

2020 Letter to Shareholders

Dear Shareholders,

We are pleased to share SouthState's results for 2020, which was a year of significant accomplishments as well as one of great challenge.

Like most, our business was significantly impacted by the health pandemic and related economic fallout. However, the year was also a very successful one for our company, and we want to take a minute to talk about those successes. Additionally, because we believe the future is more important, we will also share our thoughts about the opportunities facing SouthState and how we believe we are well-positioned to succeed in 2021 and beyond.

As many of you know, we operate our company under the guiding principles of soundness, profitability, and growth, while expecting our teams to lead with integrity and accountability.



Soundness

In terms of soundness, we continue to report excellent credit results, with net charge-offs of only 0.01% of average loans for the year. Problem assets also remained low, with non-performing assets of only 0.32% at year end. Our allowance for credit losses ended the year at a very strong 2.01% excluding Paycheck Protection Program (PPP) loans. Our capital levels also remained strong as we ended the year with a common equity tier one ratio of 11.8%, up 0.50% from the year ago level, and total risk-based capital ratio of 14.2%, up 1.4% from year end 2019.

Profitability

For profitability¹ in 2020, we reported earnings of \$120.6 million, or \$2.19 per diluted share. We earned \$281.7 million, or \$5.12 per diluted share excluding merger-related and other one-time expenses, even after setting aside \$117 million in reserves for credit losses (excluding the \$119 million in the initial provision for credit losses associated with loans acquired in the CenterState merger). Adjusted return on average tangible equity was 14.1% and tangible book value per share grew by \$2.03 during 2020, ending the year at \$41.16. Because merger accounting requires numerous entries that make it difficult to analyze underlying performance, we also produced results on a Combined Business Basis showing results as if the combined company had been merged for the entire year. We believe these results are useful in providing comparability between periods. On this basis, SouthState produced record pre-tax pre-provision net revenue ("PPNR") in 2020, led by our noninterest income businesses, in spite of an interest rate environment that puts pressure on net interest income, our largest revenue source. We also announced plans to expand our noninterest income business with the negotiation of the acquisition of Duncan Williams, which subsequently closed on February 1, 2021.

¹ Adjusted figures above are non-GAAP measures that exclude the impact of merger-related expenses, securities gains or losses, swap termination expense, FHLB Advances prepayment penalty, initial provision for credit losses on non-purchase credit deteriorated loans and unfunded commitments assumed from the CenterState merger, and income tax benefit related to tax losses carry back under the CARES Act, as applicable; The tangible measures are non-GAAP measures and exclude the effect of period end or average balance of intangible assets and the after-tax amortization of intangibles to GAAP basis net income as applicable.



Banking Forward

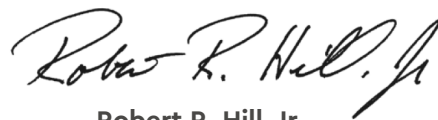
Looking ahead, we are very excited about the future and our prospects for success. SouthState enters 2021 in a position of strength, with high levels of capital and reserves, low levels of problem loans, and a very strong core funding base. We have outstanding technology solutions, including a world-class treasury management platform for our commercial customers. We made enhancements to our technology offerings in 2020, having rolled out a new website built on a best-in-class platform and are implementing a new mobile platform for our customers. We have an active, diverse, and engaged board, providing the management team with advice, counsel, and effective challenge to help ensure strong governance over strategy and decision-making. We operate in excellent markets that continue to have high levels of population in-migration and the resultant economic activity such growth brings. In fact, according to a recent report by Redfin, we operate in five of the top ten cities nationwide ranked by population in-migration. And, most importantly, we have a superior management team operating within a healthy culture. The combination of our financial strength, our technological offerings, and our entrepreneurial culture allows us to recruit and retain the best bankers, which bodes well for our future success. Our vision for the future is very bright.

While our industry will continue to face revenue challenges in the near term due to the low interest rate environment, we believe SouthState is positioned to be the premier bank in the Southeast. We thank you for your confidence, your trust, and your investment in SouthState.

Growth

2020 was a year of significant growth for SouthState, with the company more than doubling in size to nearly \$38 billion in assets, primarily as a result of the merger of equals with CenterState. When we announced the merger on January 27, 2020, we had no idea of the changes we would be facing in the coming months. Within a few weeks of the announcement, Covid cases began to spread, leading to shutdowns in the economy. Our merger integration teams could no longer travel to meet in person, forcing us to pivot to video and teleconference meetings. The government injected massive stimulus into the economy, driving interest rates down to near zero. Congress initiated the Paycheck Protection Program in early April, and our teams combined to produce almost 20,000 PPP loans totaling \$2.4 billion, all while working remotely. We estimate these efforts have helped save approximately 300,000 jobs. We also proactively worked with our customers on loan deferrals to provide assistance in recovering from the economic strain of the pandemic. This proactive assistance helped enhance goodwill with our customers, and we are pleased that our deferrals are now down to approximately 1%.

CenterState and SouthState merged to create a better company – not just a bigger company. This merger has positioned us to compete with any bank in our footprint, including the largest banks. SouthState today has the leadership team, the balance sheet size and capital position, the technological solutions, the capital markets tools, and very importantly, the entrepreneurial culture to attract and retain the best bankers and the best clients.



Robert R. Hill, Jr.

Executive Chairman



John C. Corbett

Chief Executive Officer



SouthState Corporation

Please read the following disclosure along with the annual shareholder letter.

[SouthStateBank.com](https://www.southstatebank.com)

Forward Looking Statement: This Report contains certain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These statements may address issues that involve significant risks and uncertainties. Although we believe that the expectations reflected in this discussion are reasonable, actual results may be materially different. Please refer to the Company's Annual Report on Form 10-K for the year-ended December 31, 2020 ("Form 10-K"), for a thorough description of the types of risks and uncertainties that may affect management's forward-looking statements.