to consolidated financial statements included in Item 15. 1 Consolidated Financial Statements in this report for further information regarding accounting standards updates. Risks Related to External and Market Factors Material and negative developments adversely impacting the financial services industry at large and causing volatility in financial markets and the economy may have materially adverse effects on our liquidity, business, financial condition and results of operations. The actual occurrence or widespread concerns regarding the potential occurrence of illiquidity, operational failures, defaults, non- performance or other material and adverse developments that impact financial institutions and transactional counterparties, or other entities within the financial services industry at large, have previously caused, and could continue to cause, market- wide liquidity issues, bank- runs and general contagion across the global and U. S. financial services industry. For example, in March and April 2023, **significant deposit withdrawals or** bank runs precipitated the failure of four banks in the U. S. causing a state of volatility in the capital and credit markets and uncertainty regarding the health of the U. S. banking system, particularly around liquidity, uninsured deposits and customer concentrations. This volatility ~~has~~ particularly impacted the price of securities issued by financial institutions, including ours. While **during this crisis and historically,** the U. S. Department of the Treasury, the Federal Reserve Board and the FDIC ~~acted promptly and collectively agreed~~ **have ensured that depositors of failed banks had access to their deposits, including uninsured deposit accounts, there is no** guarantee ~~all deposits over the limit on insured deposits of \$ 250, 000 at three of these failed financial institutions, and the FDIC secured an agreement with a large financial institution for that institution~~ **such actions will continue** to assume all of the deposits **be successful in restoring customer confidence in regional banks** and substantially all of the assets of another failed institution **banking system more broadly. Similarly,** there can be no assurance that there will not be additional bank failures or issues in the broader financial system ~~or~~ ~~Similarly, there can be no assurance~~ that these U. S. government entities will act in a similar fashion in the event of the future closure or failure of any other banks or financial institutions. ~~The~~ **In addition, the** cost of resolving ~~the recent~~ bank failures may prompt the FDIC to charge higher premiums above the current levels or to issue additional special assessments. ~~Adverse financial market and economic conditions may continue to exert downward pressure on the prices of stock and other securities and negatively impact credit availability for certain issuers, including us, without regard to their underlying financial strength~~ Additionally, **although the industry has stabilized since** these **failures and the developments have negatively impacted** customer confidence in the safety and soundness of **smaller regional and community** banks **has improved** ~~As a result,~~ **the risk remains that** customers may choose to maintain deposits with large financial institutions or invest in higher yielding short- term fixed income securities, all of which could materially adversely impact the Company' s liquidity, loan funding capacity, net interest margin, capital and results of operations. ~~Adverse~~ ~~If the current levels of~~ financial market and economic **conditions may continue to exert downward pressure on the prices of stock and other securities and negatively impact credit availability for certain issuers, including us, without regard to their underlying financial strength. Any future events that cause financial market and economic** disruption, volatility and decreased levels of customer confidence **may cause us to** continue or worsen, there can be no assurance that we will not experience adverse effects, which may materially impact our liquidity, business, financial condition, and results of operations. Our business may be adversely affected

by economic conditions in general and by conditions in the financial markets. We are exposed to downturns in the U. S. economy and market conditions generally. We cannot accurately predict the possibility of the national or local economy's return to a period of economic weakness or to recessionary conditions. Our primary markets are concentrated in Miami-Dade, Broward, Palm Beach and Hillsborough (Tampa) counties in Florida, and Harris, Montgomery, Fort Bend and Waller counties in Texas. Adverse economic conditions in any of these areas and in the national economy may impact us significantly and unpredictably. **Markets in the U. S. may be affected by the level and volatility of interest rates, availability and market conditions of financing, unexpected changes in gross domestic product, economic growth or its sustainability, inflation, supply chain disruptions, consumer spending, employment levels, labor shortages, wage stagnation, federal government shutdowns, developments related to the U. S. federal debt ceiling, energy prices, home prices, commercial property values, fluctuations or other significant changes in both debt and equity capital markets and currencies, liquidity of the global financial markets, the growth of global trade and commerce, trade policies, tariffs, a U. S. withdrawal from or significant renegotiation of trade agreements, trade wars, the availability and cost of capital and credit, disruption of communication, transportation or energy infrastructure and investor sentiment and confidence.**

We may face the following particular risks: the demand for loans and our other products and services could decline, market developments may negatively affect industries we extend credit to and may result in increased delinquencies and default rates, which, among other effects, could negatively impact our charge-offs and allowance for credit losses; market disruptions could make valuation of assets more difficult and subjective and may negatively affect our ability to measure the fair value of our assets; and, loan performance could deteriorate, loan default levels and foreclosure activity increase and our assets could materially decline in value. Any of these risks individually or a combination could adversely affect our business, financial condition, results of operations, or cash flows. ~~Moreover, a potential U. S. federal government shutdown resulting from budgetary decisions, a prolonged continuing resolution, breach of the federal debt ceiling, or a potential U. S. sovereign default and the uncertainty surrounding the 2024 U. S. Presidential Election may increase uncertainty and volatility in the global economy and financial markets. In addition, international economic uncertainty could also impact the U. S. financial markets by potentially suppressing stock prices, including ours, and adding to overall market volatility, which could adversely affect our business. The effects of any economic downturn could continue for many years after the downturn is considered to have ended. Weak economic conditions or significant uncertainty regarding the stability of financial markets related to stock market volatility, inflation, recession, or governmental fiscal, monetary and tax policies, among others, could adversely impact our business, financial condition, results of operations, or cash flows.~~ Risks Related to Regulatory and Legal Matters We are subject to extensive regulation that could limit or restrict our activities and adversely affect our earnings. Several regulators, including the Federal Reserve, the OCC, the FDIC, the Securities and Exchange Commission, the Financial Industry Regulatory Authority, and the Cayman Islands Monetary Authority, regulate us and our subsidiaries. Our success is impacted by regulations affecting banks and bank holding companies, and the securities markets, and our costs of compliance could adversely affect our earnings. Banking regulations are primarily intended to protect depositors, consumers and the FDIC's DIF, not shareholders. The financial services industry also is subject to frequent legislative and regulatory changes. The nature, effects and timing of legislative and regulatory changes, cannot be predicted. Changes, if adopted, could require us to maintain more capital, liquidity, or adopt changes to our operating policies and procedures and risk controls which could adversely affect our growth, profitability and financial condition. Compliance with applicable laws and regulations is time consuming and costly and may affect our profitability. Additionally, banks with greater than \$ 10 billion in total consolidated assets are subject to additional regulatory requirements. As of December 31, ~~2023~~ **2024**, our total assets were \$ 9. ~~7~~ **9** billion. Based on our current total assets and growth strategy, we anticipate our total assets may exceed \$ 10 billion in ~~2024~~ **2025**. In addition to our current regulatory requirements, banks with \$ 10 billion or more in total assets are, among other things: examined directly by the CFPB with respect to various federal consumer financial laws; subject to reduced dividends on the Bank's holdings of Federal Reserve Bank of Atlanta common stock; subject to limits on interchange fees pursuant to the " Durbin Amendment " to the Dodd- Frank Act; subject to certain enhanced prudential standards; and no longer treated as a " small institution " for FDIC deposit insurance assessment purposes. Compliance with these additional ongoing requirements may necessitate additional personnel, the design and implementation of additional internal controls, or may result in other significant expenses, any of which could adversely affect our business, financial condition, results of operations or cash flows. **There is uncertainty surrounding the potential legal, regulatory and policy changes by the presidential administration in the United States that may directly affect financial institutions. At this time, it is difficult to predict the legislative and regulatory changes that will result from the combination of President Trump's reelection and both Houses of Congress having majority memberships from the Republican party. However, we anticipate that the Presidential administration will seek to implement a regulatory reform agenda that is significantly different than that of the Biden administration. In addition, the change in presidential administration has, and is expected to continue to, result in certain changes in the leadership and senior staffs of the federal banking agencies. Such changes are likely to impact the rulemaking, supervision, examination and enforcement priorities and policies of the agencies. In addition, changes in key personnel at the agencies that regulate such banking organizations, including the federal banking agencies, may result in differing interpretations of existing rules and guidelines and potentially different enforcement priorities. While we do not specifically know what these changes will be, we may be required to implement different compliance procedures and modify our policies and activities to comply with changes set forth by the new administration. To achieve compliance with any changes from the Presidential administration, we may have to incur additional costs and expenses, and dedicate additional resources, which could adversely affect our business, financial condition, results of operations or cash flows.** Changes in federal, state or local tax laws, or audits from tax authorities, could negatively affect our business, financial condition, results of operations or cash flows. We are subject to changes in tax law that could increase our effective tax rates. These law changes may be retroactive to

previous periods and as a result could negatively affect our current and future financial performance. In particular, the Inflation Reduction Act, which was signed into law in the United States in August 2022, among other things, imposes a surcharge on stock repurchases. Changes to our tax liability could have a material effect on our results of operations. In addition, our customers are subject to a wide variety of federal, state and local taxes. Changes in taxes paid by our customers may affect their ability to purchase homes or consumer products and could also make some businesses and industries less inclined to borrow, potentially reducing demand for our loans and deposit products. In addition, such negative effects on our customers could result in defaults on the loans we have made which would reduce our profitability and could materially adversely affect our business, financial condition, results of operations, or cash flows. We are also subject to potential tax audits in various jurisdictions and in such event, tax authorities may disagree with certain positions we have taken and assess penalties or additional taxes. While we assess regularly the likely outcomes of these potential audits, there can be no assurance that we will accurately predict the outcome of a potential audit, and an audit could have a material adverse impact on our business, financial condition, results of operations, or cash flows. Litigation and regulatory investigations are increasingly common in our businesses and may result in significant financial losses and / or harm to our reputation. We face risks of litigation and regulatory investigations and actions, including the risk of class action lawsuits. Plaintiffs in class action and other lawsuits against us may seek very large or indeterminate amounts, including punitive and treble damages. Due to the vagaries of litigation, the outcome of a litigation matter and the amount or range of potential loss at particular points in time may normally be difficult to ascertain. A substantial legal liability or a significant federal, state or regulatory action, inquiry or investigation could harm our reputation, result in material fines, penalties, or legal costs, divert management resources away from our business, and otherwise adversely affect our business, financial condition, results of operations, or cash flows. Even if we ultimately prevail in a litigation, regulatory action or investigation, our ability to attract new customers, retain our current customers and recruit and retain employees could be adversely affected. Regulatory inquiries and litigation may also adversely affect the prices or volatility of our securities specifically, or the securities of our industry, generally. We are subject to capital adequacy and liquidity standards, and if we fail to meet these standards, whether due to losses, growth opportunities or an inability to raise additional capital or otherwise, our business, financial condition, results of operations, or cash flows would be adversely affected. We, as a bank holding company, and the Bank are subject to capital rules of the Federal Reserve and the OCC, that implement a set of capital requirements issued by the Basel Committee on Banking Supervision known as Basel III. See “Supervision and Regulation — Capital Requirements.” The regulatory capital rules applicable to us and the Bank may continue to change. We cannot predict the effect on us and the Bank of changes to the current capital requirements. Our ability to raise additional capital, if needed, will depend, among other, on the capital market conditions and on our financial condition and performance. Any failure to remain “well capitalized” for bank regulatory purposes could adversely affect our business, financial condition, results of operations, or cash flows. In addition, any failure to meet these capital and other regulatory requirements could affect our customers’ confidence, our cost of and availability of funds or FDIC deposit insurance premiums; and our ability to grow, raise, rollover or replace brokered deposits; make acquisitions, open new branches or engage in new activities; make payments of principal and interest on our debt instruments; and pay dividends on our capital stock. Increases in FDIC deposit insurance premiums and assessments could adversely affect our financial condition. FDIC insurance premiums we pay may change and be significantly higher in the future. The FDIC may be forced to charge higher premiums in the future if market developments significantly deplete the insurance fund of the FDIC and reduce the ratio of reserves to insured deposits. In addition, the method that the FDIC uses to determine the amount of our deposit insurance premium will change once our total consolidated assets exceed \$ 10 billion, which we expect may happen in 2024-2025. Any increases in our assessment rate, future special assessments, or required prepayments in FDIC insurance premiums could reduce our profitability or limit our ability to pursue certain business opportunities, which could adversely affect our business, financial condition, results of operations, or cash flows. Federal banking agencies periodically conduct examinations of our business, including our compliance with laws and regulations, and our failure to comply with any regulatory actions, if any, could adversely impact us. The Federal Reserve and the OCC periodically conduct examinations of our business and the Bank’s business, including compliance with laws and regulations. A federal banking agency may take such remedial actions as it deems appropriate, if, as a result of an examination, it were to determine that the financial condition, capital resources, asset quality, asset concentrations, earnings prospects, management, liquidity, asset sensitivity, risk management or other aspects of any of our operations have become unsatisfactory, or that we or our management were in violation of any law or regulation. If we become subject to such regulatory actions, our business, financial condition, results of operations, or cash flows and reputation would likely be adversely affected. The Federal Reserve may require us to commit capital resources to support the Bank. As a matter of policy, the Federal Reserve, which examines us, expects a bank holding company to act as a source of financial and managerial strength to a subsidiary bank and to commit resources to support such subsidiary bank. The Federal Reserve may require a bank holding company to inject capital into a troubled subsidiary bank. In addition, the Federal Deposit Insurance Corporation Act, as amended by the Dodd- Frank Act, requires that all companies that control an FDIC- insured depository institution must serve as a source of financial strength to the depository institution. Under this requirement, we could be required to provide financial assistance to the Bank should it experience financial distress, even if further investments were not otherwise warranted. See “Source of Strength in Supervision and Regulation.” We may face higher risks of noncompliance with the Bank Secrecy Act and other anti- money laundering statutes and regulations than other financial institutions. The USA Patriot and BSA and the related federal regulations require banks to establish anti- money laundering programs that include, policies, procedures and controls to detect, prevent and report money laundering and terrorist financing and to verify the identity of their customers and of beneficial owners of their legal entity customers. In addition, FinCEN, which was established as part of the Treasury Department to combat money laundering, is authorized to impose significant civil money penalties for violations of anti- money laundering rules. The Bank is also subject to regulatory scrutiny of compliance with the rules of the Treasury Department’s Office of Foreign Assets Control, or OFAC

which administers and enforces economic and trade sanctions based on U. S. foreign policy and national security goals, including sanctions against foreign countries, regimes and individuals, terrorists, international narcotics traffickers, and those involved in the proliferation of weapons of mass destruction. Executive Orders have sanctioned the Venezuelan government and entities it owns, and certain Venezuelan persons. In addition, the OCC has broad authority to bring enforcement actions and to impose monetary penalties if it finds deficiencies in the Bank's compliance with anti- money laundering laws. Monitoring compliance with anti- money laundering and OFAC rules is complex and expensive. The risk of noncompliance with such rules can be more acute for financial institutions like us that have numerous customers from Latin America or who do business there. As of December 31, 2023-2024, \$ 1. 9 billion, or 23-24. 7-1 %, of our total deposits **and a significant portion of our assets under management** were from residents of Venezuela. Our total loan exposure to international markets, primarily individuals in Venezuela and corporations in other Latin American countries, was \$ 87-40. 6-7 million, or less than 1. 5 %, of our total loans, at December 31, 2023-2024. If our policies, procedures and systems are deemed deficient or fail to prevent violations of law or the policies, procedures and systems of the financial institutions that we may acquire in the future are deficient, we would be subject to liability (including fines); formal regulatory enforcement actions (including possible cease and desist orders, restrictions on our ability to pay dividends, regulatory limitations on implementing certain aspects of our business plan, including acquisitions or banking center relocation or expansion); and additional expenses to cure any deficiency, which could adversely affect our business, financial condition, results of operations, or cash flows. Failures to comply with the fair lending laws, CFPB regulations or the Community Reinvestment Act, or CRA, could adversely affect us. The Bank is subject to the provisions of the Equal Credit Opportunity Act, or ECOA, and the Fair Housing Act, both of which prohibit discrimination based on race or color, religion, national origin, sex and familial status in any aspect of a consumer, commercial credit or residential real estate transaction. Failures to comply with ECOA, the Fair Housing Act and other fair lending laws and regulations, including CFPB regulations, could subject us to enforcement actions or litigation, which could adversely affect our business, financial condition, results of operations, or cash flows. Our Bank is also subject to the CRA, and periodic CRA examinations by the OCC. The CRA requires us to serve our entire communities, including low- and moderate- income neighborhoods. Our CRA ratings could be adversely affected by actual or alleged violations of the fair lending or consumer financial protection laws. Violations of fair lending laws or if our CRA rating falls to less than "satisfactory" could adversely affect our business, including expansion through branching or acquisitions. Risks Related to Ownership of Our Common Stock Our principal shareholders and management own a significant percentage of our shares of voting common stock and will be able to exert significant control over matters subject to shareholder approval. As of December 31, 2023-2024, our executive officers, directors and each of **the our greater than 5 % or greater** holders of our voting Class A common stock beneficially owned outstanding shares representing, in the aggregate, approximately 33-36 % of the outstanding shares of our voting Class A common stock (without giving effect to the broad family holdings of the Capriles, Marturet and Vollmer families which will bring the percentage to an aggregate of approximately 55-57 %). As a result, these shareholders, if they act individually or together, may exert a significant degree of influence over our management and affairs and over matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions, such as mergers, the sale of substantially all of our assets and other extraordinary corporate matters. Furthermore, the interests of these shareholders may not always coincide with the interests of other shareholders, including you and, accordingly, they could cause us to enter into transactions or agreements which we might not otherwise consider or prevent us from adopting actions that we might otherwise implement. The rights of our common shareholders are subordinate to the holders of any debt securities that we have issued or may issue from time to time. As of December 31, **We have outstanding debt instruments that rank senior to our common stock, if 2023, we had outstanding an aggregate fail to timely make** principal amount of \$ 60. 0 million of senior notes with a coupon rate of 5. 75 % and a maturity date of June 30, 2025 (the "Senior Notes"); **an and interest payments on** aggregate principal amount of \$ 30. 0 million of 4. 25 % Fixed- to- Floating Rate Subordinated Notes due March 15, 2032 (the "Subordinated Notes"); and **an any** aggregate principal amount of \$ 64. 2 million in junior subordinated debentures (the "Debentures"). **Because these debt instruments rank senior to our common stock, if we fail to timely make principal and interest payments on the Senior Notes, the Subordinated Notes and the Debentures,** we may not pay any dividends on our common stock. Further, if we declare bankruptcy, dissolve, or liquidate, the holders of **the these debt instruments Senior Notes, the Subordinated Notes and the Debentures** must be satisfied before any distributions can be made to the holders of our common stock. The stock price of financial institutions, like Amerant, may fluctuate significantly. We cannot predict the prices at which our shares of common stock will continue to trade. You should consider an investment in our common stock to be risky. The trading price may be highly volatile, which may make it difficult for you to resell your shares at the volume, prices and times desired. There are many factors that may affect the market price and trading volume of our shares of common stock, including the factors described in this " Risk Factors " section, and other factors, most of which are outside of our control. Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company or industry. These broad market fluctuations, as well as general economic, systemic, political and market conditions, including recessions, loss of investor confidence, and interest rate changes, may negatively affect the market price of our common stock. Increased market volatility may materially and adversely affect the market price of our common stock, which could make it difficult to sell your shares at the volume, prices and times desired. If at a specific measurement time period, our public float calculation is below \$ 700 million, we may not qualify as a well- known seasoned issuer and suffer negative consequences. If we do not qualify as a well- known seasoned issuer, we will not be able to file automatic shelf registration statements on Form S- 3ASR and enjoy the benefits associated with such registration statements, such as automatic effectiveness immediately upon filing, permitting companies to omit more information from the base prospectus than permitted for other shelf registration statements, allowing companies to register unspecified amounts of securities and doing so without allocating among securities or between primary and secondary offerings, and permitting companies to pay filing fees on a " pay- as- you- go " basis at the time

of each takedown from the shelf registration statement. Not qualifying as a well-known seasoned issuer may also impact the views or perceptions of investors and analysts and may influence investors' willingness to purchase or hold our securities or analysts' recommendations regarding our securities. We can issue additional equity securities, which would lead to dilution of our issued and outstanding Class A common stock. The issuance of additional equity securities or securities convertible into equity securities would result in dilution of our existing shareholders' equity interests. We are authorized to issue up to 250 million shares of our Class A common stock. We are authorized to issue, without shareholder approval, up to 50 million shares of preferred stock in one or more series, which may give other shareholders dividend, conversion, voting, and liquidation rights, among other rights, which may be superior to the rights of holders of our Class A common stock. We are authorized to issue, without shareholder approval, except as required by law or the New York Stock Exchange, securities convertible into either common stock or preferred stock. Furthermore, we have adopted an equity compensation program for our employees and an employee stock purchase plan, which also could result in dilution of our existing shareholders' equity interests. Certain provisions of our amended and restated articles of incorporation and amended and restated bylaws, Florida law, and U. S. banking laws could have anti-takeover effects. Certain provisions of our amended and restated articles of incorporation and amended and restated bylaws, as well as Florida law, and the BHC Act, and Change in Bank Control Act, could delay or prevent a change of control that you may favor. Our amended and restated articles of incorporation and amended and restated bylaws include certain provisions that could delay a takeover or change in control of us, including: the exclusive right of our board to fill any director vacancy; advance notice requirements for shareholder proposals and director nominations; provisions limiting the shareholders' ability to call special meetings of shareholders or to take action by written consent; and the ability of our board to designate the terms of and issue new series of preferred stock without shareholder approval, which could be used, among other things, to institute a rights plan that would have the effect of significantly diluting the stock ownership of a potential hostile acquirer, likely preventing acquisitions that have not been approved by our board. The Florida Business Corporation Act contains a control-share acquisition statute that provides that a person who acquires shares in an "issuing public corporation," as defined in the statute, in excess of certain specified thresholds generally will not have any voting rights with respect to such shares, unless such voting rights are approved by the holders of a majority of the votes of each class of securities entitled to vote separately, excluding shares held or controlled by the acquiring person. Furthermore, the BHC Act and the Change in Bank Control Act impose notice, application and approvals and ongoing regulatory requirements on any shareholder or other party that seeks to acquire direct or indirect "control" of bank holding companies, such as ourselves. Risks Related to our Indebtedness We may not be able to generate sufficient cash to service all of our debt, including the **Subordinated Notes and the Debentures. As of December 31, 2024, we had outstanding an aggregate principal amount of \$ 60. 0 million of senior notes with a coupon rate of 5. 75 % and a maturity date of June 30, 2025 (the "Senior Notes ,the "); an aggregate principal amount of \$ 30. 0 million of 4. 25 % Fixed- to- Floating Rate Subordinated Notes due March 15, 2032 (the "Subordinated Notes "); and ~~and~~ an aggregate principal amount of \$ 64. 2 million in junior subordinated debentures (the "Debentures "). We have exercised our right under the applicable indenture to redeem the Senior Notes, which we expect to complete on April 1, 2025, see "Redemption of Senior Notes" in Item 1. Business Developments. Once we complete the early redemption of our Senior Notes, the aggregate principal balances of our Subordinated Notes and the Debentures will remain outstanding**. Our ability to make scheduled payments of principal and interest or to satisfy our obligations in respect of our ~~Senior Notes~~, Subordinated Notes and the Debentures or to refinance them will depend on our future operating performance. Prevailing economic conditions (including inflationary pressures, rising interest rates, and uncertainty surrounding global markets), regulatory constraints (including limitations on distributions to us from our subsidiaries and required capital levels with respect to our subsidiary bank and non-banking subsidiaries), and financial, business and other factors will also affect our ability to meet these needs. We may not be able to generate sufficient cash flows from operations, or obtain future borrowings in an amount sufficient to enable us to pay our debt, or to fund our other liquidity needs. We may need to refinance all or a portion of our debt on or before maturity. We may be unable to refinance any of our debt when needed on commercially reasonable terms or at all. We are a holding company with limited operations and depend on our subsidiaries for the funds required to make payments of principal and interest on the ~~Senior Notes~~, Subordinated Notes and the Debentures. We are a separate and distinct legal entity from the Bank and our other subsidiaries. Our primary source of funds to make payments of principal and interest on ~~the Senior Notes~~, the Subordinated Notes and the Debentures, and to satisfy any other financial obligations are dividends from the Bank. Our ability to receive dividends from the Bank is contingent on a number of factors, including the Bank's ability to meet applicable regulatory capital requirements, the Bank's profitability and earnings, and the general strength of its balance sheet. Various federal and state regulatory provisions limit the amount of dividends bank subsidiaries are permitted to pay to their holding companies without regulatory approval. In general, the Bank may only pay dividends either out of its net income after any required transfers to surplus or reserves have been made or out of its retained earnings. In addition, the Federal Reserve and the FDIC have issued policy statements stating that insured banks and bank holding companies generally should pay dividends only out of current operating earnings. Banks and their holding companies are required to maintain a capital conservation buffer of 2. 5 % and satisfy other applicable regulatory capital ratios. Banking institutions that do not maintain capital in excess of the capital conservation buffer may face constraints on dividends, equity repurchases and executive compensation. Accordingly, if the Bank fails to maintain the applicable minimum capital ratios and the capital conservation buffer, dividends to us from the Bank may be prohibited or limited, and there may be insufficient funds to make principal and interest payments on ~~the Senior Notes~~, the Subordinated Notes and the Debentures. In addition, state or federal banking regulators have broad authority to restrict the payment of dividends, including in circumstances where a bank under such regulator's jurisdiction engages in (or is about to engage in) unsafe or unsound practices. Such regulators have the authority to require that a bank cease and desist from unsafe and unsound practices and to prevent a bank from paying a dividend if its financial condition is such that the regulator views the payment of a dividend to constitute an unsafe or unsound

practice. Accordingly, we can provide no assurance that we will receive dividends from the Bank in an amount sufficient to pay the principal of, or interest on, the ~~Senior Notes, the~~ Subordinated Notes and the Debentures. In addition, our right and the rights of our creditors, including holders of ~~the Senior Notes,~~ the Subordinated Notes and the Debentures to participate in the assets of any non- guarantor subsidiary upon its liquidation or reorganization would be subject to the prior claims of such non- guarantor subsidiary' s creditors, except to the extent that we may ourselves be a creditor with recognized claims against such non- guarantor subsidiary. We may incur a substantial level of debt that could materially adversely affect our ability to generate sufficient cash to fulfill our obligations under the ~~Senior Notes, the~~ Subordinated Notes and the Debentures. Neither we, nor any of our subsidiaries, are subject to any limitations under the terms of the indentures governing the terms of ~~the Senior Notes,~~ the Subordinated Notes and the Debentures from issuing, accepting or incurring any amount of additional debt, deposits or other liabilities, including senior indebtedness or other obligations ranking equally with the ~~Senior Notes, the~~ Subordinated Notes and the Debentures. We expect that we and our subsidiaries will incur additional debt and other liabilities from time to time, and our level of debt and the risks related thereto could increase. A substantial level of debt could have important consequences to us, holders of ~~our Senior Notes,~~ of our Subordinated Notes, of our Debentures and our shareholders, including making it more difficult for us to satisfy our financial obligations (including ~~the Senior Notes,~~ the Subordinated Notes and the Debentures); requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing funds available for other purposes; increasing our vulnerability to adverse economic and industry conditions, which could place us at a disadvantage relative to our competitors that have less debt; limiting our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate; and limiting our ability to borrow additional funds, or to dispose of assets to raise funds, if needed, for working capital, capital expenditures, acquisitions and other corporate purposes. In addition, a breach of any of the restrictions or covenants in our existing debt agreements could cause a cross- default under other debt agreements. A significant portion of our debt then may become immediately due and payable. If this were to occur, we cannot assure you we would have or be able to obtain sufficient funds to make these accelerated payments. If any of our debt is accelerated, our assets may not be sufficient to repay such debt in full.