

Earnings Call 3Q 2020

Friday, October 30, 2020



SOUTH STATE

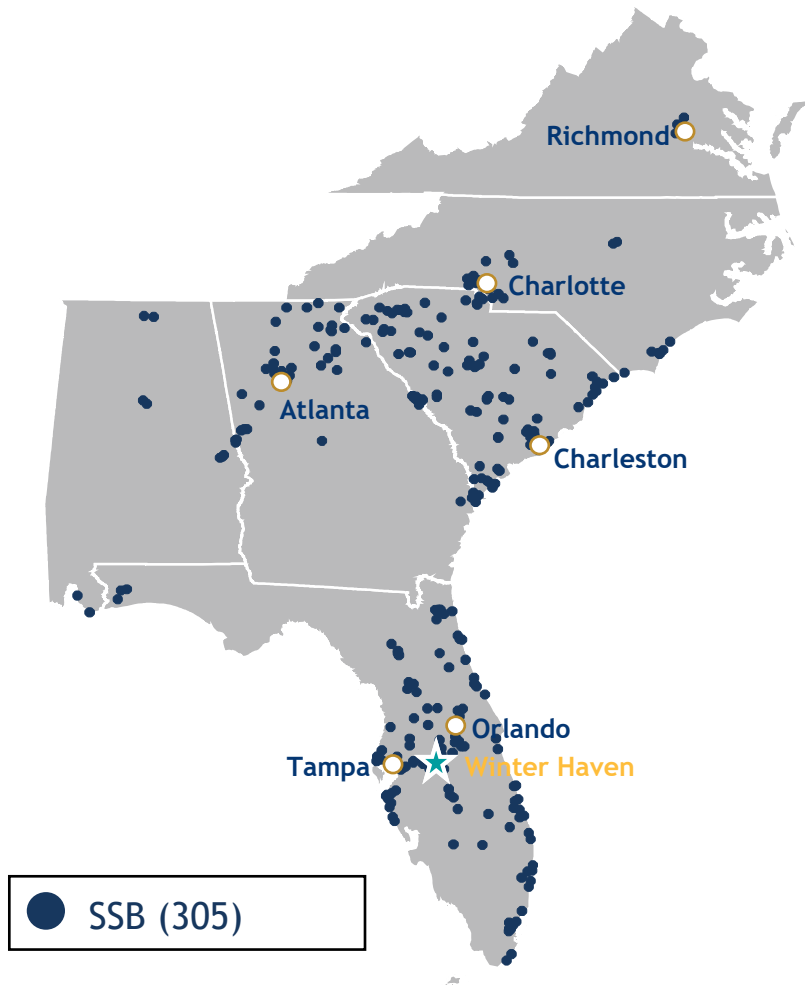
Disclaimer

Statements included in this communication, which are not historical in nature are intended to be, and are hereby identified as, forward looking statements for purposes of the safe harbor provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward looking statements are based on, among other things, management's beliefs, assumptions, current expectations, estimates and projections about the financial services industry, the economy and South State. Words and phrases such as "may," "approximately," "continue," "should," "expects," "projects," "anticipates," "is likely," "look ahead," "look forward," "believes," "will," "intends," "estimates," "strategy," "plan," "could," "potential," "possible" and variations of such words and similar expressions are intended to identify such forward-looking statements. South State cautions readers that forward looking statements are subject to certain risks, uncertainties and assumptions that are difficult to predict with regard to, among other things, timing, extent, likelihood and degree of occurrence, which could cause actual results to differ materially from anticipated results. Such risks, uncertainties and assumptions, include, among others, the following: (1) economic downturn risk, potentially resulting in deterioration in the credit markets, greater than expected noninterest expenses, excessive loan losses and other negative consequences, which risks could be exacerbated by potential negative economic developments resulting from federal spending cuts and/or one or more federal budget-related impasses or actions; (2) controls and procedures risk, including the potential failure or circumvention of our controls and procedures or failure to comply with regulations related to controls and procedures; (3) potential deterioration in real estate values; (4) the impact of competition with other financial institutions, including pricing pressures (including those resulting from the CARES Act) and the resulting impact, including as a result of compression to net interest margin; (5) credit risks associated with an obligor's failure to meet the terms of any contract with the bank or otherwise fail to perform as agreed under the terms of any loan-related document; (6) interest risk involving the effect of a change in interest rates on the bank's earnings, the market value of the bank's loan and securities portfolios, and the market value of South State's equity; (7) liquidity risk affecting the bank's ability to meet its obligations when they come due; (8) risks associated with an anticipated increase in South State's investment securities portfolio, including risks associated with acquiring and holding investment securities or potentially determining that the amount of investment securities South State desires to acquire are not available on terms acceptable to South State; (9) price risk focusing on changes in market factors that may affect the value of traded instruments in "mark-to-market" portfolios; (10) transaction risk arising from problems with service or product delivery; (11) compliance risk involving risk to earnings or capital resulting from violations of or nonconformance with laws, rules, regulations, prescribed practices, or ethical standards; (12) regulatory change risk resulting from new laws, rules, regulations, accounting principles, proscribed practices or ethical standards, including, without limitation, the possibility that regulatory agencies may require higher levels of capital above the current regulatory-mandated minimums and including the impact of the recently enacted CARES Act, the Consumer Financial Protection Bureau rules and regulations, and the possibility of changes in accounting standards, policies, principles and practices, including changes in accounting principles relating to loan loss recognition (CECL); (13) strategic risk resulting from adverse business decisions or improper implementation of business decisions; (14) reputation risk that adversely affects earnings or capital arising from negative public opinion; (15) terrorist activities risk that results in loss of consumer confidence and economic disruptions; (16) cybersecurity risk related to the dependence of South State on internal computer systems and the technology of outside service providers, as well as the potential impacts of third party security breaches, subjects each company to potential business disruptions or financial losses resulting from deliberate attacks or unintentional events; (17) greater than expected noninterest expenses; (18) noninterest income risk resulting from the effect of regulations that prohibit financial institutions from charging consumer fees for paying overdrafts on ATM and one-time debit card transactions, unless the consumer consents or opts-in to the overdraft service for those types of transactions; (19) excessive loan losses; (20) failure to realize synergies and other financial benefits from, and to limit liabilities associated with, the merger with CSFL within the expected time frame, and ownership dilution risk associated with potential acquisitions in which South State's stock may be issued as consideration for an acquired company; (21) potential deposit attrition, higher than expected costs, customer loss and business disruption associated with the merger with CSFL integration, including, without limitation, and potential difficulties in maintaining relationships with key personnel; (22) the risks of fluctuations in market prices for South State common stock that may or may not reflect economic condition or performance of South State; (23) the payment of dividends on South State common stock is subject to regulatory supervision as well as the discretion of the board of directors of South State, South State's performance and other factors; (24) operational, technological, cultural, regulatory, legal, credit and other risks associated with the exploration, consummation and integration of potential future acquisition, whether involving stock or cash consideration; (25) major catastrophes such as earthquakes, floods or other natural or human disasters, including infectious disease outbreaks, including the recent outbreak of the COVID-19 coronavirus, and the related disruption to local, regional and global economic activity and financial markets, and the impact that any of the foregoing may have on South State and its customers and other constituencies; and (26) other risks related to the merger of South State and CSFL including, among others, (i) the risk that the cost savings and any revenue synergies from the merger may not be fully realized or may take longer than anticipated to be realized, (ii) the risk that the integration of each party's operations will be materially delayed or will be more costly or difficult than expected or that the parties are otherwise unable to successfully integrate each party's businesses into the other's businesses, (iii) the amount of the costs, fees, expenses and charges related to the merger, (iv) reputational risk and the reaction of each company's customers, suppliers, employees or other business partners to the merger, and (27) other factors that may affect future results of South State and CenterState, as disclosed in South State's Annual Report on Form 10-K, as amended, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, and CenterState's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, in each case filed by South State or CenterState, as applicable, with the U.S. Securities and Exchange Commission ("SEC") and available on the SEC's website at <http://www.sec.gov>, any of which could cause actual results to differ materially from future results expressed, implied or otherwise anticipated by such forward-looking statements.

All forward-looking statements speak only as of the date they are made and are based on information available at that time. South State does not undertake any obligation to update or otherwise revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by federal securities laws. As forward-looking statements involve significant risks and uncertainties, caution should be exercised against placing undue reliance on such statements.

The combined historical information referred to in this presentation as the "Combined Business Basis" is presented based on the reported GAAP results of the Company and CenterState for the applicable periods without adjustment. The Combined Business Basis financial information included in this release has not been prepared in accordance with Article 11 of Regulation S-X, and therefore does not reflect any of the pro forma adjustments that would be required thereby. All Combined Business Basis financial information should be reviewed in connection the historical information of the Company and CenterState, as applicable, included in the Appendix to this presentation.

South State Corporation Overview of Franchise⁽¹⁾



- \$38B in assets
- \$25B in loans
- \$30B in deposits
- \$4.1B market cap

(1) Financial metrics as of September 30, 2020; market cap as of October 28, 2020

How We Operate the Company



Quarterly Highlights

- Returns

- Adjusted & reported diluted Earnings per Share (“EPS”)⁽¹⁾ of \$1.58 and \$1.34, respectively
- 17.1% adjusted Return on Average Tangible Common Equity (“ROATCE”)⁽¹⁾
- 1.79% PPNR ROAA⁽²⁾; Strong Pre-Provision Net Revenue (“PPNR”)⁽²⁾ of \$170 million
- Tangible Book Value per Share (“TBVPS”)⁽¹⁾ of \$39.83, up \$1.50 from 2Q 2020

- Performance

- Record revenue of \$385 million
- Net Interest Margin (“NIM”, tax equivalent)⁽¹⁾ of 3.22%, down 2 bps from 2Q 2020
- Record noninterest income of \$115 million driven by increase in mortgage banking income
- Adjusted efficiency ratio⁽¹⁾ of 55.8% compared to 61.9% in 2Q 2020

- Balance Sheet/Credit

- Strong allowance for credit losses (2.11% including reserve for unfunded commitments) and loss absorption capacity (2.58%)⁽³⁾
- Strong capital levels, with CET1 of 11.5% and Total Risk-Based capital ratio of 13.9%
- Minimal credit losses, with 0.01% net charge-offs
- Loan deferrals of \$452 million, or 1.98% of the total loan portfolio⁽⁴⁾ as of October 23, 2020
 - 1.03% on full payment deferral, 0.95% paying interest

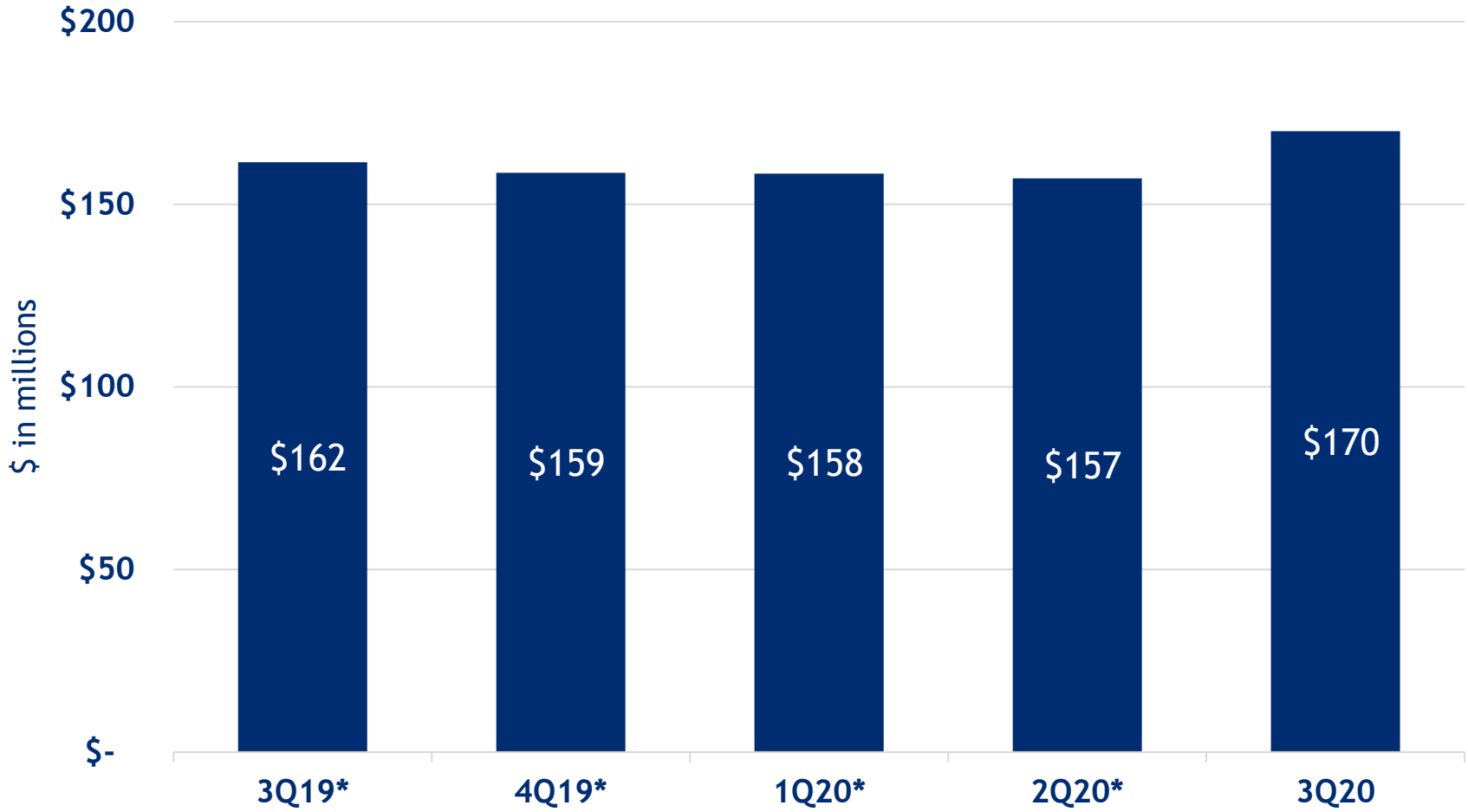
(1) The tangible measures are non-GAAP measures and exclude the effect of period end or average balance of intangible assets. The tangible returns on equity and common equity measures also add back the after-tax amortization of intangibles to GAAP basis net income; Tax equivalent NIM and adjusted efficiency ratio are also non-GAAP financial measures; Adjusted Efficiency Ratio excludes the impact of merger-related expenses, securities gains or losses and FHLB Advances prepayment penalty - See reconciliation of GAAP to Non-GAAP measures in Appendix

(2) Adjusted PPNR and PPNR ROAA are Non-GAAP financial measure that exclude the impact of merger-related expenses and securities gains or losses - See reconciliation of GAAP to Non-GAAP measures in Appendix

(3) Percentages exclude PPP loans and loan held for sale; loss absorption capacity Includes mark on CSFL loans and prior SSB acquisitions

(4) Excludes loans held for sale and PPP loans

Current & Historical (combined business basis) Pre-Provision Net Revenue (“PPNR”)⁽¹⁾

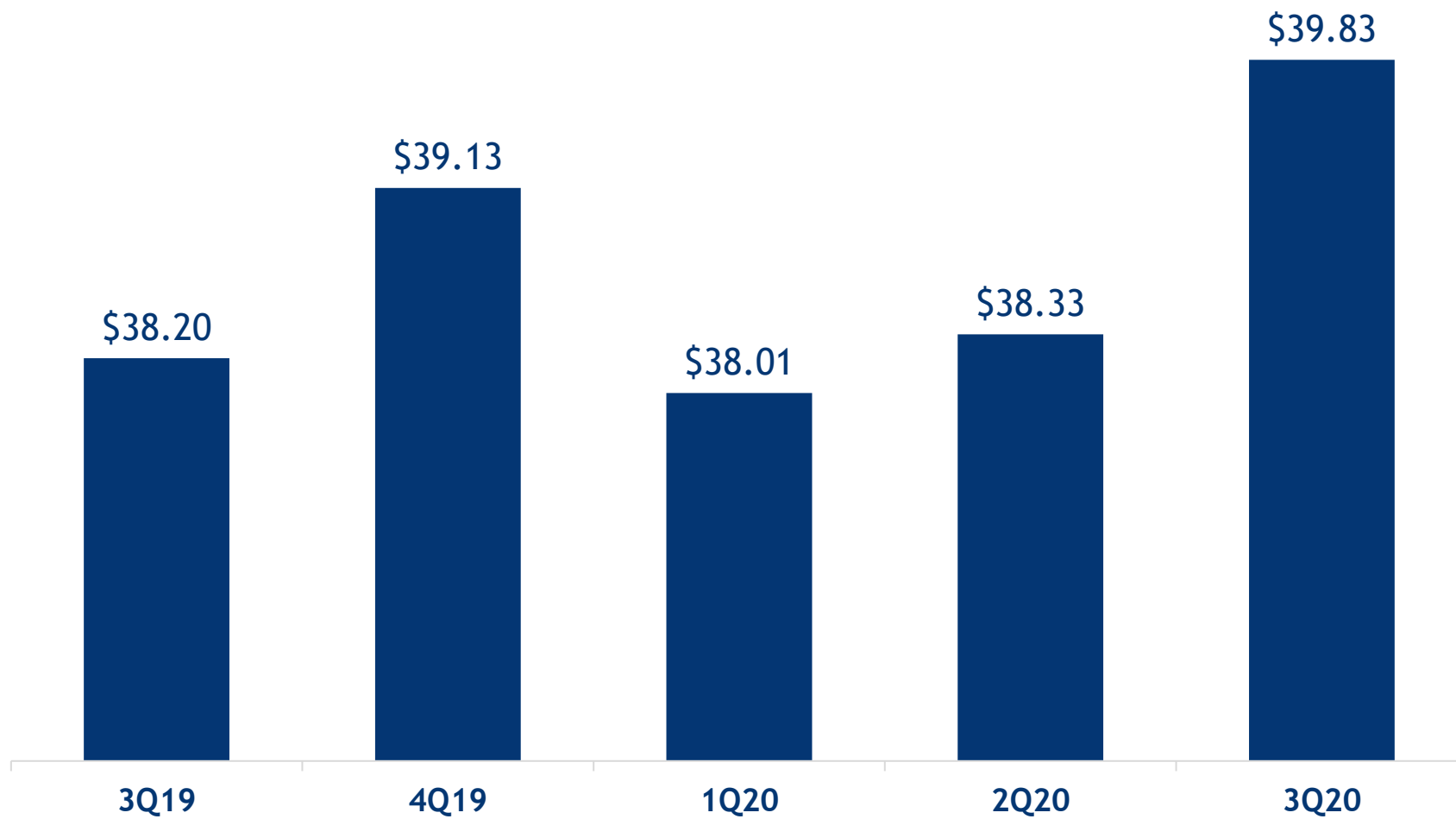


Dollars in millions

(1) Adjusted PPNR is a Non-GAAP financial measure that excludes the impact of branch consolidation, merger-related expenses, securities gains or losses, FHLB Advances prepayment penalty (\$199 thousand) and pension plan termination expenses - See reconciliation of GAAP to Non-GAAP measures in Appendix

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Tangible Book Value per Share⁽¹⁾



(1) The tangible measures are non-GAAP measures and exclude the effect of period end or average balance of intangible assets - See reconciliation of GAAP to Non-GAAP measures in Appendix

Loss Absorption Capacity

- September 30, 2020

	3Q20	% of Total Loans ⁽¹⁾
<u>Allowance for Credit Losses (“ACL”)</u>		
Non-PCD ACL	\$286.5	
PCD ACL	<u>153.7</u>	
Total ACL	\$440.2	1.92%
<u>Reserve for Unfunded Commitments</u>		
Reserve for unfunded commitments	<u>\$43.2</u>	<u>0.19%</u>
Total ACL plus Reserve for Unfunded Commitments	\$483.3	2.11%
Unrecognized Discount - Acquired Loans ⁽²⁾	<u>\$110.4</u>	<u>0.48%</u>
Total Loss Absorption Capacity	\$593.7	2.58%
Total Loans Held for Investment⁽¹⁾		\$22,886

Dollars in millions

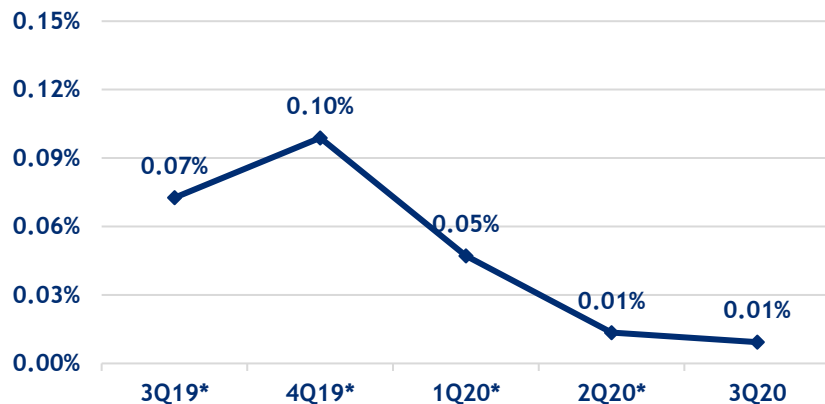
(1) Excludes PPP loans and loan held for sale

(2) Includes mark on CSFL loans and prior SSB acquisitions

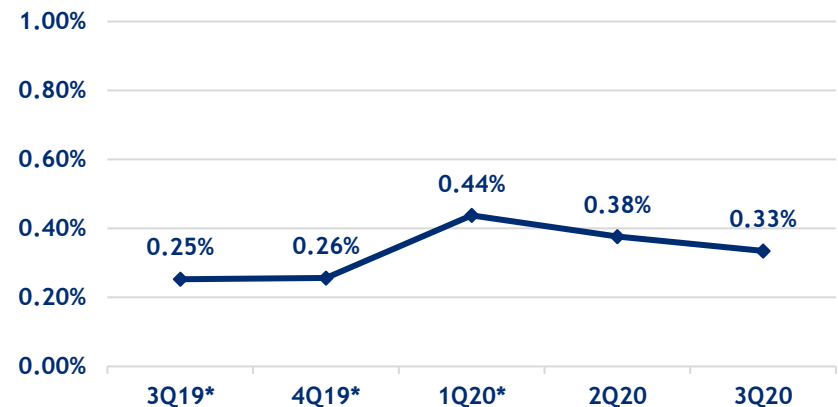
Asset Quality

(combined business basis)

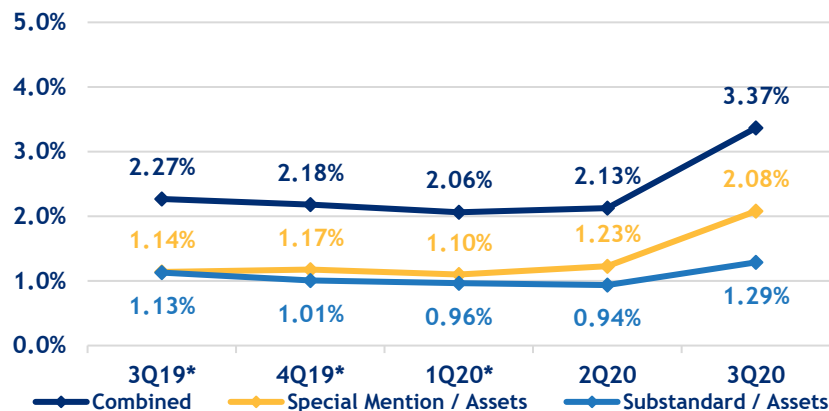
Net Charge Off to Loans



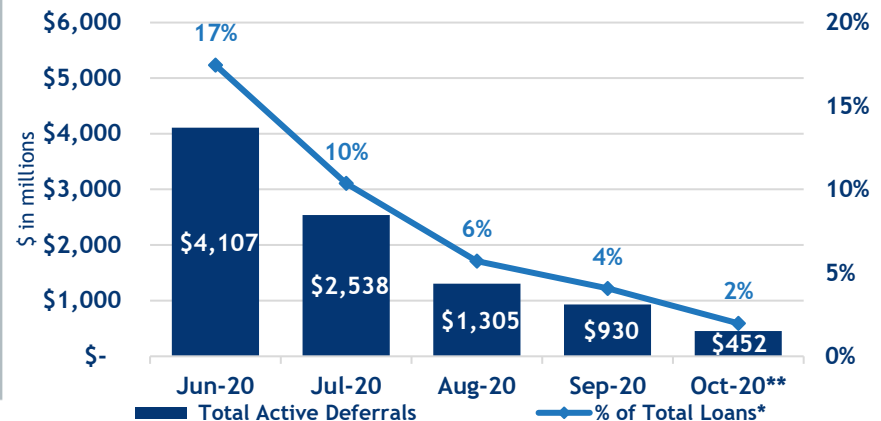
Non Accruals & OREO/OAO to Assets



Criticized & Classified Asset Trends



Loan Deferrals⁽¹⁾



Dollars in millions, unless otherwise noted

(1) Excludes loans held for sale and PPP loans

** Booked deferrals as of October 23, 2020

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Capital Ratios

	2Q20	3Q20 ⁽¹⁾
Tangible Common Equity*	7.6%	7.8%
Tier 1 Leverage	13.3%	8.1%
Tier 1 Common Equity	10.7%	11.5%
Tier 1 Risk-Based Capital	10.7%	11.5%
Total Risk-Based Capital	12.9%	13.9%
Bank CRE Concentration Ratio	253%	236%
Bank CDL Concentration Ratio	61%	54%

(1) Preliminary

* The tangible measures are non-GAAP measures and exclude the effect of period end balance of intangible assets - See reconciliation of GAAP to Non-GAAP measures in Appendix

Merger-Related Expenses/Deal Costs⁽¹⁾

	CSFL ⁽²⁾	SSB	Total MRE
1Q20	\$ 3,076	\$ 4,114	\$ 7,190
4/1-6/7	33,526		33,526
2Q20		40,229	40,229
3Q20		21,574	21,574
YTD	\$ 36,602	\$ 65,917	\$ 102,519

- System conversion scheduled for 2Q 2021
- Cost save realization process on track
- Estimated \$205 million total spend; \$102.5 million remaining

Dollars in thousands, unless otherwise noted

(1) Only includes SSB/CSFL merger-related expenses

(2) Merger-related expense occurred pre-merger

Financial Highlights - Reported

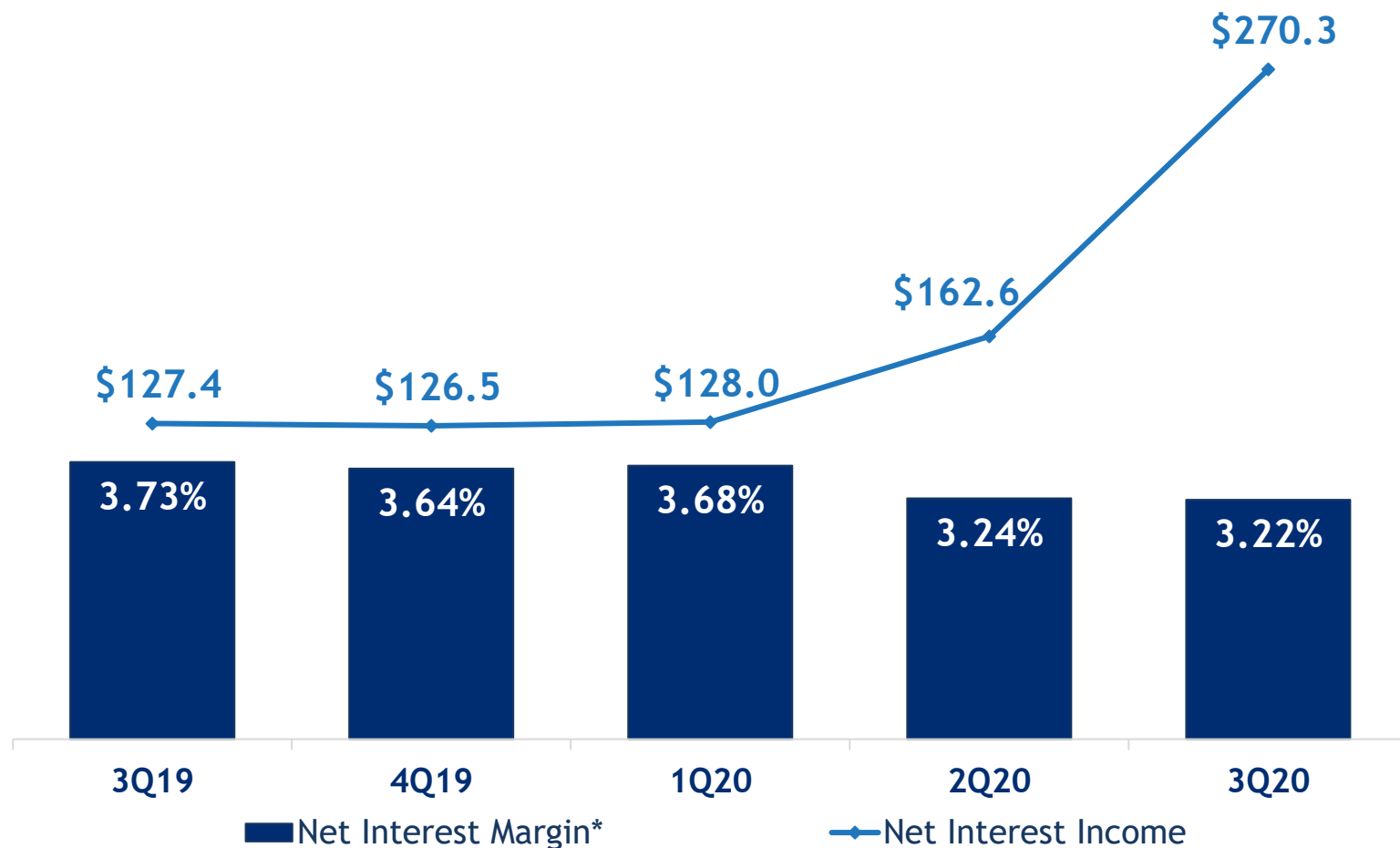
Highlights - Linked Quarter

	2Q20	3Q20
GAAP		
Net Income (Loss)	\$(84.9)	\$95.2
EPS (Diluted)	\$(1.96)	\$1.34
Return on Average Assets	(1.49)%	1.00%
Non-GAAP*		
Return on Average Tangible Common Equity	(19.71)%	14.66%
Non-GAAP, Adjusted*		
Net Income	\$38.6	\$112.6
EPS (Diluted)	\$0.89	\$1.58
Return on Average Assets	0.68%	1.18%
Return on Average Tangible Common Equity	10.23%	17.14%
Cash dividend per common share	\$0.47	\$0.47

Dollars in millions, except per share data

* The tangible measures are non-GAAP measures and exclude the effect of period end or average balance of intangible assets. The tangible returns on equity and common equity measures also add back the after-tax amortization of intangibles to GAAP basis net income; other adjusted figures presented are also Non-GAAP financial measures that exclude the impact of merger-related expenses, provision for credit losses for Non-PCD loans and unfunded commitments and FHLB prepayment penalty - See reconciliation of GAAP to Non-GAAP measures in Appendix

Net Interest Margin

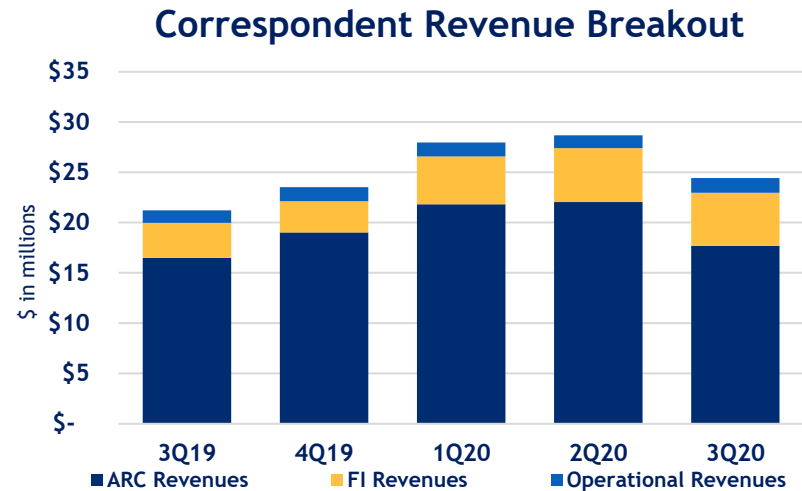
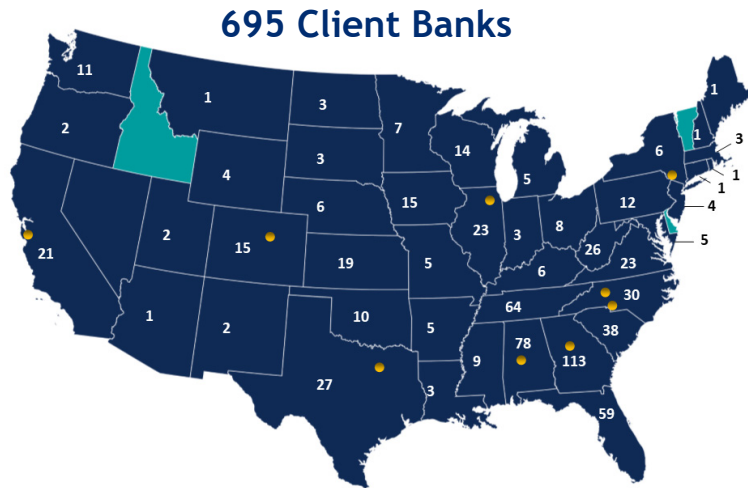


Dollars in millions

* Tax equivalent

Tax equivalent NIM is Non-GAAP financial measures - See reconciliation of GAAP to Non-GAAP measures in Appendix

Correspondent Banking Division



- Provides capital markets hedging (ARC), fixed income sales, international, clearing and other services to financial institutions
- Recently announced expansion of Correspondent Banking Division with the agreement to acquire Duncan Williams, Inc. (terms not disclosed)
 - Broker Dealer founded in 1969
 - Adds approximately 250 financial institution clients
 - Retention agreements with sales team representing 85% of revenues

Mortgage Banking Division

- Quarter-to-Date Production: 5,263 loans / \$1.574 billion in volume
- Secondary vs Portfolio

	3Q20 QTD
Secondary	\$1.141 Billion / 70% of QTD volume
Portfolio	\$433 Million / 30% of QTD volume

– Secondary Gain on Sale Margin: 4.05%

- Purchase vs Refinance

	3Q20 QTD
Purchase	\$951 Million / 60% of QTD volume
Refinance	\$624 Million / 40% of QTD volume

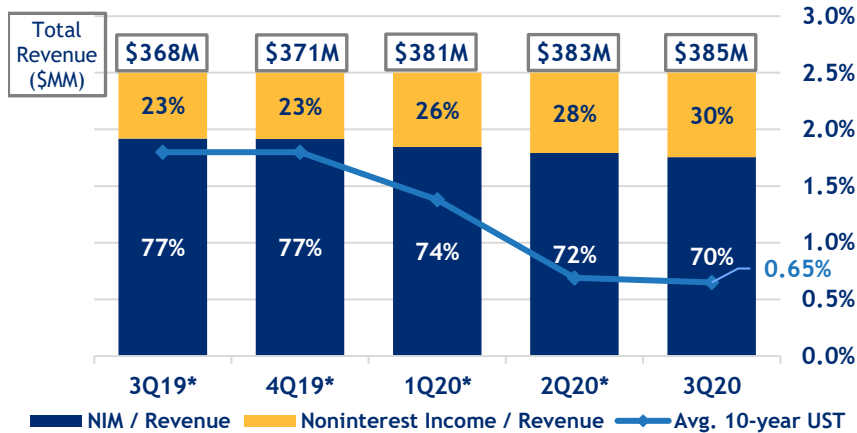
- Pipeline as of September 30, 2020: 3,140 units / \$993 million

Combined Business Basis Performance

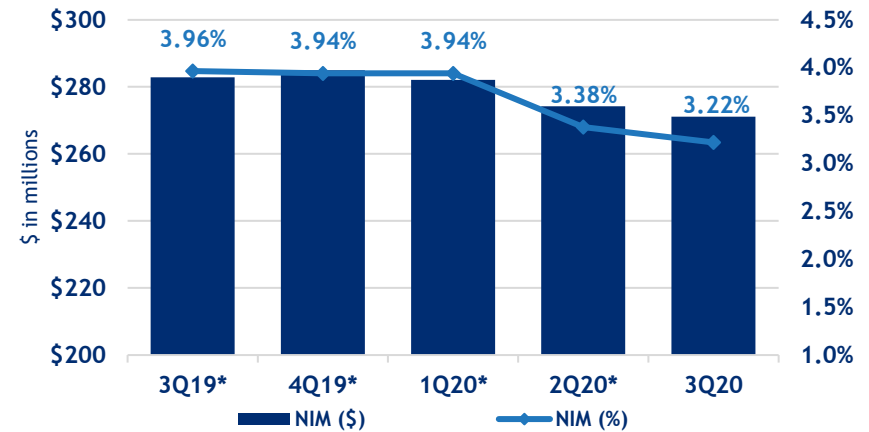
Current & Historical 5-Qtr Performance⁽¹⁾

(combined business basis)

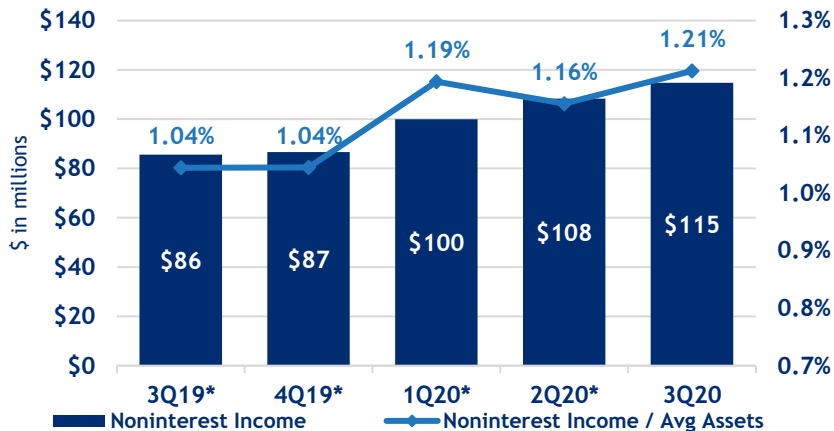
Revenue Composition



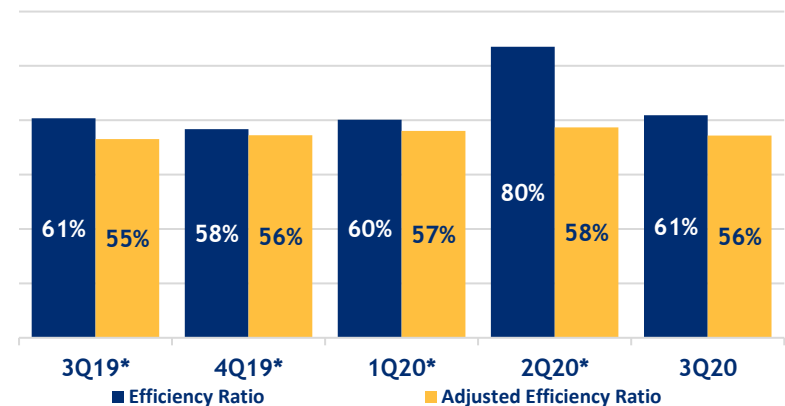
Net Interest Margin



Noninterest Income



Efficiency Ratio

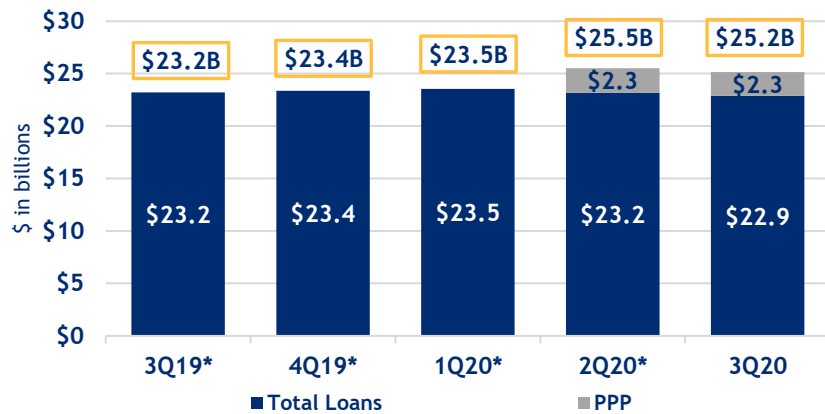


(1) Noninterest income and total revenue are adjusted by securities gains or losses; Tax equivalent NIM, efficiency ratio and adjusted efficiency ratio are Non-GAAP financial measures; Adjusted Efficiency Ratio excludes the impact of branch consolidation, merger-related expenses, securities gains or losses, FHLB Advances prepayment penalty, pension plan termination expenses and amortization expense on intangible assets (legacy CSFL only) - See Current & Historical Efficiency Ratio and Net Interest Margin in Appendix

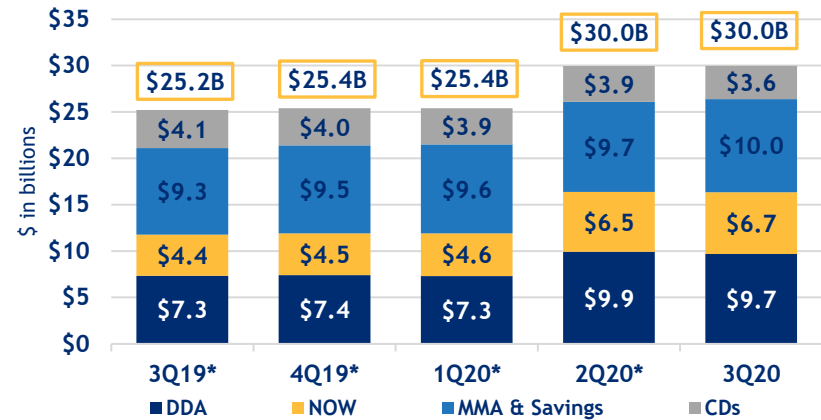
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Current & Historical Trend (combined business basis)

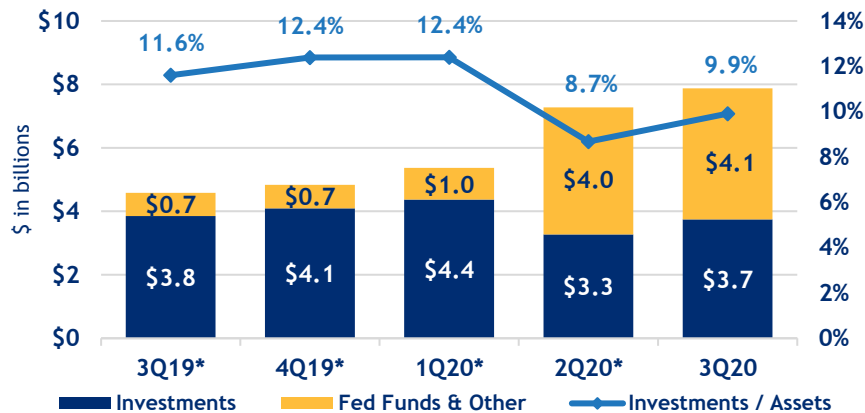
Loans HFI (1)



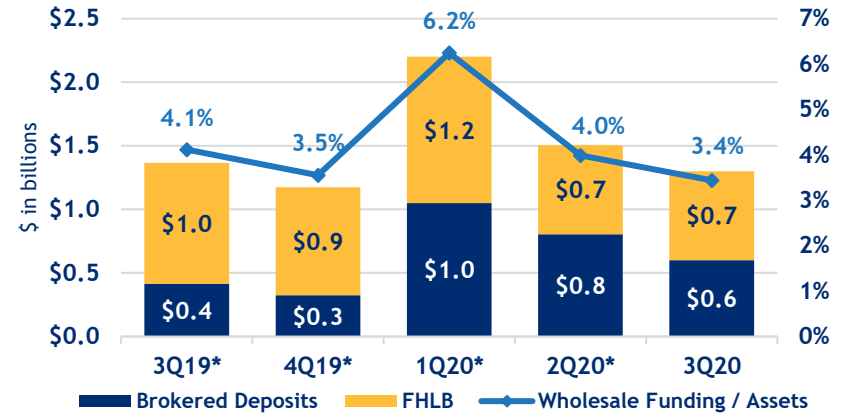
Deposits



Investments & Fed Funds



Wholesale Funding



Dollars in billions

(1) Excludes loans held for sale

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Branch Optimization

2009 September 2020

85 Branches
Average Size
\$40M

420 Branches
Acquired Plus
12 DeNovo
Branches

212 Branches
Consolidated
or Sold

305 Branches
Average Size
\$99M

85 + 432 - 212 = 305

~145% growth in deposits per branch

Announced 4th Quarter 2020 Activity

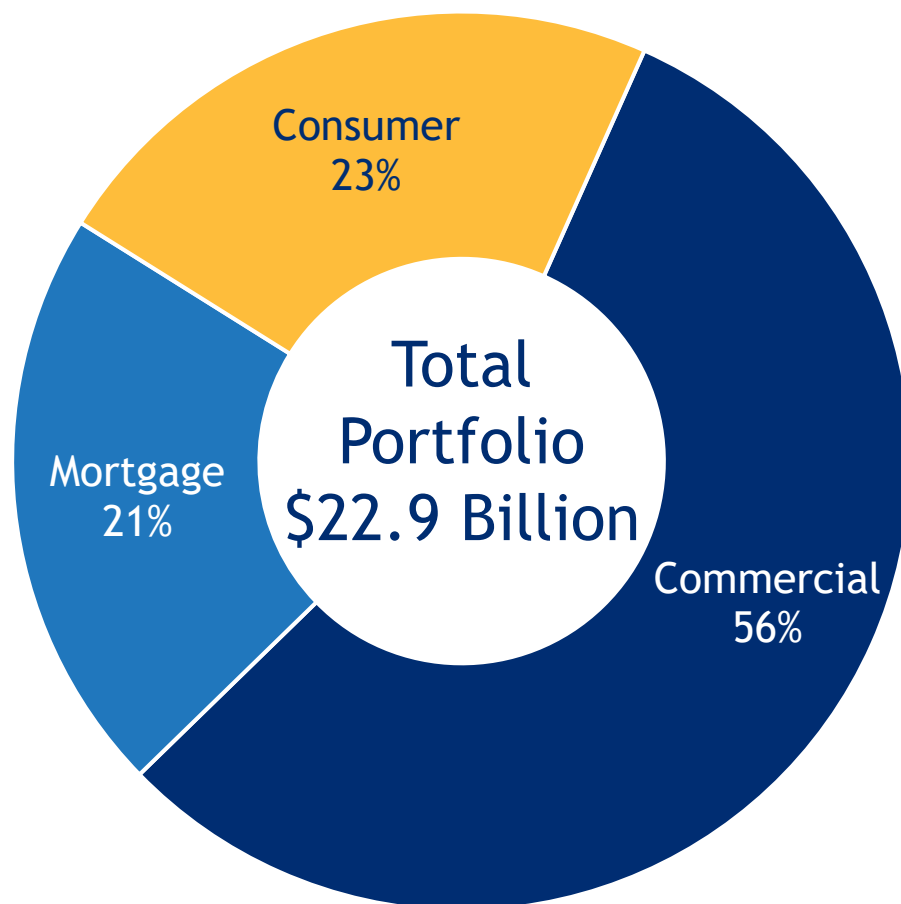
305 Branches
9/30/2020

20 Branches
Consolidated or
Sold

285 Branches
2020 YE

Appendix

Loans - Industry Exposures⁽¹⁾



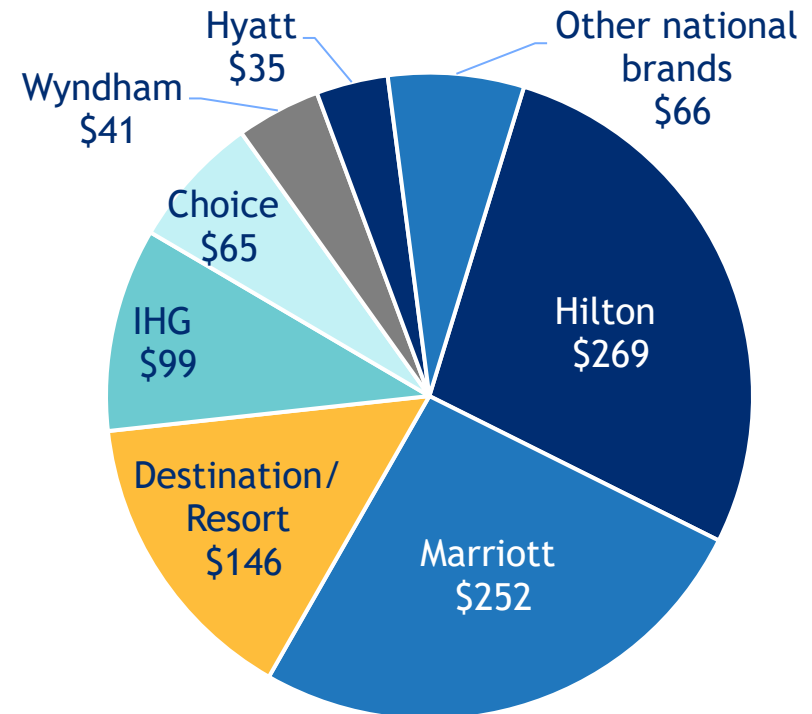
Selected Industries (% of total loan portfolio)

Lodging	\$973	4.2%
Restaurants	\$497	2.2%
Retail CRE	\$2,183	9.5%

Dollars in millions, unless otherwise noted
(1) Excludes loans held for sale and PPP loans

Lodging Portfolio

- 55% weighted average loan to value
- Lodging is \$973 million or 4.2% of loan portfolio⁽¹⁾
- 12% of portfolio under deferral⁽²⁾
- Top 3 MSA's: Charleston, Greenville, Charlotte



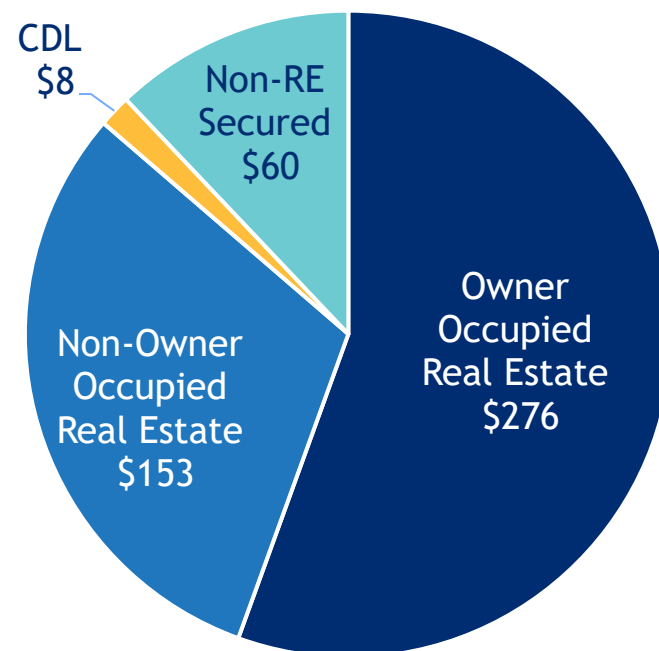
Dollars in millions

(1) Loan portfolio excluding loans held for sale and PPP loans

(2) Booked deferrals as of 10/23/20

Restaurant Portfolio

- 55% weighted average loan to value
- Restaurant is \$497 million or 2.2% of loan portfolio⁽¹⁾
- 2% of portfolio under deferral⁽²⁾
- Top 3 MSA's: Atlanta, Charleston, Jacksonville



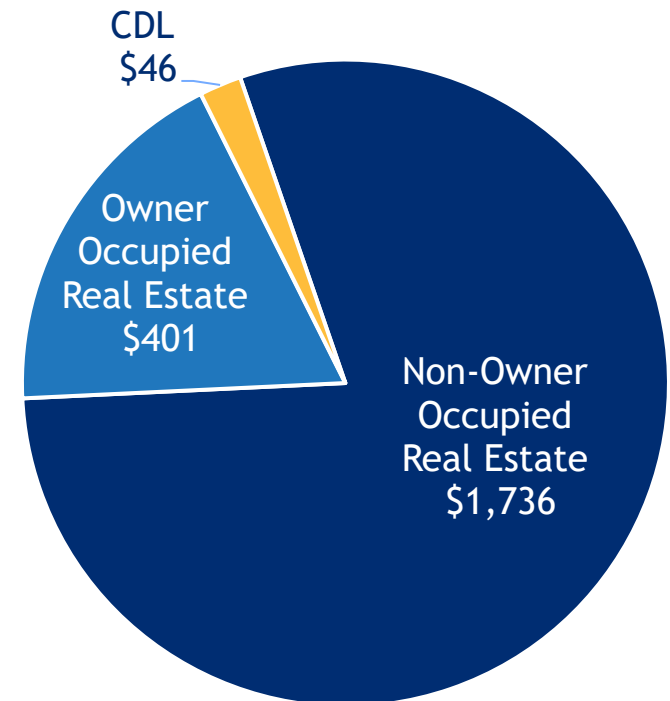
Dollars in millions

(1) Loan portfolio excluding loans held for sale and PPP loans

(2) Booked deferrals as of 10/23/20

Retail CRE Portfolio

- 57% weighted average loan to value
- Retail CRE is \$2.2 billion or 9.5% of loan portfolio⁽¹⁾
- 4% of portfolio under deferral⁽²⁾
- Top 3 MSA's: Miami, Orlando, Tampa



Dollars in millions

(1) Loan portfolio excluding loans held for sale and PPP loans

(2) Booked deferrals as of 10/23/20

Current & Historical

PPNR, Adjusted (Unaudited)

Combined Business Basis

	Sep. 30, 2019			Dec. 31, 2019			Mar. 31, 2020			Jun. 30, 2020			Sep. 30, 2020
	SSB	CSFL	Combined (2)	SSB	CSFL	Combined (2)	SSB	CSFL	Combined (2)	SSB	CSFL (1)	Combined	SSB
Net interest income (GAAP)	\$ 127,373	\$ 154,947	\$ 282,320	\$ 126,456	\$ 157,925	\$ 284,381	\$ 128,013	\$ 153,353	\$ 281,366	\$ 162,557	\$ 111,624	\$ 274,181	\$ 270,348
Plus:													
Noninterest income	37,582	48,488	86,070	36,307	50,329	86,636	44,132	55,790	99,922	54,347	94,271	148,618	114,790
Less:													
Gain (loss) on sale of securities	437	-	437	24	(13)	11	-	-	-	-	40,276	40,276	15
Total revenue, adjusted (non-GAAP)	\$ 164,518	\$ 203,435	\$ 367,953	\$ 162,739	\$ 208,267	\$ 371,006	\$ 172,145	\$ 209,143	\$ 381,288	\$ 216,904	\$ 165,619	\$ 382,523	\$ 385,123
Less:													
Noninterest expense	96,364	127,036	223,400	100,628	113,409	214,037	107,247	122,772	230,019	175,112	132,703	307,815	236,887
PPNR (Non-GAAP)	\$ 68,154	\$ 76,399	\$ 144,553	\$ 62,111	\$ 94,858	\$ 156,969	\$ 64,898	\$ 86,371	\$ 151,269	\$ 41,792	\$ 32,916	\$ 74,708	\$ 148,236
Plus:													
Non-recurring item adjustments	-	16,994	16,994	1,494	159	1,653	4,129	3,051	7,180	40,478	41,875	82,353	21,662
Non-recurring items	-	16,994	16,994	1,494	159	1,653	4,129	3,051	7,180	40,478	41,875	82,353	21,662
PPNR, Adjusted (Non-GAAP)	\$ 68,154	\$ 93,393	\$ 161,547	\$ 63,605	\$ 95,017	\$ 158,622	\$ 69,027	\$ 89,422	\$ 158,449	\$ 82,270	\$ 74,791	\$ 157,061	\$ 169,898

Dollars in thousands

(1) Through June 7, 2020

(2) Does not include purchase accounting adjustments

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Current & Historical

Efficiency Ratios & Net Interest Margin (Unaudited)

	Combined Business Basis												
	Sep. 30, 2019			Dec. 31, 2019			Mar. 31, 2020			Jun. 30, 2020			Sep. 30, 2020
	SSB	CSFL	Combined ⁽²⁾	SSB	CSFL	Combined ⁽²⁾	SSB	CSFL	Combined ⁽²⁾	SSB	CSFL ⁽¹⁾	Combined	SSB
Noninterest expense (GAAP)	\$ 96,364	\$ 127,036	\$ 223,400	\$ 100,628	\$ 113,409	\$ 214,037	\$ 107,247	\$ 122,772	\$ 230,019	\$ 175,112	\$ 132,703	\$ 307,815	\$ 236,887
Net interest income (GAAP)	\$ 127,373	\$ 154,947	\$ 282,320	\$ 126,456	\$ 157,925	\$ 284,381	\$ 128,013	\$ 153,353	\$ 281,366	\$ 162,557	\$ 111,624	\$ 274,181	\$ 270,348
Tax Equivalent ("TE") adjustments	496	491	987	503	564	1,067	530	685	1,215	579	495	1,074	734
Net interest income, TE (non-GAAP)	\$ 127,869	\$ 155,438	\$ 283,307	\$ 126,959	\$ 158,489	\$ 285,448	\$ 128,543	\$ 154,038	\$ 282,581	\$ 163,136	\$ 112,119	\$ 275,255	\$ 271,082
Noninterest income (GAAP)	\$ 37,582	\$ 48,488	\$ 86,070	\$ 36,307	\$ 50,329	\$ 86,636	\$ 44,132	\$ 55,790	\$ 99,922	\$ 54,347	\$ 94,271	\$ 148,618	\$ 114,790
Less:													
Gain (loss) on sale of securities	437	-	437	24	(13)	11	-	-	-	-	40,276	40,276	15
Adjusted noninterest income (non-GAAP)	\$ 37,145	\$ 48,488	\$ 85,633	\$ 36,283	\$ 50,342	\$ 86,625	\$ 44,132	\$ 55,790	\$ 99,922	\$ 54,347	\$ 53,995	\$ 108,342	\$ 114,775
Efficiency Ratio (Non-GAAP)	58%	62%	61%	62%	54%	58%	62%	59%	60%	81%	80%	80%	61%
Noninterest expense (GAAP)	\$ 96,364	\$ 127,036	\$ 223,400	\$ 100,628	\$ 113,409	\$ 214,037	\$ 107,247	\$ 122,772	\$ 230,019	\$ 175,112	\$ 132,703	\$ 307,815	\$ 236,887
Less Adjustments:													
Non-recurring items ⁽³⁾	-	21,223	21,223	1,494	4,711	6,205	4,129	7,586	11,715	40,478	44,761	85,239	21,662
Adjusted noninterest expense (non-GAAP)	\$ 96,364	\$ 105,813	\$ 202,177	\$ 99,134	\$ 108,698	\$ 207,832	\$ 103,118	\$ 115,186	\$ 218,304	\$ 134,634	\$ 87,942	\$ 222,576	\$ 215,225
Adjusted Efficiency Ratio (Non-GAAP)	58%	52%	55%	61%	52%	56%	60%	55%	57%	62%	53%	58%	56%
Interest-earning Assets	\$13,595,944	\$14,702,264	\$28,298,208	\$13,834,211	\$14,779,757	\$28,613,968	\$14,042,524	\$14,873,007	\$28,915,531	\$20,347,350	\$12,414,262	\$32,761,612	\$33,503,666
Net interest income, TE (non-GAAP)	127,869	155,438	283,307	126,959	158,489	285,448	128,543	154,038	282,581	163,136	112,119	275,255	271,082
Net Interest Margin (Non-GAAP)			3.96%			3.94%			3.94%			3.38%	3.22%

Dollars in thousands

(1) Through June 7, 2020

(2) Does not include purchase accounting adjustments

(3) Legacy CSFL also adjusted noninterest expense by intangible assets' amortization expenses for the adjusted efficiency ratios, which were approximately \$4.4, \$4.2, \$4.6, \$4.5 and \$2.9 million for 2Q 19, 3Q 19, 4Q 19, 1Q 20 and 2Q 20 (through June 7), respectively

The combined historical information referred to in this presentation as the "Combined Company Basis" presented is based on the reported GAAP results of the Company and CenterState for the applicable periods without adjustments and the information included in this release has not been prepared in accordance with Article 11 of Regulation S-X, and therefore does not reflect any of the pro forma adjustments that would be required thereby.

Non-GAAP Reconciliations

Tangible Book Value per Share & Tangible Common Equity ("TCE") Ratio

Tangible Book Value per Share

	3Q19	4Q19	1Q20	2Q20	3Q20
Shareholders' common equity (excludes preferred stock)	\$ 2,350,956	\$ 2,373,013	\$ 2,321,043	\$ 4,491,850	\$ 4,563,413
Less: Intangible assets	1,055,983	1,052,716	1,049,709	1,774,294	1,738,161
Tangible shareholders' common equity (excludes preferred stock)	\$ 1,294,973	\$ 1,320,297	\$ 1,271,334	\$ 2,717,556	\$ 2,825,252
Common shares issued and outstanding	33,902,726	33,744,385	33,444,236	70,907,119	70,928,304
Tangible Book Value per Common Share (Non-GAAP)	\$ 38.20	\$ 39.13	\$ 38.01	\$ 38.33	\$ 39.83

Tangible Common Equity ("TCE") Ratio

	2Q20	3Q20
Shareholders' equity (GAAP)	\$ 4,491,850	\$ 4,563,413
Less:		
Intangible assets	1,774,294	1,738,161
Tangible common equity (non-GAAP)	\$ 2,717,556	\$ 2,825,252
Total assets (GAAP)	37,725,356	37,819,366
Less:		
Intangible assets	1,774,294	1,738,161
Tangible asset (non-GAAP)	\$ 35,951,062	\$ 36,081,205
TCE Ratio (Non-GAAP)	7.6%	7.8%

Dollars in thousands, except for per share data

Non-GAAP Reconciliations

Return on Average Tangible Common Equity & PPNR Return on Average Assets

Return on Average Tangible Equity

	2Q20	3Q20
Net income (loss) (GAAP)	\$ (84,935)	\$ 95,221
Plus:		
Amortization of intangibles	4,665	9,560
Effective tax rate, excluding DTA write-off	23%	20%
Amortization of intangibles, net of tax	3,612	7,685
Net income plus after-tax amortization of intangibles (non-GAAP)	\$ (81,323)	\$ 102,906
Average shareholders' common equity, excluding preferred stock	\$ 2,900,443	\$ 4,556,061
Less:		
Average intangible assets	1,240,650	1,763,255
Average tangible common equity	\$ 1,659,793	\$ 2,792,806
Return on Average Tangible Common Equity (Non-GAAP)	(19.71%)	14.66%

PPNR (adjusted) Return on Average Assets

	3Q20
PPNR, Adjusted (Non-GAAP)	\$ 169,898
Average assets	37,865,217
PPNR ROAA	1.79%

Dollars in thousands

The tangible measures are non-GAAP measures and exclude the effect of period end or average balance of intangible assets; the tangible returns on equity and common equity measures also add back the after-tax amortization of intangibles to GAAP basis net income.

Non-GAAP Reconciliations

Adjusted Net Income (Loss) & Adjusted Earnings Per Share (“EPS”)

Adjusted Net Income (Loss)

	2Q20	3Q20
Net income (loss) (GAAP)	\$ (84,935)	\$ 95,221
Plus:		
Securities gain, net of tax	-	(12)
Merger and branch consolidation related expense, net of tax	31,191	17,413
Provision for credit losses - Non-PCD loans & UFC	92,212	-
FHLB prepayment penalty	154	-
Adjusted Net Income (Non-GAAP)	\$ 38,622	\$ 112,622

Adjusted EPS

	2Q20	3Q20
Adjusted diluted weighted-average common shares	43,606	71,086
Net income (loss) (GAAP)	\$ (84,935)	\$ 95,221
Plus:		
Securities gain, net of tax	-	(12)
Merger and branch consolidation related expense, net of tax	31,191	17,413
Provision for credit losses - Non-PCD loans & unfunded commitments	92,212	-
FHLB prepayment penalty	154	-
Adjusted net income (non-GAAP)	\$ 38,622	\$ 112,622
Adjusted EPS, Diluted (Non-GAAP)	\$ 0.89	\$ 1.58

Dollars in thousands, except for per share data

Non-GAAP Reconciliations

Adjusted Return on Average Assets & Average Tangible Common Equity

Adjusted Return on Average Assets

	2Q20	3Q20
Adjusted net income (non-GAAP)	\$ 38,622	\$ 112,622
Total average assets	22,898,925	37,865,217
Adjusted Return on Average Assets (Non-GAAP)	0.68%	1.18%

Adjusted Return on Average Tangible Common Equity

	2Q20	3Q20
Net operating earnings (non-GAAP)	\$ 38,622	\$ 112,622
Plus:		
Amortization of intangibles, net of tax	3,612	7,685
Net operating earnings plus after-tax amortization of intangibles (non-GAAP)	\$ 42,235	\$ 120,307
Average tangible common equity	\$ 1,659,793	\$ 2,792,806
Adjusted Return on Average Tangible Common Equity (Non-GAAP)	10.23%	17.14%

Dollars in thousands

The tangible measures are non-GAAP measures and exclude the effect of period end or average balance of intangible assets; the tangible returns on equity and common equity measures also add back the after-tax amortization of intangibles to GAAP basis net income.

Non-GAAP Reconciliations

Net Interest Margin, Tax Equivalent & Adjusted Efficiency Ratios

Net Interest Margin - Tax Equivalent (Non-GAAP)

	3Q19	4Q19	1Q20	2Q20	3Q20
Net interest income (GAAP)	\$ 127,373	\$ 126,456	\$ 128,013	\$ 162,557	\$ 270,348
Tax equivalent adjustments	496	503	530	579	734
Net interest income (tax equivalent) (Non-GAAP)	\$ 127,869	\$ 126,959	\$ 128,543	\$ 163,136	\$ 271,082
Average earning assets	\$ 13,595,944	\$ 13,834,211	\$ 14,042,524	\$ 20,262,035	\$ 33,503,666
Net Interest Margin - Tax Equivalent (Non-GAAP)	3.73%	3.64%	3.68%	3.24%	3.22%

Adjusted Efficiency Ratios (Non-GAAP)

	2Q20	3Q20
Noninterest expense (GAAP)	\$ 175,112	\$ 236,887
Noninterest income (GAAP)	54,347	114,790
Less:		
Securities gains losses	-	15
Adjusted noninterest income (non-GAAP)	\$ 54,347	\$ 114,775
Net interest income (GAAP)	\$ 162,557	\$ 270,348
Plus:		
SCBT T/E adjustment	579	734
Tax equivalent net interest income (non-GAAP)	\$ 163,136	\$ 271,082
Efficiency Ratio (Tax Equivalent) (Non-GAAP)	80.52%	61.39%
Noninterest expense (GAAP)	\$ 175,112	\$ 236,887
Less:		
FHLB prepayment penalty	199	-
Merger related expenses	40,279	21,662
Adjusted noninterest expense (non-GAAP)	\$ 134,634	\$ 215,225
Adjusted Efficiency Ratio (Non-GAAP)	61.91%	55.78%

Dollars in thousands



SOUTH STATE