



SOUTH STATE



CenterState

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Trusted. Committed.  
**Banking Forward.**

# Forward Looking Statements; Additional Information

Information in this communication, other than statements of historical facts, may constitute forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements about the benefits of the proposed merger of South State and CenterState, including future financial and operating results (including the anticipated impact of the transaction on South State's and CenterState's respective earnings and tangible book value), statements related to the expected timing of the completion of the merger, the combined company's plans, objectives, expectations and intentions, and other statements that are not historical facts. Forward-looking statements may be identified by terminology such as "may," "will," "should," "scheduled," "plans," "intends," "anticipates," "expects," "believes," "estimates," "potential," or "continue" or negatives of such terms or other comparable terminology.

All forward-looking statements are subject to risks, uncertainties and other factors that may cause the actual results, performance or achievements of South State or CenterState to differ materially from any results expressed or implied by such forward-looking statements. Such factors include, among others, (1) 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, (2) disruption to the parties' businesses as a result of the announcement and pendency of the merger, (3) the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement, (4) 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, (5) the failure to obtain the necessary approvals by the shareholders of South State or CenterState, (6) the amount of the costs, fees, expenses and charges related to the merger, (7) the ability by each of South State and CenterState to obtain required governmental approvals of the merger (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the transaction), (8) reputational risk and the reaction of each company's customers, suppliers, employees or other business partners to the merger, (9) the failure of the closing conditions in the merger agreement to be satisfied, or any unexpected delay in closing the merger, (10) the possibility that the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events, (11) the dilution caused by South State's issuance of additional shares of its common stock in the merger, (12) general competitive, economic, political and market conditions, and (13) other factors that may affect future results of CenterState and South State including changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer borrowing, repayment, investment and deposit practices; the impact, extent and timing of technological changes; capital management activities; and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms. Additional factors which could affect future results of CenterState and South State can be found in South State's Annual Report on Form 10-K, 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 with the SEC and available on the SEC's website at <http://www.sec.gov>. CenterState and South State disclaim any obligation and do not intend to update or revise any forward-looking statements contained in this communication, which speak only as of the date hereof, whether as a result of new information, future events or otherwise, except as required by federal securities laws.

## Important Information About the Merger and Where to Find It

South State intends to file a registration statement on Form S-4 with the SEC to register the shares of South State's common stock that will be issued to CenterState's shareholders in connection with the transaction. The registration statement will include a joint proxy statement of South State and CenterState that also constitutes a prospectus of South State. The definitive joint proxy statement/prospectus will be sent to the shareholders of each of South State and CenterState in connection with the proposed merger. **INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT AND JOINT PROXY STATEMENT/PROSPECTUS WHEN THEY BECOME AVAILABLE (AND ANY OTHER DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE TRANSACTION OR INCORPORATED BY REFERENCE INTO THE JOINT PROXY STATEMENT/PROSPECTUS) BECAUSE SUCH DOCUMENTS WILL CONTAIN IMPORTANT INFORMATION REGARDING THE PROPOSED MERGER AND RELATED MATTERS.** Investors and security holders may obtain free copies of these documents and other documents filed with the SEC by South State or CenterState through the website maintained by the SEC at <http://www.sec.gov> or by contacting the investor relations department of South State or CenterState at:

South State Corporation  
520 Gervais Street  
Columbia, SC 29201-3046  
Attention: Investor Relations  
(800) 277-2175

CenterState Bank Corporation  
1101 First Street South, Suite 202  
Winter Haven, FL 33880  
Attention: Investor Relations  
(863) 293-4710

Before making any voting or investment decision, investors and security holders of South State and CenterState are urged to read carefully the entire registration statement and joint proxy statement/prospectus when they become available, including any amendments thereto, because they will contain important information about the proposed transaction. Free copies of these documents may be obtained as described above.

## Participants in Solicitation

South State, CenterState and certain of their directors and executive officers may be deemed participants in the solicitation of proxies from the shareholders of each of South State and CenterState in connection with the merger. Information regarding the directors and executive officers of South State and CenterState and other persons who may be deemed participants in the solicitation of the shareholders of South State or of CenterState in connection with the merger will be included in the joint proxy statement/prospectus related to the proposed merger, which will be filed by South State with the SEC. Information about the directors and executive officers of South State and their ownership of South State common stock can also be found in South State's definitive proxy statement in connection with its 2019 annual meeting of shareholders, as filed with the SEC on March 6, 2019, and other documents subsequently filed by South State with the SEC. Information about the directors and executive officers of CenterState and their ownership of CenterState common stock can also be found in CenterState's definitive proxy statement in connection with its 2019 annual meeting of shareholders, as filed with the SEC on March 12, 2019, and other documents subsequently filed by CenterState with the SEC. Additional information regarding the interests of such participants will be included in the joint proxy statement/prospectus and other relevant documents regarding the merger filed with the SEC when they become available.

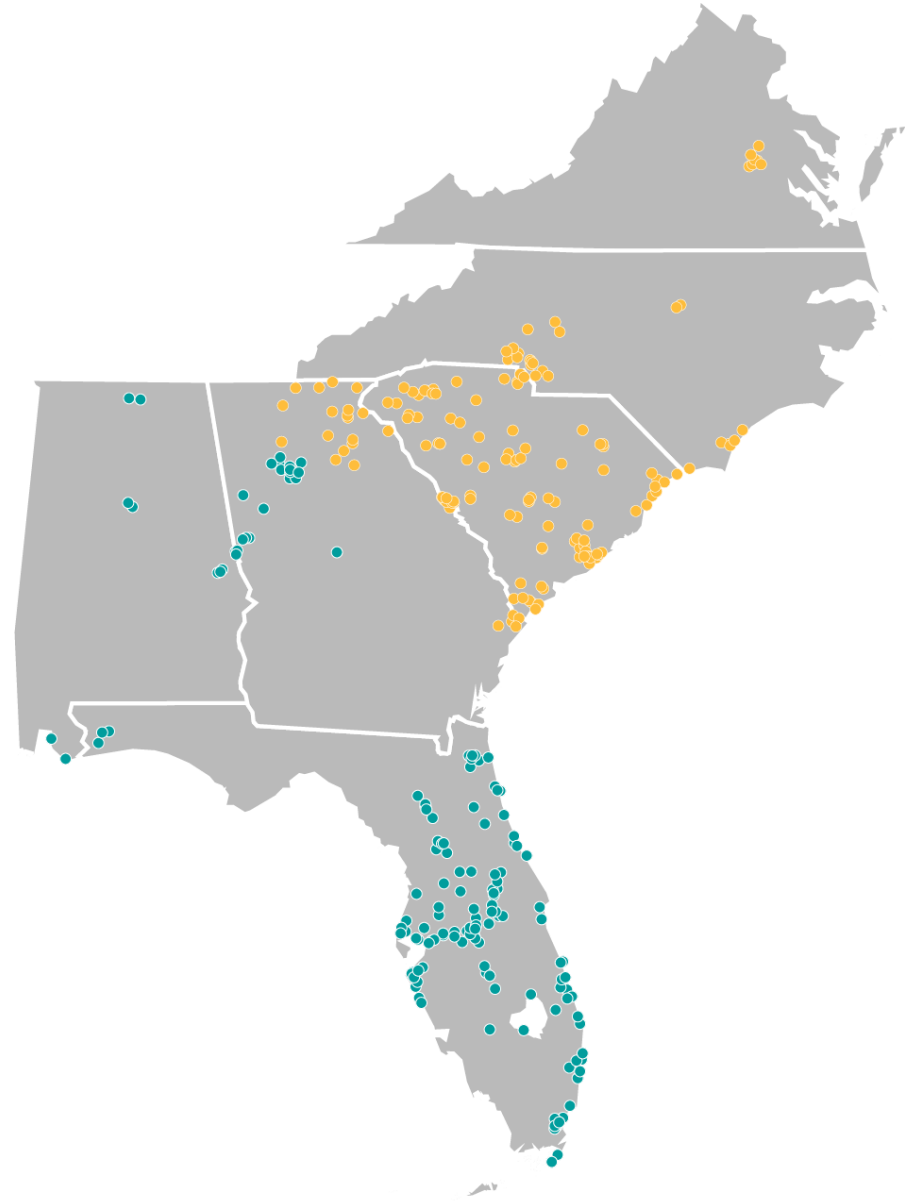


# Creating the Leading Southeast Regional Bank

*Best in Class  
Markets and Teams*

*Expanded Scale  
Improves Efficiency and  
Product Delivery*

*Top Tier  
Performance Metrics*



# Creating the Leading Southeast Regional Bank

## Enhanced Scale Through Partnership<sup>(1)</sup>

**\$34B**

Assets

**\$24B**

Loans

**\$26B**

Deposits

## Powerful Operating Leverage<sup>(2)</sup>

**~1.4%**

ROAA

**~18%**

ROATCE

**~52%**

Efficiency

## Dominant Southeast Franchise<sup>(3)</sup>

**300+**

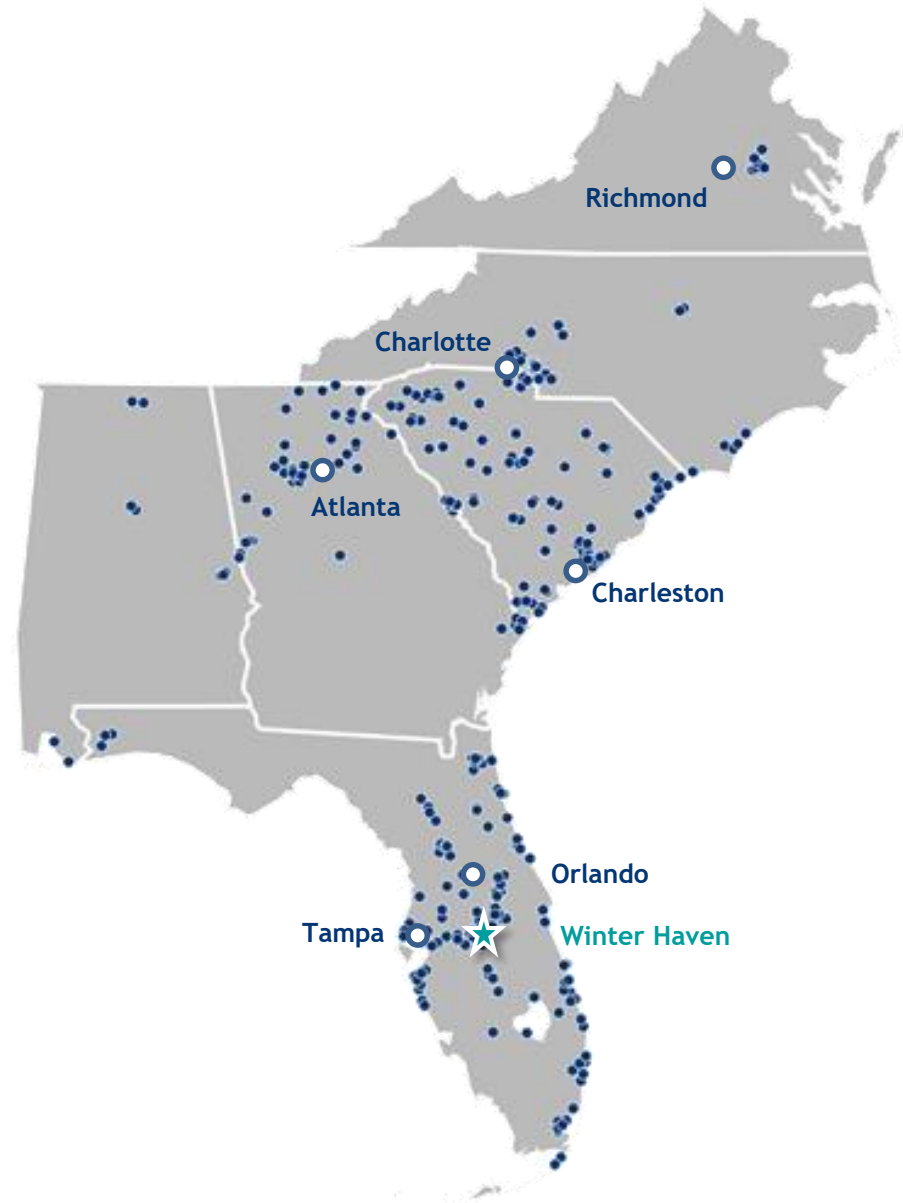
Branch  
Locations

Across  
**10** of the  
top **15**

Southeast Growth  
Markets

**#8**

Largest Bank  
Headquartered in  
the Southeast



Source: S&P Global Market Intelligence.

(1) Estimated balances at closing

(2) 2021 consensus estimates with cost saves fully phased in

(3) Includes top 15 largest markets in the Southeast sorted by projected '20 - '25 population growth markets. Data pro forma for announced transactions and as of the most recent quarter available.

# A Common Disciplined Approach



# Deep and Experienced Leadership Team



# Transaction Rationale

## Strategically Compelling

- Creates a high-powered financial institution with \$34 billion in assets
- Contiguous footprint with meaningful presence high growth markets
- Granular, low-cost deposit bases

## Strengthens Both Companies

- Creates 8<sup>th</sup> largest bank in the Southeast
- Combines two experienced management and relationship banking teams
- Adds complementary business lines and diversifies geographies

## Financially Attractive

- Significant EPS accretion with minimal tangible book dilution
- Peer leading pro forma profitability
- Conservative modeling assumptions

## Well-Positioned for Future Success

- Increased scale to better compete in an evolving industry
- Broader and stronger pro forma management team
- Capital formation rate to provide flexibility

# Transaction Terms

## Structure

- *Legal / Accounting Acquiror:* **South State Corporation**
- *Exchange Ratio:* **0.3001x**
- *Ownership Split:* **47% SSB / 53% CSFL**

## Leadership

- *Board Composition:* **8 South State / 8 CenterState**
- *Executive Chairman:* **Robert Hill**
- *CEO:* **John Corbett**

## Operations

- *Brand:* **South State Bank**
- *Headquarters:* **Winter Haven, FL**
- *Major Support Centers:* **Winter Haven, Charleston, Columbia, Charlotte and Atlanta**

## Timing & Approval

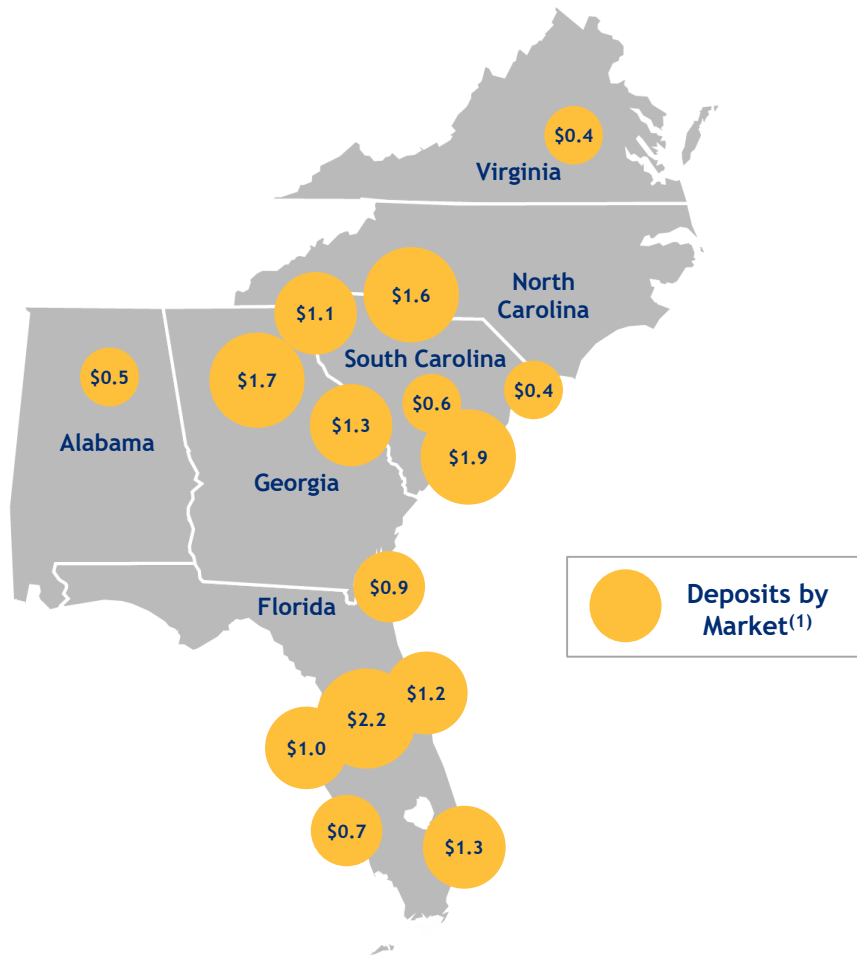
- *Approvals:* **Shareholder and regulatory**
- *Anticipated Closing:* **Q3 '20**



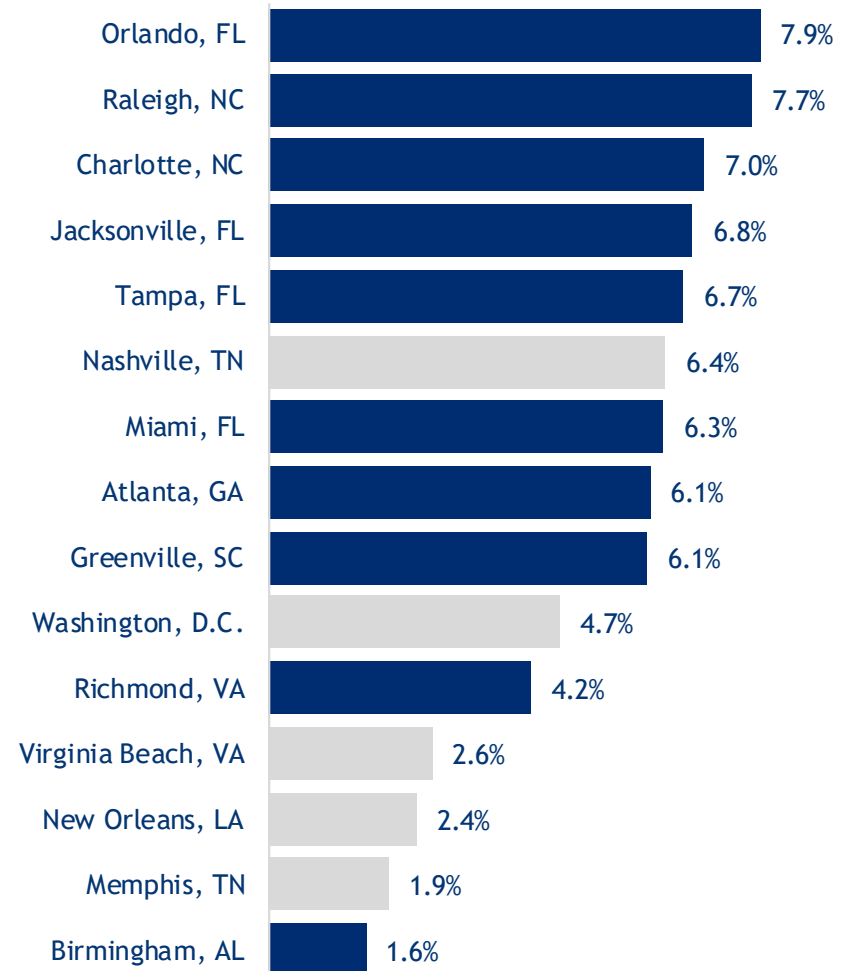
# Attractive Markets of Operation

## Meaningful Presence in 10 of the 15 most populous markets in the Southeast

### Pro Forma Company

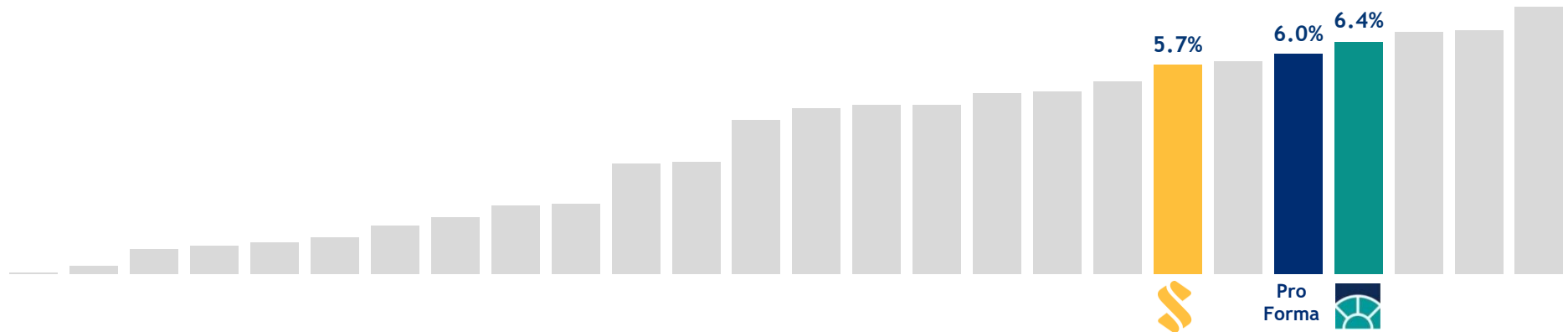


### 15 Largest Markets in the Southeast Sorted by Pop. Growth(2)



# Peer-leading Pro Forma Demographics and Deposit Base

## 2020 - 2025 Projected Population Growth<sup>(1)</sup>

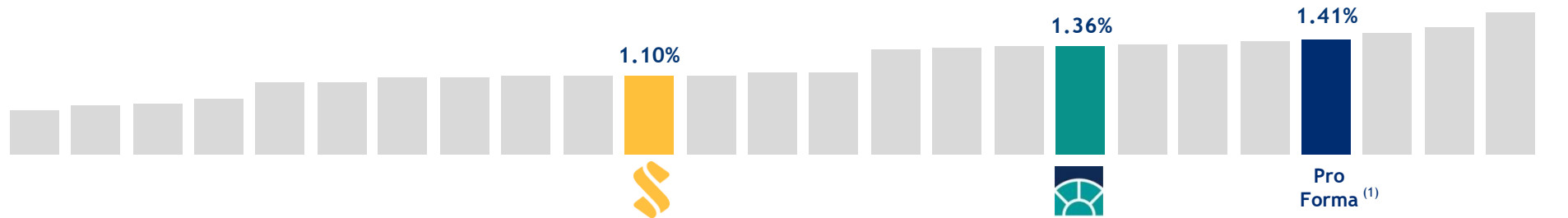


## MRQ Cost of Deposits<sup>(2)</sup>

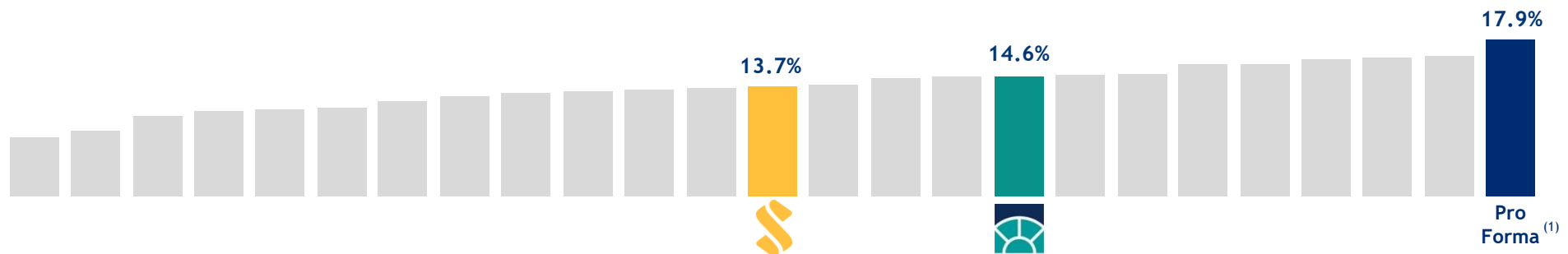


# Peer-leading Pro Forma Profitability

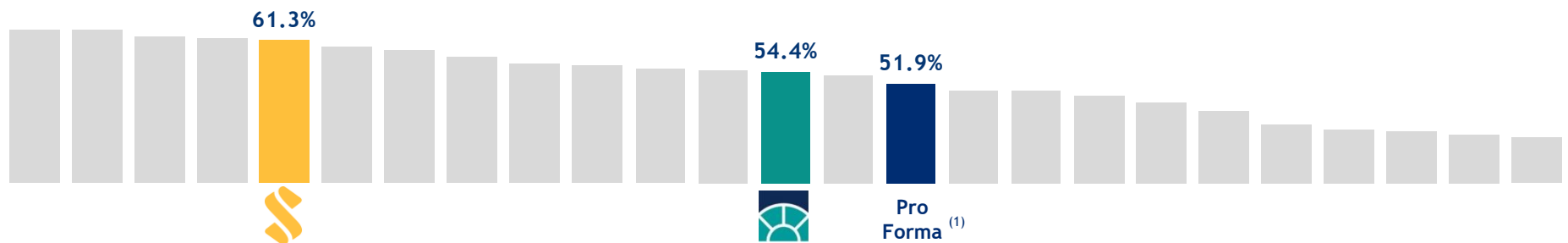
## 2021 Consensus ROAA



## 2021 Consensus ROATCE



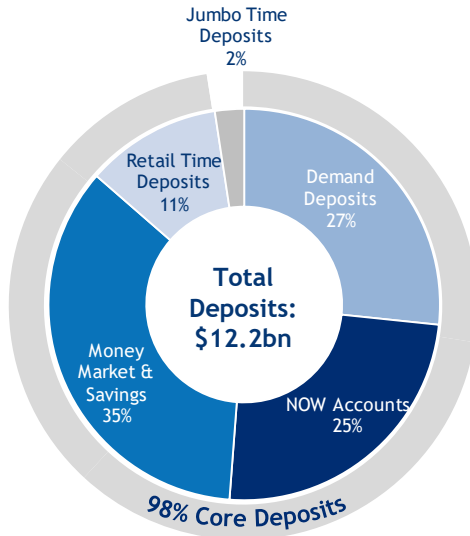
## 2021 Consensus Efficiency Ratio



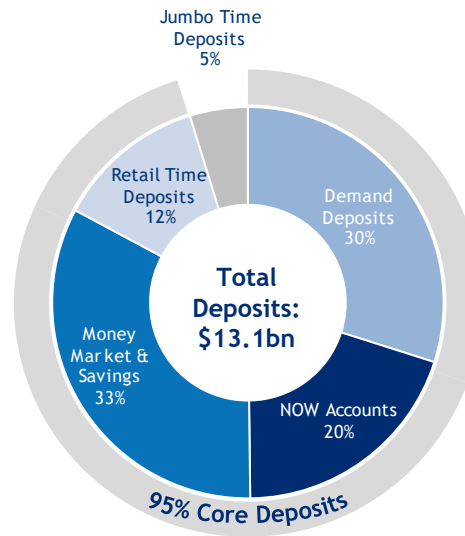
# Core Funded Franchise

Core Deposit Base

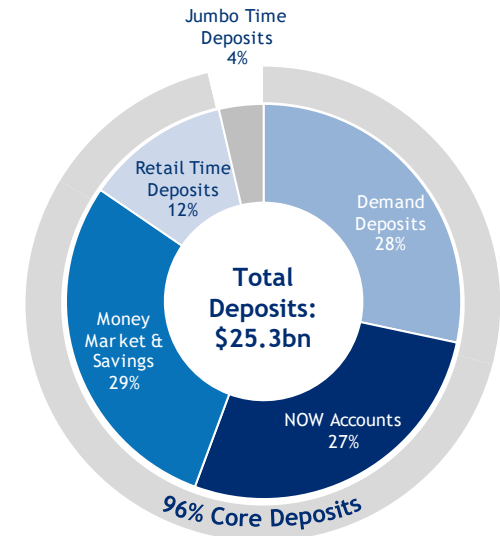
## SSB



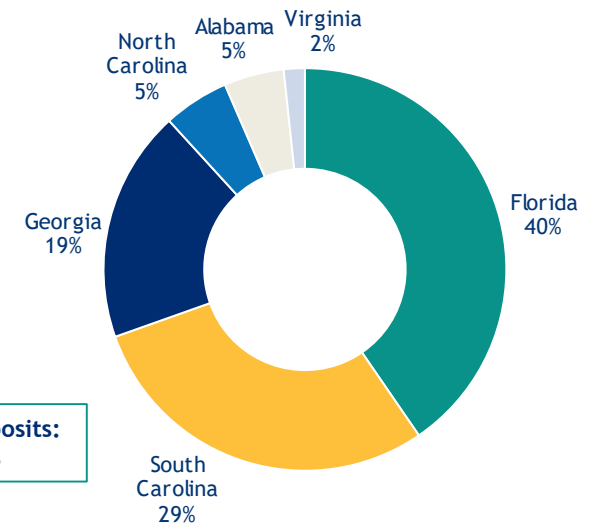
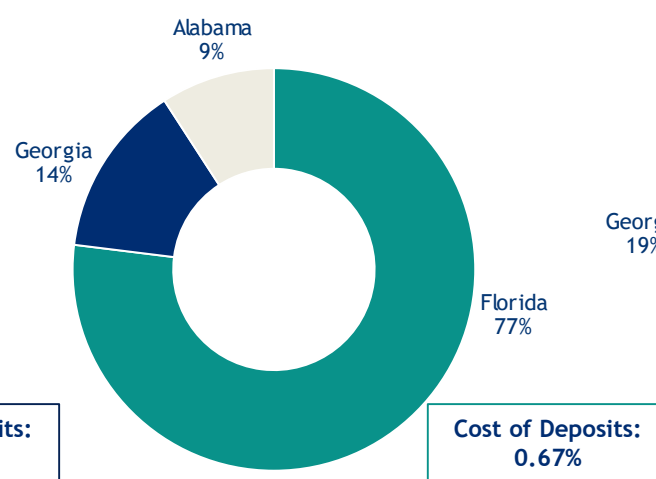
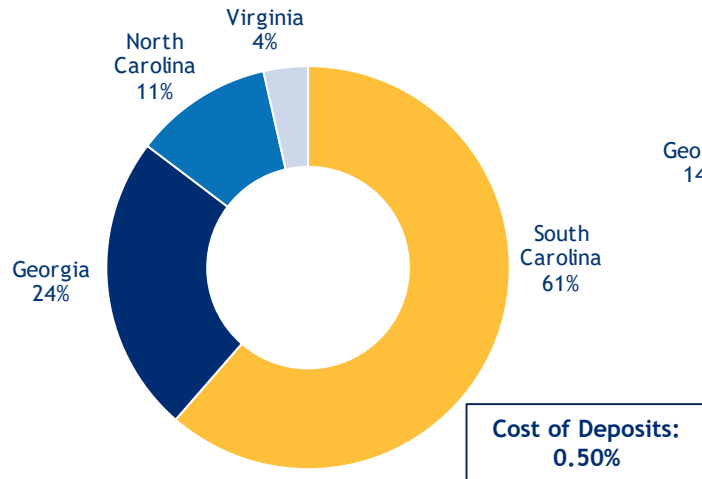
## CSFL



## Pro Forma

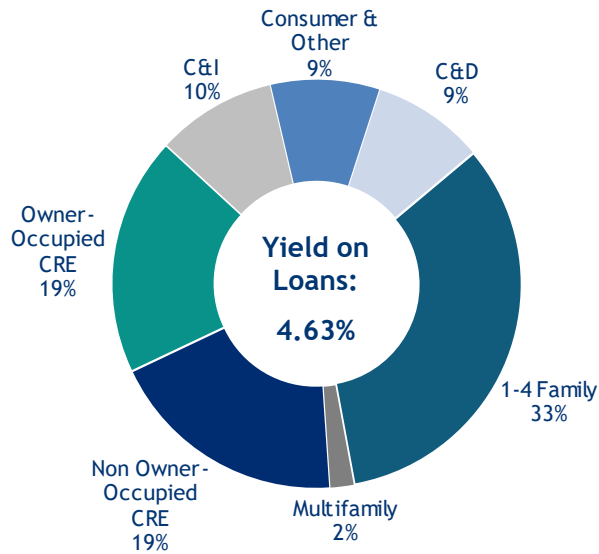


Deposits by State

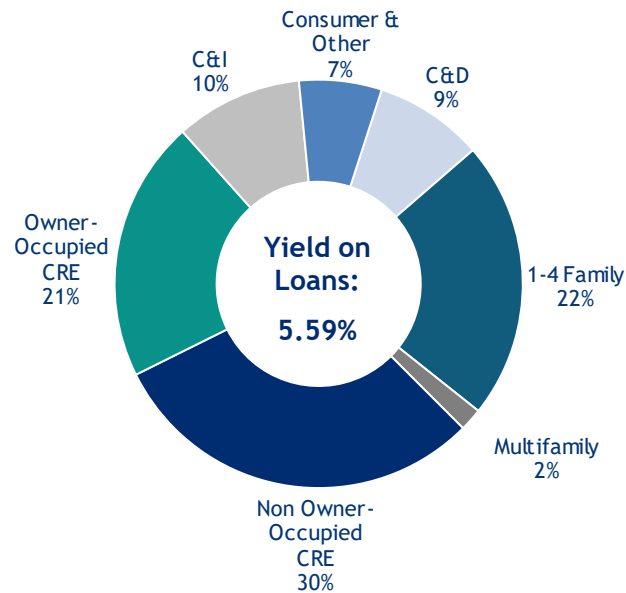


# Diversified Loan Portfolio

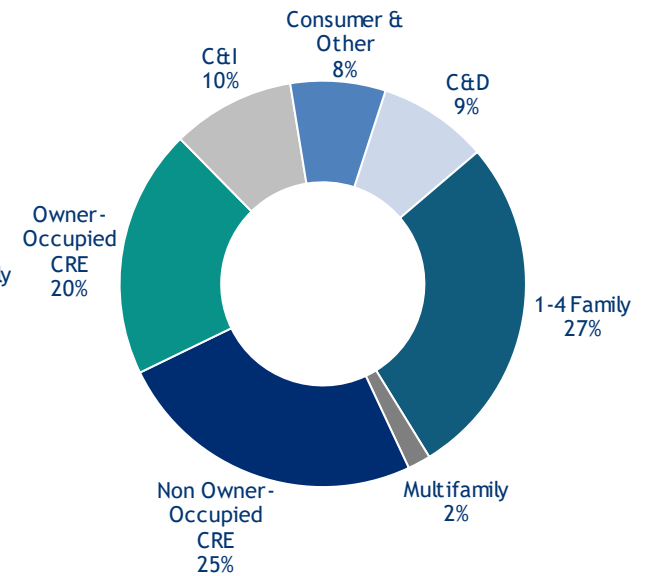
## SSB



## CSFL



## Pro Forma



Loans/  
Deposits<sup>(1)</sup>

91.2%

CRE/  
RBC<sup>(2)</sup>

229%

93.4%

294%

92.3%

~280%

Source: S&P Global Market Intelligence

Loan composition and yield data as of or for the three months ended 12/31/19

(1) Excludes loans held for sale

(2) Data as of 9/30/19; pro forma estimate includes merger adjustments



**Banking Forward**

# Key Merger Assumptions

## Consideration

- All stock merger of equals with CenterState merging into South State
- CSFL shareholders receive 0.3001x SSB shares per CSFL share

## Standalone Earnings Per Share

- Based on consensus estimates

## Estimated Net Cost Savings

- \$80.0 million of identified net cost savings
- 9.7% of combined company 2020 consensus non-interest expense base
- 25% realization of net cost savings in '20, 75% in '21 and 100% thereafter

## Core Deposit Intangible

- 1.75%; amortized sum of years digits over 10 years

## Merger & Integration Costs

- \$205 million pre-tax

## Credit Assumptions

- Loan credit mark of 1.1% on gross loans comprised of:
  - 0.16% PCD mark on gross loans
  - 0.92% non-PCD mark on gross loans (accreted back through earnings over the 4.5 year life of the loans)
- Day 2 CECL reserve of 1.0x non-PCD credit mark (additional 'double-count' of 0.92% on gross loans)

## Other Purchase Accounting Marks

- Reversal of existing discounts on CenterState's legacy acquired portfolio (\$75 million) <sup>(1)</sup>
- Other fair value marks of (\$1.3) million

## Revenue Synergies

- Identified but not modeled

# Summary Financial Impact

EPS Accretion to Acquirer<sup>(1)</sup>

> 20%

TBV per Share Impact<sup>(2)(3)</sup>

~ (2%)

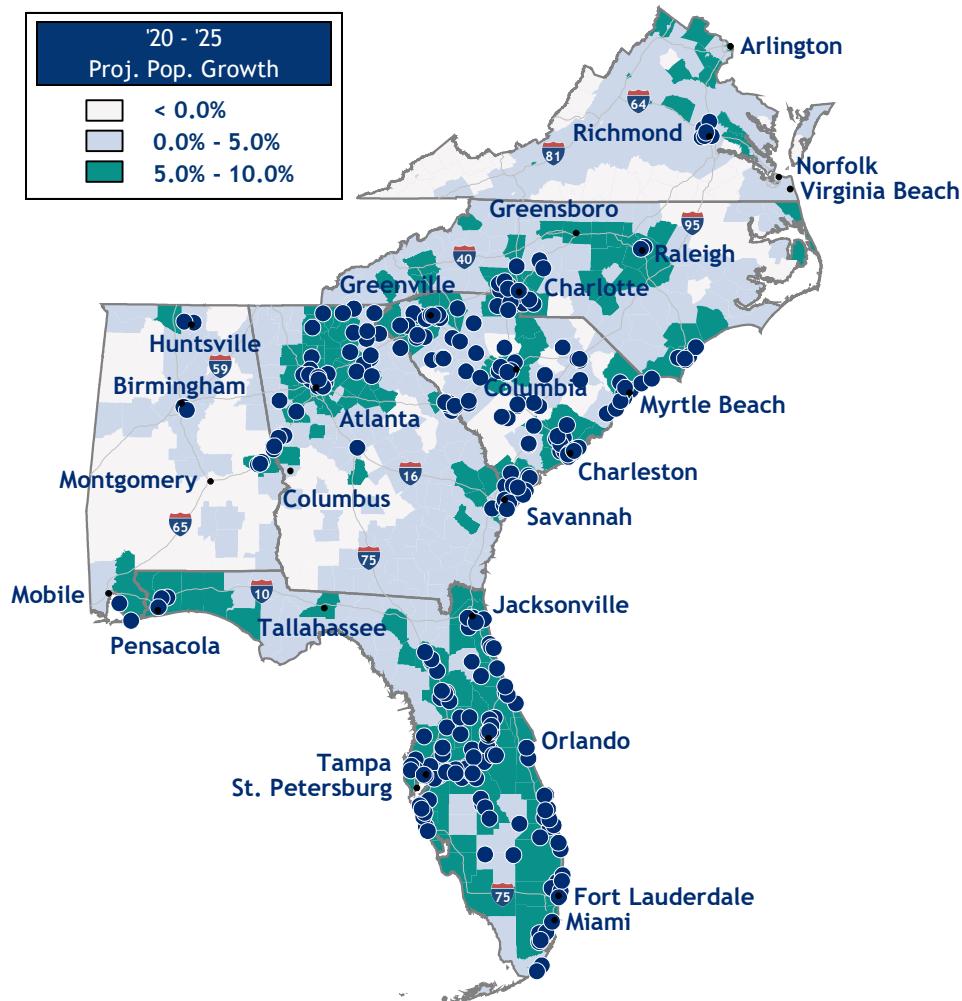
TBV Earnback Period<sup>(2)(3)</sup>

< 1 Year

Pro Forma Capital<sup>(2)(3)</sup>

CET1 ratio of ~10.5%

# The Combined Company



## Pro Forma Highlights

**18**

*High Growth Markets <sup>(1)</sup>*

**6%**

*'20-'25 Proj. Pop. Growth*

**1+ million**  
*Customers*

**\$34B**

*Total Assets*

**\$6.1B**

*Market Cap*

**\$24B**

*Loans*

**\$26B**

*Deposits*



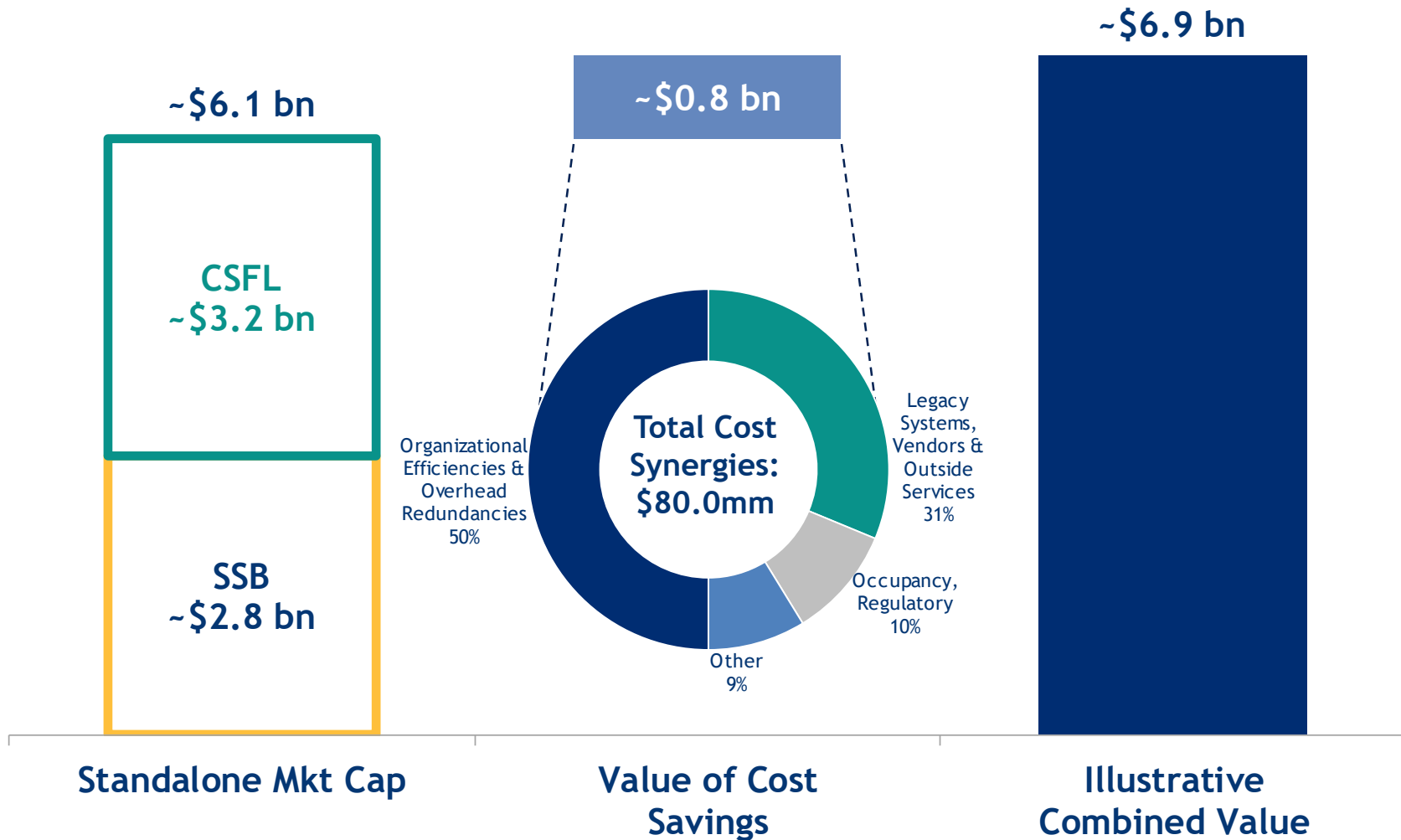
# Appendix

# 15 Largest Banks in the Southeast

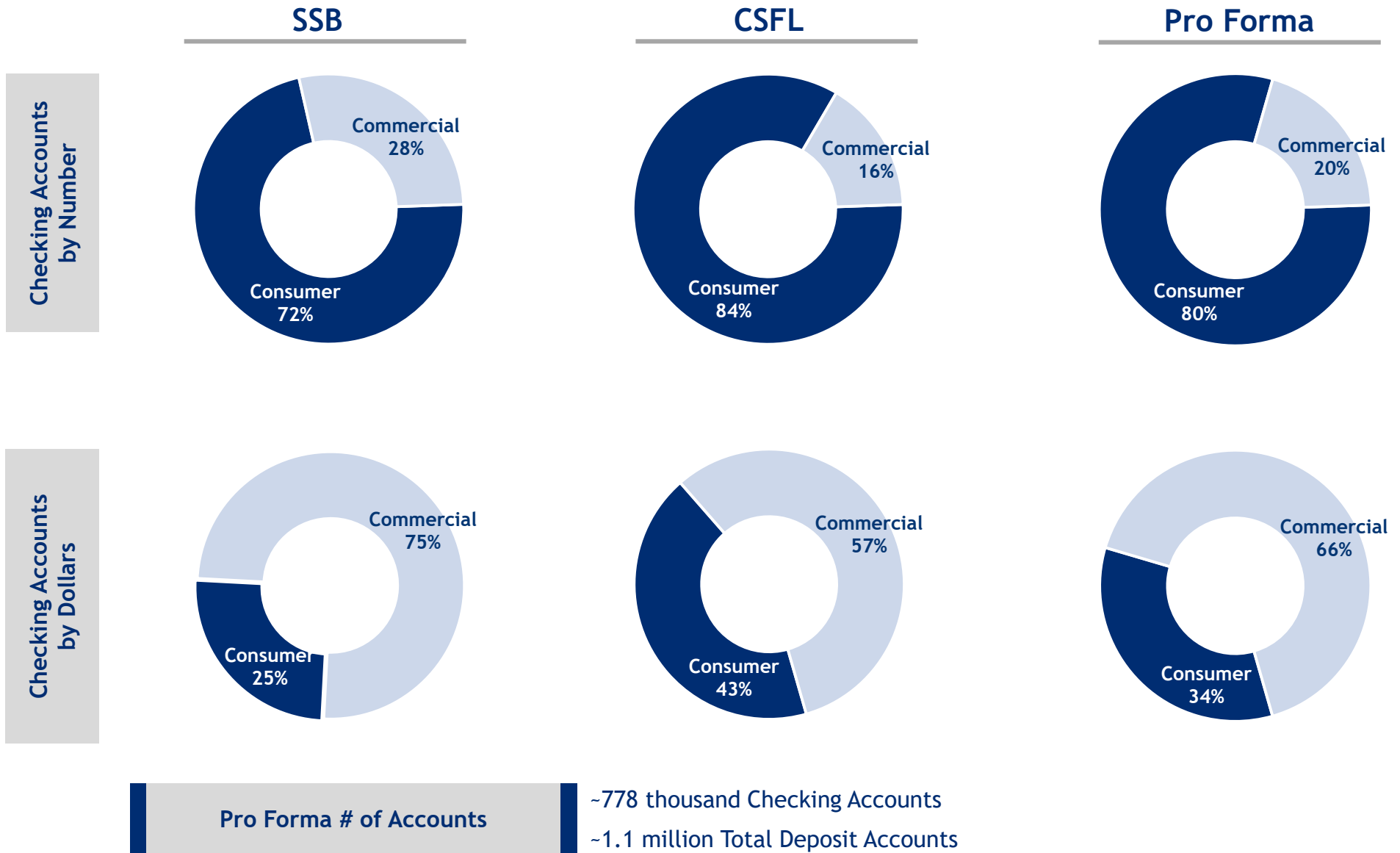
Rank	Institution	Total Assets	Market Cap
1	Bank of America Corporation	\$2,434	\$296.4
2	Truist Financial Corporation	445	74.5
3	Capital One Financial Corporation	390	47.6
4	Regions Financial Corporation	126	15.0
5	First Horizon National Corporation	75	9.1
6	Synovus Financial Corp.	48	5.4
7	First Citizens BancShares, Inc.	40	5.7
<b>8</b>	<b>Pro Forma</b>	<b>34</b>	<b>6.1</b>
9	BankUnited, Inc.	33	3.2
10	Hancock Whitney Corporation	31	3.6
11	Pinnacle Financial Partners, Inc.	28	4.6
12	United Bankshares, Inc.	25	4.7
13	Bank OZK	24	3.6
14	Simmons First National Corporation	21	2.8
15	BancorpSouth Bank	20	3.2

# Creating Value for Shareholders

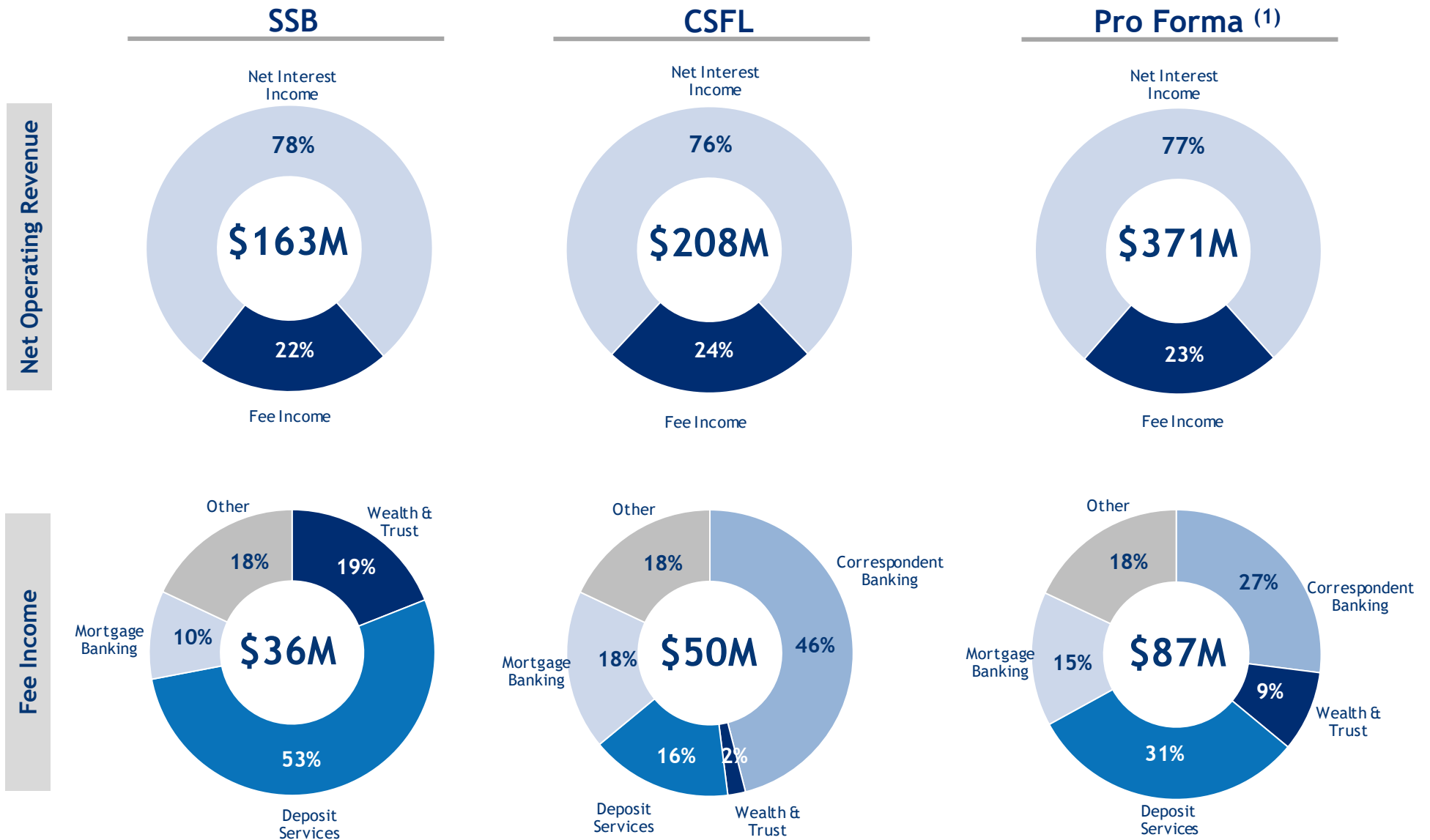
## Illustrative Market Value Creation



# Solid Checking Deposit Mix - Consumer vs. Commercial



# Pro Forma Net Operating Revenue - 4Q 2019



(1) Pro Forma represents sum of SSB and CSFL 4Q 2019 revenue.

# Combination Will Benefit All Stakeholders



## Customers

- Improved product mix to benefit clients
- Enhanced customer experience with investments in technology



## Employees & Team Culture

- Complementary corporate cultures
- Career growth opportunities
- Minimal disruption due to lack of overlap



## Communities

- Continued commitment to local communities through investment and team involvement



## Shareholders

- Partnership to value through increased earnings
- Dedicated to managing risk while delivering superior returns to our shareholders

# Mutual Due Diligence Process

**Focus on Cultural Compatibility**

**Extensive Mutual Credit Review**

**Detailed Risk Management Analysis**

**Human Capital Planning and Management**

**Finance and Accounting Evaluation**



**Robert R. Hill, Jr.**

*Chief Executive Officer  
South State  
Corporation*

**John C. Corbett**

*Chief Executive Officer  
CenterState Bank  
Corporation*

**John C. Pollok**

*Chief Financial Officer  
South State  
Corporation*

**William E. Matthews V**

*Chief Financial Officer  
CenterState Bank  
Corporation*

**James C. Mabry IV**

*Executive Vice President of  
Investor Relations and  
Mergers & Acquisitions  
South State Corporation*

**Stephen D. Young**

*Chief Operating Officer  
CenterState Bank  
Corporation*