# SOUTHSTATE BANK CORP

## FORM 10-Q
(Quarterly Report)

Filed 05/02/25 for the Period Ending 03/31/25

| | |
|---|---|
| Address | 1101 FIRST STREET SOUTH, SUITE 202<br>WINTER HAVEN, FL, 33880 |
| Telephone | 8632934710 |
| CIK | 0000764038 |
| Symbol | SSB |
| SIC Code | 6022 - State Commercial Banks |
| Industry | Banks |
| Sector | Financials |
| Fiscal Year | 12/31 |

# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

# FORM 10-Q

**(Mark One)**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended March 31, 2025**
**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from to**

**Commission file number 001-12669**

# SOUTHSTATE CORPORATION
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **South Carolina**<br>(State or other jurisdiction of incorporation) | **57-0799315**<br>(I.R.S. Employer Identification No.) |
| **1101 First Street South, Suite 202**<br>**Winter Haven, Florida**<br>(Address of principal executive offices) | **33880**<br>(Zip Code) |

**(863) 293-4710**
(Registrant's telephone number, including area code)

**Not Applicable**
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class: | Trading Symbol | Name of each exchange on which registered: |
|---|---|---|
| Common Stock, $2.50 par value | SSB | The New York Stock Exchange |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data file required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | |
|---|---|
| Large Accelerated Filer ☒ | Accelerated Filer ☐ |
| Non-Accelerated Filer ☐ | Smaller Reporting Company ☐ |
| | Emerging Growth Company ☐ |

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

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

Indicate the number of shares outstanding of each of issuer's classes of common stock, as of the latest practicable date:

| Class | Outstanding as of May 1, 2025 |
|---|---|
| Common Stock, $2.50 par value | 101,493,370 |

**SouthState Corporation and Subsidiaries**
**March 31, 2025 Form 10-Q**

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# PART I — FINANCIAL INFORMATION
## Item 1. FINANCIAL STATEMENTS

**SouthState Corporation and Subsidiaries**
**Consolidated Balance Sheets (unaudited)**
*(Dollars in thousands, except par value)*

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents: | | |
| Cash and due from banks | **$ 688,153** | $ 525,506 |
| Federal funds sold and interest-earning deposits with banks | **2,348,641** | 593,777 |
| Deposits in other financial institutions (restricted cash) | **262,896** | 272,784 |
| Total cash and cash equivalents | **3,299,690** | 1,392,067 |
| Trading securities, at fair value | **107,401** | 102,932 |
| Investment securities: | | |
| Securities held to maturity (fair value of $1,820,473 and $1,834,527) | **2,195,980** | 2,254,670 |
| Securities available for sale, at fair value | **5,853,369** | 4,320,593 |
| Other investments | **345,695** | 223,613 |
| Total investment securities | **8,395,044** | 6,798,876 |
| Loans held for sale | **357,918** | 279,426 |
| Loans: | | |
| Acquired - non-purchased credit deteriorated loans | **13,084,853** | 3,635,782 |
| Acquired - purchased credit deteriorated loans | **3,634,490** | 862,155 |
| Non-acquired loans | **30,047,389** | 29,404,990 |
| Less allowance for credit losses | **(623,690)** | (465,280) |
| Loans, net | **46,143,042** | 33,437,647 |
| Premises and equipment, net | **946,334** | 502,559 |
| Bank owned life insurance (“BOLI”) | **1,273,472** | 1,013,209 |
| Deferred tax assets | **153,930** | 179,884 |
| Derivatives assets | **177,262** | 161,490 |
| Mortgage servicing rights | **87,742** | 89,795 |
| Core deposit and other intangibles | **455,443** | 66,458 |
| Goodwill | **3,088,059** | 1,923,106 |
| Other assets | **650,117** | 433,755 |
| Total assets | **$ 65,135,454** | $ 46,381,204 |
| **LIABILITIES AND SHAREHOLDERS’ EQUITY** | | |
| Deposits: | | |
| Noninterest-bearing | **$ 13,757,255** | $ 10,192,117 |
| Interest-bearing | **39,580,360** | 27,868,749 |
| Total deposits | **53,337,615** | 38,060,866 |
| Federal funds purchased | **398,680** | 260,191 |
| Securities sold under agreements to repurchase | **280,657** | 254,721 |
| Corporate and subordinated debentures | **752,798** | 391,534 |
| Reserve for unfunded commitments | **62,253** | 45,327 |
| Derivative liabilities | **698,933** | 879,855 |
| Other liabilities | **980,157** | 598,295 |
| Total liabilities | **56,511,093** | 40,490,789 |
| Shareholders’ equity: | | |
| Common stock - $2.50 par value; authorized 160,000,000 shares; 101,479,065 and 76,322,206 shares issued and outstanding, respectively | **253,698** | 190,805 |
| Surplus | **6,667,277** | 4,259,722 |
| Retained earnings | **2,080,053** | 2,046,809 |
| Accumulated other comprehensive loss | **(376,667)** | (606,921) |
| Total shareholders’ equity | **8,624,361** | 5,890,415 |
| Total liabilities and shareholders’ equity | **$ 65,135,454** | $ 46,381,204 |

The Accompanying Notes are an Integral Part of the Financial Statements.

**SouthState Corporation and Subsidiaries**
**Consolidated Statements of Income (unaudited)**
*(In thousands, except per share data)*

| | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 |
|---|---|---|
| **Interest income:** | | |
| Loans, including fees | **$ 724,640** | $ 463,688 |
| Investment securities: | | |
| Taxable | **53,870** | 39,745 |
| Tax-exempt | **7,516** | 5,568 |
| Federal funds sold, securities purchased under agreements to resell and interest-bearing deposits with banks | **22,540** | 8,254 |
| Total interest income | **808,566** | 517,255 |
| **Interest expense:** | | |
| Deposits | **245,957** | 160,162 |
| Federal funds purchased and securities sold under agreements to repurchase | **4,909** | 4,727 |
| Corporate and subordinated debentures | **12,505** | 6,009 |
| Other borrowings | **648** | 2,421 |
| Total interest expense | **264,019** | 173,319 |
| Net interest income | **544,547** | 343,936 |
| Provision for credit losses | **100,562** | 12,686 |
| Net interest income after provision for credit losses | **443,985** | 331,250 |
| **Noninterest income:** | | |
| Fees on deposit accounts | **35,933** | 33,145 |
| Mortgage banking income | **7,737** | 6,169 |
| Trust and investment services income | **14,932** | 10,391 |
| Correspondent banking and capital markets income | **9,545** | 4,311 |
| SBA income | **3,232** | 4,363 |
| Securities losses, net | **(228,811)** | — |
| Gain on sale-leaseback, net of transaction costs | **229,279** | — |
| Other income | **14,241** | 13,179 |
| Total noninterest income | **86,088** | 71,558 |
| **Noninterest expense:** | | |
| Salaries and employee benefits | **195,811** | 150,453 |
| Occupancy expense | **35,493** | 22,577 |
| Information services expense | **31,362** | 22,353 |
| OREO and loan related expense | **1,784** | 606 |
| Amortization of intangibles | **23,831** | 5,998 |
| Supplies, printing and postage expense | **3,128** | 2,540 |
| Professional fees | **4,709** | 3,115 |
| FDIC assessment and other regulatory charges | **11,258** | 8,534 |
| FDIC special assessment | **—** | 3,854 |
| Advertising and marketing | **2,290** | 1,984 |
| Merger, branch consolidation, severance related and other expense | **68,006** | 4,513 |
| Other expense | **31,154** | 22,763 |
| Total noninterest expense | **408,826** | 249,290 |
| **Earnings:** | | |
| Income before provision for income taxes | **121,247** | 153,518 |
| Provision for income taxes | **32,167** | 38,462 |
| Net income | **$ 89,080** | $ 115,056 |
| **Earnings per common share:** | | |
| Basic | **$ 0.88** | $ 1.51 |
| Diluted | **$ 0.87** | $ 1.50 |
| **Weighted average common shares outstanding:** | | |
| Basic | **101,410** | 76,301 |
| Diluted | **101,829** | 76,660 |

The Accompanying Notes are an Integral Part of the Financial Statements.

## SouthState Corporation and Subsidiaries
## Consolidated Statements of Comprehensive Income (unaudited)
*(Dollars in thousands)*

| | Three Months Ended March 31, | |
|---|---|---|
| | **2025** | **2024** |
| Net income | **$ 89,080** | $ 115,056 |
| Other comprehensive income (loss): | | |
| Unrealized holding gains (losses) on available for sale securities: | | |
| Unrealized holding gains (losses) arising during period | **74,754** | (53,576) |
| Tax effect | **(18,168)** | 13,118 |
| Reclassification adjustment for net loss included in net income | **228,811** | — |
| Tax effect | **(55,143)** | — |
| Net of tax amount | **230,254** | (40,458) |
| Other comprehensive income (loss), net of tax | **230,254** | (40,458) |
| Comprehensive income | **$ 319,334** | $ 74,598 |

The Accompanying Notes are an Integral Part of the Financial Statements.

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## SouthState Corporation and Subsidiaries
## Consolidated Statements of Changes in Shareholders' Equity (unaudited)
## Three months ended March 31, 2025 and 2024

*(Dollars in thousands, except for share data)*

| | Common Stock | | | | Accumulated Other | |
|---|---|---|---|---|---|---|
| | Shares | Amount | Surplus | Retained Earnings | Comprehensive Loss | Total |
| Balance, December 31, 2023 | 76,022,039 | $ 190,055 | $ 4,240,413 | $ 1,685,166 | $ (582,536) | $ 5,533,098 |
| Comprehensive income: | | | | | | |
| Net income | — | — | — | 115,056 | — | 115,056 |
| Other comprehensive loss, net of tax effects | — | — | — | — | (40,458) | (40,458) |
| Total comprehensive income | | | | | | 74,598 |
| Cash dividends declared on common stock at $0.52 per share | — | — | — | (39,598) | — | (39,598) |
| Cash dividend equivalents paid on restricted stock units | — | — | — | (1,163) | — | (1,163) |
| Stock options exercised | 6,349 | 16 | 375 | — | — | 391 |
| Restricted stock awards (forfeits) | (64) | (1) | 1 | — | — | — |
| Stock issued pursuant to restricted stock units | 344,376 | 861 | (861) | — | — | — |
| Common stock repurchased - buyback plan | (100,000) | (250) | (7,735) | — | — | (7,985) |
| Common stock repurchased - equity plans | (95,537) | (238) | (7,715) | — | — | (7,953) |
| Share-based compensation expense | — | — | 5,867 | — | — | 5,867 |
| Cumulative change in accounting principle due to the adoption of ASU 2023-02 | — | — | — | (10,246) | — | (10,246) |
| Balance, March 31, 2024 | 76,177,163 | $ 190,443 | $ 4,230,345 | $ 1,749,215 | $ (622,994) | $ 5,547,009 |
| | | | | | | |
| **Balance, December 31, 2024** | **76,322,206** | **$ 190,805** | **$ 4,259,722** | **$ 2,046,809** | **$ (606,921)** | **$ 5,890,415** |
| Comprehensive income: | | | | | | |
| Net income | **—** | **—** | **—** | **89,080** | **—** | **89,080** |
| Other comprehensive income, net of tax effects | **—** | **—** | **—** | **—** | **230,254** | **230,254** |
| Total comprehensive income | | | | | | **319,334** |
| Cash dividends declared on common stock at $0.54 per share | **—** | **—** | **—** | **(54,736)** | **—** | **(54,736)** |
| Cash dividend equivalents paid on restricted stock units | **—** | **—** | **—** | **(1,100)** | **—** | **(1,100)** |
| Stock options exercised | **6,976** | **18** | **312** | **—** | **—** | **330** |
| Stock issued pursuant to restricted stock units | **399,961** | **1,000** | **(1,000)** | **—** | **—** | **—** |
| Stock issued in lieu of cash - directors fees | **903** | **2** | **91** | **—** | **—** | **93** |
| Common stock repurchased - equity plans | **(109,712)** | **(274)** | **(10,902)** | **—** | **—** | **(11,176)** |
| Share-based compensation expense | **—** | **—** | **8,254** | **—** | **—** | **8,254** |
| Common stock issued for Independent acquisition | **24,858,731** | **62,147** | **2,410,800** | **—** | **—** | **2,472,947** |
| Balance, March 31, 2025 | **101,479,065** | **$ 253,698** | **$ 6,667,277** | **$ 2,080,053** | **$ (376,667)** | **$ 8,624,361** |

The Accompanying Notes are an Integral Part of the Financial Statements.

**SouthState Corporation and Subsidiaries**
**Consolidated Statements of Cash Flows (unaudited)**
*(Dollars in thousands)*

| | Three Months Ended March 31, | |
|---|---|---|
| | **2025** | **2024** |
| Cash flows from operating activities: | | |
| Net income | **$ 89,080** | $ 115,056 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | **35,268** | 14,079 |
| Provision for credit losses | **100,562** | 12,686 |
| Deferred income taxes | **95,115** | 2,137 |
| Losses on sale of securities, net | **228,811** | — |
| Share-based compensation expense | **8,254** | 5,867 |
| Accretion of discount related to acquired loans | **(61,798)** | (4,287) |
| Gains on disposal of premises and equipment | **(136)** | (8) |
| Gains on sale of bank properties held for sale and repossessed real estate | **(229,430)** | (155) |
| Net amortization of premiums and discounts on investment securities | **2,428** | 4,816 |
| Bank properties held for sale and repossessed real estate write downs | **135** | 18 |
| Fair value adjustment for loans held for sale | **(305)** | 144 |
| Originations and purchases of loans held for sale | **(730,655)** | (228,440) |
| Proceeds from sales of loans held for sale | **326,105** | 225,355 |
| Gains on sales of loans held for sale | **(6,155)** | (2,724) |
| Increase in cash surrender value of BOLI | **(8,685)** | (6,700) |
| Net change in: | | |
| Accrued interest receivable | **(4,196)** | (6,120) |
| Prepaid assets | **15,743** | (115) |
| Operating leases | **872** | 80 |
| Bank owned life insurance | **(122)** | (200) |
| Trading securities | **308,411** | (34,868) |
| Derivative assets | **(9,044)** | (3,844) |
| Miscellaneous other assets | **35,648** | 14,427 |
| Accrued interest payable | **(39,243)** | (11,935) |
| Accrued income taxes | **(66,697)** | 32,734 |
| Derivative liabilities | **(188,610)** | 150,302 |
| Miscellaneous other liabilities | **(27,616)** | (646) |
| Net cash (used in) provided by operating activities | **(126,260)** | 277,659 |
| Cash flows from investing activities: | | |
| Proceeds from sales of investment securities available for sale | **2,874,110** | — |
| Proceeds from maturities and calls of investment securities held to maturity | **57,703** | 39,811 |
| Proceeds from maturities and calls of investment securities available for sale | **398,326** | 128,636 |
| Proceeds from sales and redemptions of other investment securities | **38,183** | 59,375 |
| Purchases of investment securities available for sale | **(3,156,990)** | — |
| Purchases of other investment securities | **(115,494)** | (54,616) |
| Net decrease (increase) in loans | **275,337** | (283,413) |
| Net cash received from acquisitions | **1,040,765** | — |
| Net cash paid for acquisition of customer list | **(279)** | — |
| Recoveries of loans previously charged off | **2,982** | 5,261 |
| Purchases of premises and equipment | **(12,822)** | (5,511) |
| Proceeds from redemption and payout of bank owned life insurance policies | **544** | 792 |
| Proceeds from sale of bank properties held for sale and repossessed real estate | **461,842** | 3,698 |
| Proceeds from sale of premises and equipment | **969** | 12 |
| Net cash provided by (used in) investing activities | **1,865,176** | (105,955) |
| Cash flows from financing activities: | | |
| Net increase in deposits | **70,869** | 129,678 |
| Net increase in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings | **164,425** | 65,506 |
| Proceeds from borrowings | **700,000** | 1,150,000 |
| Repayment of borrowings | **(700,000)** | (1,250,000) |
| Common stock issuance | **93** | — |
| Common stock repurchases | **(11,176)** | (15,938) |
| Dividends paid | **(55,834)** | (40,761) |
| Stock options exercised | **330** | 391 |
| Net cash provided by financing activities | **168,707** | 38,876 |
| Net increase in cash and cash equivalents | **1,907,623** | 210,580 |
| Cash and cash equivalents at beginning of period | **1,392,067** | 998,877 |
| Cash and cash equivalents at end of period | **$ 3,299,690** | $ 1,209,457 |

**SouthState Corporation and Subsidiaries**
**Consolidated Statements of Cash Flows (unaudited)**
*(Dollars in thousands)*

| | Three Months Ended March 31, | |
|---|---|---|
| | **2025** | **2024** |
| **Supplemental Disclosures:** | | |
| Cash Flow Information: | | |
| Cash paid for: | | |
| Interest | **$ 303,262** | $ 185,254 |
| Income taxes | **$ 191** | $ 147 |
| Recognition of operating lease assets in exchange for lease liabilities | **$ 389,613** | $ 2,544 |
| **Schedule of Noncash Operating Transactions:** | | |
| Pooling of SBA loans held for sale into trading securities | **$ 312,881** | $ — |
| **Schedule of Noncash Investing Transactions:** | | |
| Acquisitions: | | |
| Fair value of tangible assets acquired | **$ 16,561,942** | $ — |
| Other intangible assets acquired | **412,078** | — |
| Liabilities assumed | **15,665,912** | — |
| Net identifiable assets acquired over liabilities assumed | **1,164,953** | — |
| Common stock issued in acquisition | **2,472,947** | — |
| Real estate transferred from premises and equipment to premises held for sale related to the sale-leaseback transaction | **$ 230,143** | $ — |
| Real estate acquired in full or in partial settlement of loans | **$ 2,804** | $ 940 |

The Accompanying Notes are an Integral Part of the Financial Statements.

**SouthState Corporation and Subsidiaries**
**Notes to Consolidated Financial Statements (unaudited)**

## Note 1 — Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, otherwise referred to as GAAP, for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and disclosures required for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Certain prior period information has been reclassified to conform to the current period presentation, and these reclassifications had no impact on net income or equity as previously reported. Operating results for the three months ended March 31, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025.

The consolidated balance sheet at December 31, 2024 has been derived from the audited financial statements at that date but does not include all of the information and disclosures required by GAAP for complete financial statements.

## Note 2 — Summary of Significant Accounting Policies

The information contained in the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission (the "SEC") on February 21, 2025, should be referenced when reading these unaudited consolidated financial statements. Unless otherwise mentioned or unless the context requires otherwise, references herein to "SouthState," the "Company," "we," "us," "our" or similar references mean SouthState Corporation and its consolidated subsidiaries. References to the "Bank" or "SouthState Bank" means SouthState Corporation's wholly owned subsidiary, South State Bank, National Association, a national banking association.

### Loans

Loans that management has originated and has the intent and ability to hold for the foreseeable future or until maturity or pay off generally are reported at their unpaid principal balances, less unearned income and net of any deferred loan fees and costs, including unamortized fair value discount or premium. Unearned income on installment loans is recognized as income over the terms of the loans by methods that generally approximate the interest method. Interest on other loans is calculated by using the simple interest method on daily balances of the principal amount outstanding. If the loan is prepaid, the remaining unamortized fees and costs are charged or credited to interest income. Amortization ceases for non-accrual loans.

We place loans on nonaccrual once reasonable doubt exists about the collectability of all principal and interest due. Generally, this occurs when principal or interest is 90 days or more past due, unless the loan is well secured and in the process of collection and excludes factored receivables. For factored receivables, which are commercial trade credits rather than promissory notes, the Company's practice, in most cases, is to charge-off unpaid recourse receivables when they become 240 days past due from the invoice due date and the non-recourse receivables when they become 240 days past due from the statement due date. Past due status is based on the contractual terms of the loan. In all cases, loans are placed on non-accrual or charged-off at an earlier date if collection of principal or interest is considered doubtful.

A loan is evaluated individually for loss when it is on nonaccrual and has a net book balance over $1 million. In addition, purchased credit deteriorated loans identified for individual evaluation in the fair value process are evaluated individually for loss when they have a net book balance over $1 million. Large pools of homogeneous loans are collectively evaluated for loss and reserved at the pool level. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as nonaccrual, provided that management expects to collect all amounts due, including interest accrued at the contractual interest rate for the period of delay.

**Allowance for Credit Losses ("ACL") – Investment Securities**

Management monitors the held to maturity securities portfolio to determine whether a valuation account should be recorded. Management evaluates impairment where there has been a decline in fair value below the amortized cost basis of a security to determine whether there is a credit loss associated with the decline in fair value at least quarterly, and more frequently when economic or market concerns warrant such evaluation. The Company's methodology on how the ACL is calculated is disclosed in Note 1 — Summary of Significant Accounting Policies, under the "ACL – Investment Securities" section, of our Annual Report for the year ended December 31, 2024. As of March 31, 2025 and December 31, 2024, the Company had $2.2 billion and $2.3 billion, respectively, of held to maturity securities and no related valuation account.

The Company follows its nonaccrual policy by reversing interest income in the income statement when the Company determines the interest for held to maturity securities is uncollectible. Therefore, management excludes the accrued interest receivable balance from the amortized cost basis in measuring expected credit losses on the investment securities and does not record an allowance for credit losses on accrued interest receivable. As of March 31, 2025 and December 31, 2024, the accrued interest receivables for all investment securities recorded in Other Assets were $36.7 million and $24.2 million, respectively.

**ACL – Loans and Certain Off-Balance-Sheet Credit Exposures**

The ACL for loans held for investment reflects management's estimate of credit losses that will result from the inability of our borrowers to make required loan payments. The Company makes adjustments to the ACL by recording a provision for or recovery of credit losses through earnings. Loans charged off are recorded as reductions to the ACL on the balance sheet and subsequent recoveries of loan charge-offs are recorded as increases to the ACL when they are received.

Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix, credit quality, or term, as well as for changes in macroeconomic conditions, such as changes in unemployment rates, gross domestic product, property values, or other relevant factors. Acquired portfolios may be supported by separate credit models using loss histories relevant to those portfolios. The Company's estimate of its ACL involves a high degree of judgment; therefore, management's process for determining expected losses may result in a range of expected losses. The Company's ACL recorded in the balance sheet reflects management's best estimate within the range of expected losses. The Company recognizes in net income the amount needed to adjust the ACL for management's current estimate of expected losses.

The Company generally uses an eight-quarter forecast period, based on a single forecast scenario or a blend of multiple forecast scenarios, using variables management believes are most relevant to each portfolio segment. For periods beyond which management is able to develop reasonable and supportable forecasts, the Company reverts to the average historical loss rate, reflecting historical default probabilities and loss severities, using a reversion speed that approximates four quarters. The forecast period and scenarios used are reviewed on a quarterly basis and may be adjusted based on management's view of the current economic conditions and level of predictability the forecast can provide.

While quantitative allowance methodologies strive to reflect all risk factors, any estimate involves assumptions and uncertainties resulting in some level of imprecision. Imprecision exists in the estimation process due to the inherent time lag between obtaining information, performing the calculation, as well as variations between estimates and actual outcomes. As a result, amounts determined under the methodologies described above are adjusted by management to consider the potential impact of other qualitative factors not captured in the quantitative model adjustments which include, but are not limited to, the following: imprecision or conditions not captured in economic scenario assumptions, emerging risks related to either changes in the internal or external environment that are affecting specific portfolios, trends in loan or portfolio level credit metrics not captured in quantitative modeling, or model imprecision adjustments. The consideration of these items results in adjustments to allowance amounts included in the Company's allowance for credit losses for each loan portfolio.

The Company's ACL is calculated using collectively evaluated and individually evaluated loans. Even though portions of the allowance may be allocated to specific loans or pools of loans, the entire allowance is available for any credit that, in management's judgment, should be charged off.

Management measures expected credit losses over the contractual term of a loan. When determining the contractual term, the Company considers expected prepayments but is precluded from considering expected extensions, renewals, or modifications. Loans modified to a borrower experiencing financial difficulty are reviewed by the Bank to determine if an interest rate reduction, a term extension, an other-than-insignificant payment delay, a principal forgiveness, or any combination of these has occurred.

The ACL includes expected losses from modifications of receivables to borrowers experiencing financial difficulty. Losses on modifications of non-accrual loans over $1 million to borrowers experiencing financial difficulty are estimated on an individual basis. Because the effect of the remainder of modifications made to borrowers experiencing financial difficulty is already incorporated into the measurement methodologies used to estimate the allowance, they are accounted for as pooled loans.

For purchased credit-deteriorated, otherwise referred to herein as PCD, assets are defined as acquired individual financial assets (or acquired groups of financial assets with similar risk characteristics) that, as of the date of acquisition, have experienced a more-than-insignificant deterioration in credit quality since origination, as determined by the Company's assessment. The Company records acquired PCD loans by adding the expected credit losses (i.e., allowance for credit losses) to the purchase price of the financial assets rather than recording through the provision for credit losses in the income statement. The expected credit loss, as of the acquisition day, of a PCD loan is added to the allowance for credit losses. The non-credit discount or premium is the difference between the unpaid principal balance and the amortized cost basis as of the acquisition date. Subsequent to the acquisition date, the change in the ACL on PCD loans is recognized through the Provision for Credit Losses in the Consolidated Statements of Income. The non-credit discount or premium is accreted or amortized, respectively, into interest income over the remaining life of the PCD loan on a level-yield basis.

The Company follows its nonaccrual policy by reversing contractual interest income in the income statement when the Company places a loan on nonaccrual status. Therefore, management excludes the accrued interest receivable balance from the amortized cost basis in measuring expected credit losses on the portfolio and does not record an allowance for credit losses on accrued interest receivable. As of March 31, 2025 and December 31, 2024, the accrued interest receivables for loans recorded in Other Assets were $182.5 million and $133.0 million, respectively.

The Company has a variety of assets that have a component that qualifies as an off-balance sheet exposure. These primarily include undrawn portions of revolving lines of credit and standby letters of credit. The expected losses associated with these exposures within the unfunded portion of the expected credit loss are recorded as a liability on the balance sheet. Management has determined that a majority of the Company's off-balance sheet credit exposures are not unconditionally cancellable. Management completes funding studies based on internal historical data to estimate the percentage of unfunded loan commitments that will ultimately be funded to calculate the reserve for unfunded commitments. Management applies this funding rate, along with the loss factor rate determined for each pooled loan segment, to unfunded loan commitments, excluding unconditionally cancellable exposures and letters of credit, to arrive at the reserve for unfunded loan commitments. As of March 31, 2025 and December 31, 2024, the liabilities recorded for expected credit losses on unfunded commitments were $62.3 million and $45.3 million, respectively. The current adjustment to the reserve for unfunded commitments is recognized through the Provision for Credit Losses in the Consolidated Statements of Income.

The methodology used in the estimation of the allowance, which is performed at least quarterly, is designed to be dynamic and responsive to changes in portfolio credit quality and forecasted economic conditions. Changes are reflected in the pool-basis allowance and in reserves assigned on an individual basis as the collectability of classified loans is evaluated with new information. As the Company's portfolio has matured, historical loss ratios have been closely monitored. The review of the appropriateness of the allowance is performed by executive management and presented to the Audit and Risk Committees of the Board of Directors for their review. The committees report to the board as part of the board's quarterly review of the Company's consolidated financial statements.

**Reclassification and Correction**

Certain amounts previously reported have been reclassified to conform to the current quarter's presentation. Such reclassifications had no effect on net income and shareholders' equity.

**Note 3 — Recent Accounting and Regulatory Pronouncements**

**Accounting Standards Adopted**

The Company adopted ASU 2023-02, *Investments - Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method* effective January 1, 2024, and changed the accounting method of its LIHTC structured investments from the equity method to the proportional amortization method. The Company adopted ASU 2023-02 using the modified retrospective approach. Under this adoption approach, management was required to verify the LIHTCs met the conditions for proportional amortization method as of the date the investments were originally made by the Bank. In addition, management evaluated the actual tax credits and other income tax benefits received, as well as the remaining benefits expected to be received, as of the adoption date. The cumulative difference between the equity method and proportional amortization method resulted in a one-time cumulative effect adjustment recorded through retained earnings as of January 1, 2024. The cumulative effect resulting from the adoption of proportional amortization method was a net reduction to retained earnings of $10.2 million.

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, to improve disclosures about a public entity's reportable segments and address requests from investors and other allocators of capital for additional, more detailed information about a reportable segment's expenses. Segment information gives investors an understanding of overall performance and is key to assessing potential future cash flows. In addition, although information about a segment's revenue and measure of profit or loss is disclosed in an entity's financial statements, there is limited information disclosed about a segment's expenses. The key amendments include annual and interim disclosures of significant expenses and other segment items that are regularly provided to the chief operating decision maker and included within each reported measure of profit or loss, as well as any other key measure of performance used for segment management decisions. This ASU also requires disclosure of key profitability measures used in assessing performance and how to allocate resources. The amendments in this ASU are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company adopted ASU 2023-07 using the retrospective approach. Aside from the new disclosures required by ASU No. 2023-07, the ASU did not have a material impact on our consolidated financial statements. See Note 23 — Segment Reporting for further disclosure.

**Issued But Not Yet Adopted Accounting Standards**

On November 2024, the FASB has issued Accounting Standards Update ASU No. 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, to provide investors with more decision-useful information about a public business entity's expense by improving disclosures on income statement expenses. The amendments in the ASU are effective for public business entities only for annual reporting periods beginning after December 15, 2026, and for interim reporting periods beginning after December 15, 2027. The Company does not anticipate this ASU will have a material impact on its financial statements.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which aims to address requests for improved income tax disclosures from investors, lenders, creditors and other allocators of capital (collectively, "investors") that use the financial statements to make capital allocation decisions. The amendments in this ASU address investor requests for more transparency about income tax information, including jurisdictional information, by requiring consistent categories and greater disaggregation of information in both the rate reconciliation and income taxes paid disaggregated by jurisdiction. The amendments are effective for annual periods beginning after December 15, 2024. The Company does not anticipate this ASU will have a material impact on its financial statements.

**Note 4 — Mergers and Acquisitions**

***Independent Bank Group, Inc. ("Independent")***

On January 1, 2025, the Company acquired Independent in an all-stock merger transaction. Upon the terms and subject to the conditions set forth in the merger agreement for the Independent transaction, Independent merged with and into the Company, with the Company continuing as the surviving corporation in the merger. Immediately following the merger, Independent's wholly owned banking subsidiary, Independent Bank merged with and into the Bank, with the Bank continuing as the surviving bank. Shareholders of Independent received 0.60 shares of the Company's common stock for each share of Independent common stock they owned. In total, the purchase price for Independent was $2.5 billion.

In the Independent acquisition, the Company acquired $13.1 billion of loans, at fair value, net of $600.6 million, or 4.4%, estimated discount to the outstanding principal balance, representing 38.7% of the Company's total loans at December 31, 2024. Of the total loans acquired, management identified $2.8 billion that had more than insignificantly deteriorated since origination and were thus determined to be PCD loans.

The operating results of Independent have been included in the consolidated financial statement from the acquisition date. Due to the integration of Independent's financial information into the Bank as of acquisition date, it is impractical to separately disclose the revenue and earnings of Independent.

During the three months ended March 31, 2025, the Company incurred approximately $66.5 million of acquisition costs related to the Independent acquisition. These acquisition costs are reported in Merger, Branch Consolidation, Severance Related and Other Expenses on the Company's Consolidated Statements of Net Income.

The Independent acquisition was accounted for under the acquisition method of accounting in accordance with ASC Topic 805. The Company recognized goodwill on this acquisition of $1.2 billion. The goodwill was calculated based on the preliminary fair values of the assets acquired and liabilities assumed as of the acquisition date, and subject to change as additional information becomes available during the measurement period. In addition to the preliminary fair value adjustments for assets acquired and liabilities assumed from Independent, the table below includes on the line adjustments representing expenses contingent upon the consummation of the acquisition incurred by Independent, as well as reclassifications to conform with the Company's presentation and other adjustments.

| (Dollars in thousands) | As Recorded by Independent | On The Line Adjustments | Reclassifications and Other Adjustments | Adjusted Acquired Balance Sheet | Preliminary Fair Value Adjustments | Fair Value of Net Assets Acquired at Date of Acquisition |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash and cash equivalents | $ 1,043,293 | $ — | $ (2,415) (d) | $ 1,040,878 | $ — | $ 1,040,878 |
| Investment securities | 1,644,381 | — | 2,782 (e) | 1,647,163 | (56,711) (i) | 1,590,452 |
| Loans held for sale | 12,430 | — | — | 12,430 | — | 12,430 |
| Loans held for investment, net of allowance for credit losses | 13,452,928 | — | 750 (f) | 13,453,678 | (445,321) (j) | 13,008,357 |
| Premises and equipment, net | 348,071 | — | 33,133 (g) | 381,204 | (65,530) (k) | 315,674 |
| Bank owned life insurance | 252,001 | — | — | 252,001 | — | 252,001 |
| Deferred tax asset | 72,362 | 6,596 (a) | 231 (h) | 79,189 | 35,374 (l) | 114,563 |
| Bank property held for sale | — | — | — | — | 72,000 (m) | 72,000 |
| Goodwill | 476,021 | — | — | 476,021 | (476,021) (n) | — |
| Core deposit and other intangible assets | 38,808 | — | — | 38,808 | 373,270 (o) | 412,078 |
| Other assets | 226,032 | (23,000) (b) | (35,915) (e, g) | 167,117 | (11,530) (p) | 155,587 |
| Total assets | $ 17,566,327 | $ (16,404) | $ (1,434) | $ 17,548,489 | $ (574,469) | $ 16,974,020 |
| **Liabilities** | | | | | | |
| Deposits: | | | | | | |
| Noninterest-bearing | $ 3,241,446 | $ — | $ (3,276) (d) | $ 3,238,170 | $ — | $ 3,238,170 |
| Interest-bearing | 11,966,362 | — | 2,459 (d) | 11,968,821 | 1,722 (q) | 11,970,543 |
| Total deposits | 15,207,808 | — | (817) | 15,206,991 | 1,722 | 15,208,713 |
| Other borrowings | 354,713 | — | — | 354,713 | 5,809 (r) | 360,522 |
| Other liabilities | 95,409 | 6,859 (c) | (1,103) (d) | 101,165 | (4,488) (s) | 96,677 |
| Total liabilities | 15,657,930 | 6,859 | (1,920) | 15,662,869 | 3,043 | 15,665,912 |
| Net identifiable assets acquired over liabilities assumed | 1,908,397 | (23,263) | 486 | 1,885,620 | (577,512) | 1,308,108 |
| Goodwill | — | — | — | — | 1,164,953 | 1,164,953 |
| Net assets acquired over liabilities assumed | $ 1,908,397 | $ (23,263) | $ 486 | $ 1,885,620 | $ 587,441 | $ 2,473,061 |
| **Consideration:** | | | | | | |
| SouthState Corporation common shares issued | | | | | | 24,858,731 |
| Purchase price per share of the Company's common stock | | | | | | $ 99.48 |
| Company common stock issued | | | | | | $ 2,472,947 |
| Cash exchanged for fractional shares | | | | | | 114 |
| Fair value of total consideration transferred | | | | | | $ 2,473,061 |

*On the Line Adjustments*
(a) represents deferred tax assets related to the on the line adjustments which were contingent upon the consummation of the merger.
(b) represents acquiree investment banker fees contingent upon the consummation of the merger paid by Independent prior to the effective time of the merger.
(c) represents employer payroll taxes related to the acceleration of outstanding stock awards that fully vested upon the consummation of the merger.

*Reclassification and Other Adjustments*
(d) represents the reclassification of cash and other in-process accounts between cash and cash equivalents, deposits and other liabilities to conform with SouthState's presentation, and miscellaneous accruals.
(e) represents the reclassification of other investments from other assets to investment securities to conform with SouthState's presentation.
(f) represents a loan recovery received by Independent effective as of the acquisition date.
(g) represents the reclassification of right of use assets and software from other assets to premises and equipment, net to conform with SouthState's presentation.
(h) represents deferred tax assets related to other miscellaneous adjustments.

*Fair Value Adjustments*
(i) represents an adjustment of $56.7 million to record investment securities at fair value.
(j) represents approximately 1.6%, or $214.8 million, preliminary credit mark on the loan portfolio and 4.4% total preliminary mark, or $600.6 million, including interest rate discount, derived from a third party valuation. Also includes the reversal of Independent's ending allowance for credit losses of $133.0 million and $22.2 million of existing Independent fair value adjustments.
(k) represents the preliminary fair value adjustments of $65.5 million on bank premises and equipment, inclusive of bank property transferred to held for sale as of the acquisition date.
(l) represents net deferred tax assets related to the preliminary fair value adjustments with effective tax rate of 23.5%. This includes an adjustment from Independent's blended tax rate to SouthState's blended tax rate. The difference in tax rates relates to state income taxes.
(m) represents a transfer of $72.0 million of bank real estate to bank property held for sale.

(n) represents the reversal of Independent's existing goodwill.
(o) represents preliminary core deposit intangibles ("CDI") of $412.1 million, or 3.6% of core deposits, derived from a third party valuation, net of $38.8 million of existing CDI from prior transactions completed by Independent and reversed on the acquisition date.
(p) represents preliminary fair value adjustments on repossessed real estate of $4.2 million and write-offs of $7.3 million of prepaids and miscellaneous other assets.
(q) represents preliminary premium for fixed maturity time deposits of $1.7 million derived from a third party valuation.
(r) represents the reversal of the existing Independent discount and issuance costs on trust preferred securities and subordinated debentures of $7.6 million, and recording the preliminary net discount of $1.8 million for trust preferred securities and subordinated debentures derived from a third party valuation.
(s) represents the reversal of $2.9 million of the existing reserve for unfunded commitments, a preliminary fair value adjustment of $2.2 million for lease liabilities, net of adjustments of approximately $660 thousand for miscellaneous accruals.

***Comparative and Pro Forma Financial Information for the Independent Acquisition***

Pro-forma data for the three months ended March 31, 2024 listed in the table below presents pro-forma information as if the Independent acquisition occurred at the beginning of 2024. These results combine the historical results of Independent in the Company's Consolidated Statements of Income and, while certain adjustments were made for the estimated impact of certain fair value adjustments and other acquisition-related activity, they are not indicative of what would have occurred had the Independent acquisition taken place on January 1, 2024.

Merger-related costs of $66.5 million from the Independent acquisition were incurred during the first quarter of 2025. No adjustments have been made to reduce the impact of any Other Real Estate Owned ("OREO") write downs, investment securities sold or repayment of borrowings recognized by Independent in 2024. Expenses related to systems conversions and other costs of integration are expected to be recorded during 2025 for the Independent acquisition. The Company expects to achieve further operating cost savings and other business synergies as a result of the Independent acquisition, which are not reflected in the pro forma amounts below. The total revenues presented below represent pro-forma net interest income plus pro-forma noninterest income:

| (Dollars in thousands) | Pro Forma Three Months Ended March 31, 2024 | |
|---|---|---|
| Total revenues *(net interest income plus noninterest income)* | $ | 599,479 |
| Net interest income | $ | 515,051 |
| Net adjusted income available to the common shareholder | $ | 108,272 |
| EPS — basic | $ | 1.07 |
| EPS — diluted | $ | 1.07 |

## Note 5 — Securities

### Investment Securities

The following is the amortized cost and fair value of investment securities held to maturity:

| (Dollars in thousands) | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
|---|---|---|---|---|
| **March 31, 2025:** | | | | |
| U.S. Government agencies | **$ 132,908** | **$ —** | **$ (20,361)** | **$ 112,547** |
| Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | **1,262,776** | **—** | **(214,924)** | **1,047,852** |
| Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises | **405,003** | **—** | **(63,798)** | **341,205** |
| Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | **346,083** | **—** | **(66,345)** | **279,738** |
| Small Business Administration loan-backed securities | **49,210** | **—** | **(10,079)** | **39,131** |
| | **$ 2,195,980** | **$ —** | **$ (375,507)** | **$ 1,820,473** |
| **December 31, 2024:** | | | | |
| U.S. Government agencies | $ 147,272 | $ — | $ (23,498) | $ 123,774 |
| Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | 1,297,543 | — | (241,204) | 1,056,339 |
| Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises | 411,721 | — | (72,057) | 339,664 |
| Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | 348,338 | — | (72,391) | 275,947 |
| Small Business Administration loan-backed securities | 49,796 | — | (10,993) | 38,803 |
| | $ 2,254,670 | $ — | $ (420,143) | $ 1,834,527 |

The following is the amortized cost and fair value of investment securities available for sale:

| (Dollars in thousands) | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
|---|---|---|---|---|
| **March 31, 2025:** | | | | |
| U.S. Treasuries | **$ 18,294** | **$ —** | **$ (1)** | **$ 18,293** |
| Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | **1,613,205** | **3,570** | **(169,659)** | **1,447,116** |
| Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises | **2,397,132** | **7,758** | **(57,756)** | **2,347,134** |
| Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | **643,484** | **1,396** | **(84,246)** | **560,634** |
| State and municipal obligations | **1,085,891** | **22** | **(175,264)** | **910,649** |
| Small Business Administration loan-backed securities | **571,923** | **270** | **(29,640)** | **542,553** |
| Corporate securities | **28,498** | **—** | **(1,508)** | **26,990** |
| | **$ 6,358,427** | **$ 13,016** | **$ (518,074)** | **$ 5,853,369** |
| **December 31, 2024:** | | | | |
| U.S. Treasuries | $ 10,654 | $ 2 | $ — | $ 10,656 |
| U.S. Government agencies | 169,207 | — | (18,789) | 150,418 |
| Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | 1,659,851 | 97 | (282,423) | 1,377,525 |
| Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises | 557,288 | 19 | (98,212) | 459,095 |
| Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | 1,234,573 | 562 | (194,580) | 1,040,555 |
| State and municipal obligations | 1,117,330 | 2 | (171,609) | 945,723 |
| Small Business Administration loan-backed securities | 351,814 | 19 | (41,721) | 310,112 |
| Corporate securities | 28,499 | — | (1,990) | 26,509 |
| | $ 5,129,216 | $ 701 | $ (809,324) | $ 4,320,593 |

The following is the amortized cost and carrying value of other investment securities:

| (Dollars in thousands) | | Carrying Value |
|---|---|---|
| **March 31, 2025:** | | |
| Federal Home Loan Bank stock | **$** | **25,209** |
| Federal Reserve Bank stock | | **232,474** |
| Investment in unconsolidated subsidiaries | | **5,287** |
| Other investment securities | | **82,725** |
| | **$** | **345,695** |
| **December 31, 2024:** | | |
| Federal Home Loan Bank stock | $ | 18,087 |
| Federal Reserve Bank stock | | 150,261 |
| Investment in unconsolidated subsidiaries | | 3,563 |
| Other investment securities | | 51,702 |
| | $ | 223,613 |

The Company's other investment securities consist of non-marketable equity and other securities that have no readily determinable market value. Accordingly, when evaluating these securities for impairment, management considers the ultimate recoverability of the par value rather than recognizing temporary declines in value. As of March 31, 2025, the Company has determined that there was no impairment on its other investment securities.

The amortized cost and fair value of debt securities at March 31, 2025 by contractual maturity are detailed below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without prepayment penalties.

| | Securities Held to Maturity | | Securities Available for Sale | |
|---|---|---|---|---|
| (Dollars in thousands) | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| Due in one year or less | **$ —** | **$ —** | **$ 49,944** | **$ 49,711** |
| Due after one year through five years | **56,378** | **51,887** | **202,653** | **198,349** |
| Due after five years through ten years | **409,257** | **356,482** | **738,102** | **679,180** |
| Due after ten years | **1,730,345** | **1,412,104** | **5,367,728** | **4,926,129** |
| | **$ 2,195,980** | **$ 1,820,473** | **$ 6,358,427** | **$ 5,853,369** |

During the three months ended March 31, 2025, the Company sold a portion of the available for sale investment securities acquired from Independent and recognized no gain or loss on these investment securities as each security was marked to fair value at the acquisition date. In addition to the sale of the investment securities acquired from Independent, the Company executed an investment portfolio restructuring and sold $1.8 billion of available for sale investment securities from its existing investment securities portfolio. During the three months ended March 31, 2024, there were no sales of securities available for sale.

The following table provides additional details of the available for sale investment securities sold during the three months ended March 31, 2025:

| | Three Months Ended March 31, 2025 | | |
|---|---|---|---|
| (Dollars in thousands) | Sales of Securities Acquired from Independent | Investment Securities Sales | Total |
| Sale proceeds | **$ 1,279,717** | **$ 1,594,393** | **$ 2,874,110** |
| Gross realized gains | **—** | **8,892** | **8,892** |
| Gross realized losses | **—** | **(237,703)** | **(237,703)** |
| Net realized losses | **$ —** | **$ (228,811)** | **$ (228,811)** |

There were no sales of held to maturity securities during the three months ended March 31, 2025 or March 31, 2024.

Information pertaining to our securities with gross unrealized losses at March 31, 2025 and December 31, 2024, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position is as follows:

| (Dollars in thousands) | Less Than Twelve Months Gross Unrealized Losses | Less Than Twelve Months Fair Value | Twelve Months or More Gross Unrealized Losses | Twelve Months or More Fair Value |
|---|---|---|---|---|
| **March 31, 2025:** | | | | |
| **Securities Held to Maturity** | | | | |
| U.S. Government agencies | **$ —** | **$ —** | **$ 20,361** | **$ 112,547** |
| Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | **—** | **—** | **214,924** | **1,047,852** |
| Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises | **—** | **—** | **63,798** | **341,205** |
| Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | **—** | **—** | **66,345** | **279,738** |
| Small Business Administration loan-backed securities | **—** | **—** | **10,079** | **39,131** |
| | **$ —** | **$ —** | **$ 375,507** | **$ 1,820,473** |
| **Securities Available for Sale** | | | | |
| U.S. Treasuries | **$ 1** | **$ 18,294** | **$ —** | **$ —** |
| Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | **1,037** | **158,905** | **168,622** | **863,252** |
| Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises | **1,294** | **908,932** | **56,462** | **318,887** |
| Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | **224** | **26,921** | **84,022** | **417,171** |
| State and municipal obligations | **100** | **3,487** | **175,164** | **899,151** |
| Small Business Administration loan-backed securities | **376** | **278,043** | **29,264** | **227,796** |
| Corporate securities | **—** | **—** | **1,508** | **26,991** |
| | **$ 3,032** | **$ 1,394,582** | **$ 515,042** | **$ 2,753,248** |
| **December 31, 2024:** | | | | |
| **Securities Held to Maturity** | | | | |
| U.S. Government agencies | $ — | $ — | $ 23,498 | $ 123,774 |
| Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | — | — | 241,204 | 1,056,339 |
| Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises | — | — | 72,057 | 339,664 |
| Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | — | — | 72,391 | 275,947 |
| Small Business Administration loan-backed securities | — | — | 10,993 | 38,803 |
| | $ — | $ — | $ 420,143 | $ 1,834,527 |
| **Securities Available for Sale** | | | | |
| U.S. Treasuries | $ — | $ — | $ — | $ — |
| U.S. Government agencies | — | — | 18,789 | 150,418 |
| Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | 294 | 14,341 | 282,129 | 1,350,268 |
| Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises | — | — | 98,212 | 454,908 |
| Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | 792 | 53,342 | 193,788 | 918,338 |
| State and municipal obligations | 1,484 | 19,400 | 170,125 | 923,431 |
| Small Business Administration loan-backed securities | 24 | 6,747 | 41,697 | 289,786 |
| Corporate securities | — | — | 1,990 | 26,509 |
| | $ 2,594 | $ 93,830 | $ 806,730 | $ 4,113,658 |

The Company's valuation methodology for securities impairment is disclosed in Note 1 — Summary of Significant Accounting Policies, under "Investment Securities" section, of our Annual Report on Form 10-K for the year ended December 31, 2024. All debt securities in an unrealized loss position as of March 31, 2025 continue to perform as scheduled and management does not believe there is a credit loss or a provision for credit losses is necessary. Management does not currently intend to sell the securities within the portfolio, and it is not more-likely-than-not that the Company will be required to sell the debt securities. See Note 2 — Summary of Significant Accounting Policies for further discussion.

At March 31, 2025, investment securities with a market value of $5.0 billion and a carrying value of $5.3 billion were pledged to secure public funds deposits and for other purposes required and permitted by law (excluding securities pledged to secure repurchase agreement disclosed in Note 20 — Short-Term Borrowings, under the “Securities Sold Under Agreements to Repurchase (“Repurchase agreements”)” section). Of the $5.3 billion carrying value of investment securities pledged, $5.1 billion were pledged to secure public funds deposits, $177.5 million were pledged to secure FHLB advances, and $90.8 million were pledged to secure interest rate swap positions with correspondent banks. At December 31, 2024, investment securities with a market value of $2.4 billion and a carrying value of $2.6 billion were pledged to secure public funds deposits and for other purposes required and permitted by law. Of the $2.6 billion carrying value of investment securities pledged, $2.3 billion were pledged to secure public funds deposits, $193.7 million were pledged to secure FHLB advances and $101.5 million were pledged to secure interest rate swap positions with correspondent banks.

### Trading Securities

At March 31, 2025 and December 31, 2024, trading securities, at estimated fair value, were as follows:

| (Dollars in thousands) | March 31, 2025 | December 31, 2024 |
|---|---|---|
| U.S. Government agencies | **$ 5,573** | $ 15,002 |
| Residential mortgage pass-through securities issued or guaranteed by U.S. government agencies or sponsored enterprises | **26,500** | 14,803 |
| Other residential mortgage issued or guaranteed by U.S. government agencies or sponsored enterprises | **3,890** | — |
| Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | **19,345** | 14,419 |
| State and municipal obligations | **37,516** | 35,896 |
| Small Business Administration loan-backed securities | **14,577** | 22,571 |
| Other debt securities | **—** | 241 |
| | **$ 107,401** | $ 102,932 |

Net gains on trading securities for the three months ended March 31, 2025 and 2024 were as follows:

| (Dollars in thousands) | Three Months Ended March 31, 2025 | 2024 |
|---|---|---|
| Net gains on sales transaction | **$ 362** | $ 54 |
| Net unrealized gains | **121** | 12 |
| Net gains on trading securities | **$ 483** | $ 66 |

### Note 6 — Loans

The following is a summary of total loans:

| (Dollars in thousands) | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Loans: | | |
| Construction and land development (1) | **$ 3,497,909** | $ 2,184,327 |
| Commercial non-owner-occupied | **15,536,086** | 9,383,732 |
| Commercial owner-occupied real estate | **7,417,116** | 5,716,376 |
| Consumer owner-occupied (2) | **8,168,477** | 7,144,885 |
| Home equity loans | **1,670,475** | 1,570,084 |
| Commercial and industrial | **8,106,484** | 6,222,876 |
| Other income producing property | **1,286,033** | 607,750 |
| Consumer | **1,075,872** | 1,062,599 |
| Other loans | **8,280** | 10,298 |
| Total loans | **46,766,732** | 33,902,927 |
| Less: allowance for credit losses | **(623,690)** | (465,280) |
| Loans, net | **$ 46,143,042** | $ 33,437,647 |

(1) Construction and land development includes loans for both commercial construction and development, as well as loans for 1-4 family residential construction and lot loans.
(2) Consumer owner-occupied real estate includes loans on both 1-4 family owner-occupied property, as well as loans collateralized by 1-4 family owner-occupied properties with a business intent.

The above table reflects the loan portfolio at the amortized cost basis for the periods ended March 31, 2025 and December 31, 2024, to include net deferred costs of $89.1 million and $86.7 million, respectively, and unamortized discount total related to loans acquired of $457.1 million and $36.9 million, respectively. Accrued interest receivables of $182.5 million and $133.0 million, respectively, are accounted for separately and reported in other assets for the periods March 31, 2025 and December 31, 2024.

The Company purchased loans through its acquisition of Independent, for which there was, at acquisition, evidence of more than an insignificant deterioration of credit quality since origination, thus determined to be PCD loans. The carrying amount of those acquired PCD loans, at acquisition, is as follows:

| (Dollars in thousands) | January 1, 2025 |
| --- | --- |
| Book value of acquired loans at acquisition | $ 3,081,440 |
| Allowance for credit losses at acquisition | (118,643) |
| Non-credit discount at acquisition | (151,993) |
| Carrying value or book value of acquired loans at acquisition | $ 2,810,804 |

As part of the ongoing monitoring of the credit quality of our loan portfolio, management tracks certain credit quality indicators, including trends related to (i) the level of classified loans, (ii) net charge-offs, (iii) non-performing loans (see details below), and (iv) the general economic conditions of the markets that we serve.

The Company utilizes a risk grading matrix to assign a risk grade to each commercial loan. Classified loans are assessed at a minimum of every six months. A description of the general characteristics of the risk grades is as follows:

- **Pass**—These loans range from minimal credit risk to average, however, are still an acceptable credit risk.
- **Special mention**—A special mention loan has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or the Bank's credit position at some future date.
- **Substandard**—A substandard loan is inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified must have a well-defined weakness, or weaknesses, that may jeopardize the liquidation of the debt. A substandard loan is characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected.
- **Doubtful**—A doubtful loan has all of the weaknesses inherent in one classified as substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of the currently existing facts, conditions and values, highly questionable and improbable.

Construction and land development loans in the following table are on commercial and speculative real estate. Consumer owner-occupied loans are collateralized by 1-4 family owner-occupied properties with a business intent.

The following table presents the credit risk profile by risk grade of commercial loans by origination year as of and for the period ending March 31, 2025:

| (Dollars in thousands) | Term Loans Amortized Cost Basis by Origination Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| As of March 31, 2025 | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | Revolving | Total |
| **Construction and land development** | | | | | | | | |
| Risk rating: | | | | | | | | |
| Pass | $ 210,787 | $ 967,014 | $ 558,720 | $ 939,862 | $ 107,572 | $ 52,279 | $ 121,799 | $ 2,958,033 |
| Special mention | 1,874 | 7,715 | 35,705 | 116,662 | 3,900 | 307 | — | 166,163 |
| Substandard | 494 | 24,996 | 1,221 | 2,299 | 750 | 428 | — | 30,188 |
| Doubtful | — | — | — | — | — | 5 | — | 5 |
| **Total Construction and land development** | $ 213,155 | $ 999,725 | $ 595,646 | $ 1,058,823 | $ 112,222 | $ 53,019 | $ 121,799 | $ 3,154,389 |
| **Construction and land development** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| **Commercial non-owner-occupied** | | | | | | | | |
| Risk rating: | | | | | | | | |
| Pass | $ 413,315 | $ 1,354,841 | $ 1,514,484 | $ 4,509,750 | $ 2,965,138 | $ 3,086,486 | $ 168,553 | $ 14,012,567 |
| Special mention | 6,586 | 19,311 | 78,553 | 211,675 | 177,915 | 39,802 | 4,114 | 537,956 |
| Substandard | 37,226 | 82,967 | 69,362 | 353,566 | 223,569 | 218,869 | — | 985,559 |
| Doubtful | — | — | — | — | 1 | 3 | — | 4 |
| **Total Commercial non-owner-occupied** | $ 457,127 | $ 1,457,119 | $ 1,662,399 | $ 5,074,991 | $ 3,366,623 | $ 3,345,160 | $ 172,667 | $ 15,536,086 |
| **Commercial non-owner-occupied** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ — | $ — | $ 435 | $ 4,533 | $ 8,588 | $ — | $ 13,556 |
| **Commercial Owner-Occupied** | | | | | | | | |
| Risk rating: | | | | | | | | |
| Pass | $ 263,518 | $ 804,079 | $ 739,772 | $ 1,319,124 | $ 1,278,450 | $ 2,479,651 | $ 108,430 | $ 6,993,024 |
| Special mention | 1,262 | 9,414 | 17,193 | 39,621 | 8,479 | 32,792 | 229 | 108,990 |
| Substandard | 4,804 | 41,351 | 44,642 | 71,267 | 43,901 | 101,687 | 7,432 | 315,084 |
| Doubtful | 7 | 4 | 3 | — | — | 4 | — | 18 |
| **Total commercial owner-occupied** | $ 269,591 | $ 854,848 | $ 801,610 | $ 1,430,012 | $ 1,330,830 | $ 2,614,134 | $ 116,091 | $ 7,417,116 |
| **Commercial owner-occupied** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ — | $ — | $ 748 | $ — | $ 758 | $ — | $ 1,506 |
| **Commercial and industrial** | | | | | | | | |
| Risk rating: | | | | | | | | |
| Pass | $ 835,100 | $ 1,344,629 | $ 793,029 | $ 1,023,086 | $ 572,105 | $ 914,905 | $ 2,173,022 | $ 7,655,876 |
| Special mention | 840 | 2,700 | 2,602 | 18,202 | 1,143 | 3,180 | 61,824 | 90,491 |
| Substandard | 5,345 | 40,643 | 46,886 | 60,677 | 40,894 | 25,160 | 140,167 | 359,772 |
| Doubtful | — | — | 18 | 51 | 267 | — | 9 | 345 |
| **Total commercial and industrial** | $ 841,285 | $ 1,387,972 | $ 842,535 | $ 1,102,016 | $ 614,409 | $ 943,245 | $ 2,375,022 | $ 8,106,484 |
| **Commercial and industrial** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ 1,032 | $ 630 | $ 3,054 | $ 11,020 | $ 10,191 | $ 924 | $ 26,851 |
| **Other income producing property** | | | | | | | | |
| Risk rating: | | | | | | | | |
| Pass | $ 30,245 | $ 169,369 | $ 144,578 | $ 318,749 | $ 202,702 | $ 240,303 | $ 42,606 | $ 1,148,552 |
| Special mention | 343 | 594 | 162 | 4,977 | 26 | 2,733 | 1,492 | 10,327 |
| Substandard | 563 | 906 | 2,076 | 5,670 | 835 | 18,019 | 795 | 28,864 |
| Doubtful | — | — | — | — | — | — | — | — |
| **Total other income producing property** | $ 31,151 | $ 170,869 | $ 146,816 | $ 329,396 | $ 203,563 | $ 261,055 | $ 44,893 | $ 1,187,743 |
| **Other income producing property** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| **Consumer owner-occupied** | | | | | | | | |
| Risk rating: | | | | | | | | |
| Pass | $ 128 | $ 3,824 | $ 17,628 | $ 5,425 | $ 3,103 | $ 819 | $ 35,207 | $ 66,134 |
| Special mention | 38 | 18 | 137 | — | — | 13 | — | 206 |
| Substandard | 649 | 1,119 | — | — | — | 202 | 1,703 | 3,673 |
| Doubtful | — | — | — | — | — | 1 | — | 1 |
| **Total Consumer owner-occupied** | $ 815 | $ 4,961 | $ 17,765 | $ 5,425 | $ 3,103 | $ 1,035 | $ 36,910 | $ 70,014 |
| **Consumer owner-occupied** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| **Other loans** | | | | | | | | |
| Risk rating: | | | | | | | | |
| Pass | $ 8,280 | $ — | $ — | $ — | $ — | $ — | $ — | $ 8,280 |
| Special mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | — | — | — |
| Doubtful | — | — | — | — | — | — | — | — |
| **Total other loans** | $ 8,280 | $ — | $ — | $ — | $ — | $ — | $ — | $ 8,280 |
| **Other loans** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| **Total Commercial Loans** | | | | | | | | |
| Risk rating: | | | | | | | | |
| Pass | $ 1,761,373 | $ 4,643,756 | $ 3,768,211 | $ 8,115,996 | $ 5,129,070 | $ 6,774,443 | $ 2,649,617 | $ 32,842,466 |
| Special mention | 10,943 | 39,752 | 134,352 | 391,137 | 191,463 | 78,827 | 67,659 | 914,133 |
| Substandard | 49,081 | 191,982 | 164,187 | 493,479 | 309,949 | 364,365 | 150,097 | 1,723,140 |
| Doubtful | 7 | 4 | 21 | 51 | 268 | 13 | 9 | 373 |
| **Total Commercial Loans** | $ 1,821,404 | $ 4,875,494 | $ 4,066,771 | $ 9,000,663 | $ 5,630,750 | $ 7,217,648 | $ 2,867,382 | $ 35,480,112 |
| **Commercial Loans** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ 1,032 | $ 630 | $ 4,237 | $ 15,553 | $ 19,537 | $ 924 | $ 41,913 |

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The following table presents the credit risk profile by risk grade of commercial loans by origination year as of and for the period ending December 31, 2024:

| (Dollars in thousands) | Term Loans Amortized Cost Basis by Origination Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **As of December 31, 2024** | **2024** | **2023** | **2022** | **2021** | **2020** | **Prior** | **Revolving** | **Total** |
| **Construction and land development** | | | | | | | | |
| Risk rating: | | | | | | | | |
| Pass | $ 339,152 | $ 397,574 | $ 843,053 | $ 42,524 | $ 9,327 | $ 13,462 | $ 35,025 | $ 1,680,117 |
| Special mention | 627 | 30,791 | 35,170 | 579 | — | 321 | — | 67,488 |
| Substandard | 16,672 | — | 32,483 | 750 | — | 581 | — | 50,486 |
| Doubtful | — | — | — | — | 1 | 4 | — | 5 |
| **Total Construction and land development** | $ 356,451 | $ 428,365 | $ 910,706 | $ 43,853 | $ 9,328 | $ 14,368 | $ 35,025 | $ 1,798,096 |
| **Construction and land development** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ — | $ — | $ — | $ 74 | $ 2,088 | $ — | $ 2,162 |
| **Commercial non-owner-occupied** | | | | | | | | |
| Risk rating: | | | | | | | | |
| Pass | $ 782,863 | $ 798,454 | $ 2,664,327 | $ 1,770,690 | $ 575,679 | $ 1,724,342 | $ 111,021 | $ 8,427,376 |
| Special mention | 6,954 | 36,014 | 120,363 | 137,945 | 7,486 | 13,920 | 195 | 322,877 |
| Substandard | 82,369 | 47,934 | 177,487 | 125,634 | 82,448 | 117,606 | — | 633,478 |
| Doubtful | — | — | — | 1 | — | — | — | 1 |
| **Total Commercial non-owner-occupied** | $ 872,186 | $ 882,402 | $ 2,962,177 | $ 2,034,270 | $ 665,613 | $ 1,855,868 | $ 111,216 | $ 9,383,732 |
| **Commercial non-owner-occupied** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ — | $ — | $ 176 | $ — | $ 354 | $ — | $ 530 |
| **Commercial Owner-Occupied** | | | | | | | | |
| Risk rating: | | | | | | | | |
| Pass | $ 624,613 | $ 648,461 | $ 1,020,841 | $ 1,004,549 | $ 572,108 | $ 1,440,686 | $ 87,011 | $ 5,398,269 |
| Special mention | 4,571 | 14,537 | 38,361 | 8,092 | 1,114 | 15,112 | 212 | 81,999 |
| Substandard | 25,843 | 35,855 | 49,032 | 34,135 | 21,502 | 58,982 | 10,748 | 236,097 |
| Doubtful | 4 | 3 | — | — | — | 4 | — | 11 |
| **Total commercial owner-occupied** | $ 655,031 | $ 698,856 | $ 1,108,234 | $ 1,046,776 | $ 594,724 | $ 1,514,784 | $ 97,971 | $ 5,716,376 |
| **Commercial owner-occupied** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ 298 | $ — | $ 91 | $ 227 | $ 583 | $ — | $ 1,199 |
| **Commercial and industrial** | | | | | | | | |
| Risk rating: | | | | | | | | |
| Pass | $ 1,881,120 | $ 683,911 | $ 939,929 | $ 462,655 | $ 292,253 | $ 419,145 | $ 1,226,413 | $ 5,905,426 |
| Special mention | 2,103 | 2,467 | 16,120 | 1,217 | 628 | 2,468 | 22,764 | 47,767 |
| Substandard | 42,308 | 43,207 | 37,526 | 26,080 | 2,796 | 18,180 | 99,460 | 269,557 |
| Doubtful | — | 12 | 42 | 57 | 1 | 9 | 5 | 126 |
| **Total commercial and industrial** | $ 1,925,531 | $ 729,597 | $ 993,617 | $ 490,009 | $ 295,678 | $ 439,802 | $ 1,348,642 | $ 6,222,876 |
| **Commercial and industrial** | | | | | | | | |
| Current-period gross charge-offs | $ 2,971 | $ 2,752 | $ 5,946 | $ 666 | $ 100 | $ 4,587 | $ 3,859 | $ 20,881 |
| **Other income producing property** | | | | | | | | |
| Risk rating: | | | | | | | | |
| Pass | $ 63,518 | $ 51,585 | $ 105,505 | $ 84,679 | $ 45,600 | $ 95,969 | $ 37,166 | $ 484,022 |
| Special mention | 612 | 493 | 5,947 | 27 | 837 | 2,145 | 1,269 | 11,330 |
| Substandard | 1,029 | 712 | 2,333 | 2,081 | 327 | 5,043 | 436 | 11,961 |
| Doubtful | — | — | — | — | — | — | — | — |
| **Total other income producing property** | $ 65,159 | $ 52,790 | $ 113,785 | $ 86,787 | $ 46,764 | $ 103,157 | $ 38,871 | $ 507,313 |
| **Other income producing property** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| **Consumer owner-occupied** | | | | | | | | |
| Risk rating: | | | | | | | | |
| Pass | $ 4,035 | $ 17,776 | $ 5,557 | $ 3,259 | $ 594 | $ 257 | $ 31,610 | $ 63,088 |
| Special mention | 19 | 222 | — | — | 14 | 35 | 231 | 521 |
| Substandard | 1,131 | — | — | — | 3 | 205 | 1,961 | 3,300 |
| Doubtful | — | — | — | — | — | 1 | — | 1 |
| **Total Consumer owner-occupied** | $ 5,185 | $ 17,998 | $ 5,557 | $ 3,259 | $ 611 | $ 498 | $ 33,802 | $ 66,910 |
| **Consumer owner-occupied** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| **Other loans** | | | | | | | | |
| Risk rating: | | | | | | | | |
| Pass | $ 10,298 | $ — | $ — | $ — | $ — | $ — | $ — | $ 10,298 |
| Special mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | — | — | — | — | — |
| Doubtful | — | — | — | — | — | — | — | — |
| **Total other loans** | $ 10,298 | $ — | $ — | $ — | $ — | $ — | $ — | $ 10,298 |
| **Other loans** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| **Total Commercial Loans** | | | | | | | | |
| Risk rating: | | | | | | | | |
| Pass | $ 3,705,599 | $ 2,597,761 | $ 5,579,212 | $ 3,368,356 | $ 1,495,561 | $ 3,693,861 | $ 1,528,246 | $ 21,968,596 |
| Special mention | 14,886 | 84,524 | 215,961 | 147,860 | 10,079 | 34,001 | 24,671 | 531,982 |
| Substandard | 169,352 | 127,708 | 298,861 | 188,680 | 107,076 | 200,597 | 112,605 | 1,204,879 |
| Doubtful | 4 | 15 | 42 | 58 | 2 | 18 | 5 | 144 |
| **Total Commercial Loans** | $ 3,889,841 | $ 2,810,008 | $ 6,094,076 | $ 3,704,954 | $ 1,612,718 | $ 3,928,477 | $ 1,665,527 | $ 23,705,601 |
| **Commercial Loans** | | | | | | | | |
| Current-period gross charge-offs | $ 2,971 | $ 3,050 | $ 5,946 | $ 933 | $ 401 | $ 7,612 | $ 3,859 | $ 24,772 |

For the consumer segment, delinquency of a loan is determined by past due status. Consumer loans are automatically placed on nonaccrual status once the loan is 90 days past due. Construction and land development loans are on 1-4 family residential properties and lots.

The following table presents the credit risk profile by past due status of consumer loans by origination year as of and for the period ending March 31, 2025:

| (Dollars in thousands) | Term Loans Amortized Cost Basis by Origination Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| As of March 31, 2025 | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | Revolving | Total |
| **Consumer owner-occupied** | | | | | | | | |
| Days past due: | | | | | | | | |
| Current | $ 160,825 | $ 725,834 | $ 1,141,564 | $ 2,575,797 | $ 1,740,584 | $ 1,709,059 | $ 1,024 | $ 8,054,687 |
| 30 days past due | — | 3,179 | 3,966 | 748 | 2,054 | 8,139 | — | 18,086 |
| 60 days past due | — | 609 | 623 | 152 | 492 | 3,217 | — | 5,093 |
| 90 days past due | — | 1,746 | 5,064 | 6,613 | 1,504 | 5,670 | — | 20,597 |
| **Total Consumer owner-occupied** | $ 160,825 | $ 731,368 | $ 1,151,217 | $ 2,583,310 | $ 1,744,634 | $ 1,726,085 | $ 1,024 | $ 8,098,463 |
| **Consumer owner-occupied** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ 160 | $ 216 | $ 130 | $ 17 | $ 58 | $ — | $ 581 |
| | | | | | | | | |
| **Home equity loans** | | | | | | | | |
| Days past due: | | | | | | | | |
| Current | $ 1,119 | $ 7,716 | $ 5,268 | $ 3,896 | $ 1,302 | $ 14,079 | $ 1,628,476 | $ 1,661,856 |
| 30 days past due | — | — | 418 | — | 70 | 508 | 3,258 | 4,254 |
| 60 days past due | — | — | 155 | — | — | 40 | 1,142 | 1,337 |
| 90 days past due | — | — | 463 | 784 | 111 | 912 | 758 | 3,028 |
| **Total Home equity loans** | $ 1,119 | $ 7,716 | $ 6,304 | $ 4,680 | $ 1,483 | $ 15,539 | $ 1,633,634 | $ 1,670,475 |
| **Home equity loans** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ — | $ — | $ 64 | $ — | $ 165 | $ — | $ 229 |
| | | | | | | | | |
| **Consumer** | | | | | | | | |
| Days past due: | | | | | | | | |
| Current | $ 56,371 | $ 183,654 | $ 201,953 | $ 199,416 | $ 87,846 | $ 200,076 | $ 135,315 | $ 1,064,631 |
| 30 days past due | 202 | 101 | 205 | 367 | 127 | 1,269 | 3,099 | 5,370 |
| 60 days past due | — | 249 | 69 | 91 | 48 | 233 | 1,660 | 2,350 |
| 90 days past due | — | 89 | 237 | 387 | 69 | 1,266 | 1,473 | 3,521 |
| **Total consumer** | $ 56,573 | $ 184,093 | $ 202,464 | $ 200,261 | $ 88,090 | $ 202,844 | $ 141,547 | $ 1,075,872 |
| **Consumer** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ 100 | $ 259 | $ 197 | $ 35 | $ 2,422 | $ 1,115 | $ 4,128 |
| | | | | | | | | |
| **Construction and land development** | | | | | | | | |
| Days past due: | | | | | | | | |
| Current | $ 10,316 | $ 89,347 | $ 65,747 | $ 111,950 | $ 39,997 | $ 25,733 | $ — | $ 343,090 |
| 30 days past due | — | — | — | — | — | 95 | — | 95 |
| 60 days past due | — | — | — | — | — | 15 | — | 15 |
| 90 days past due | — | — | — | 320 | — | — | — | 320 |
| **Total Construction and land development** | $ 10,316 | $ 89,347 | $ 65,747 | $ 112,270 | $ 39,997 | $ 25,843 | $ — | $ 343,520 |
| **Construction and land development** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| | | | | | | | | |
| **Other income producing property** | | | | | | | | |
| Days past due: | | | | | | | | |
| Current | $ 483 | $ 3,026 | $ 6,045 | $ 38,101 | $ 16,409 | $ 33,881 | $ 145 | $ 98,090 |
| 30 days past due | — | — | — | — | — | 84 | — | 84 |
| 60 days past due | — | — | — | — | — | — | — | — |
| 90 days past due | — | — | — | — | — | 116 | — | 116 |
| **Total other income producing property** | $ 483 | $ 3,026 | $ 6,045 | $ 38,101 | $ 16,409 | $ 34,081 | $ 145 | $ 98,290 |
| **Other income producing property** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| | | | | | | | | |
| **Total Consumer Loans** | | | | | | | | |
| Days past due: | | | | | | | | |
| Current | $ 229,114 | $ 1,009,577 | $ 1,420,577 | $ 2,929,160 | $ 1,886,138 | $ 1,982,828 | $ 1,764,960 | $ 11,222,354 |
| 30 days past due | 202 | 3,280 | 4,589 | 1,115 | 2,251 | 10,095 | 6,357 | 27,889 |
| 60 days past due | — | 858 | 847 | 243 | 540 | 3,505 | 2,802 | 8,795 |
| 90 days past due | — | 1,835 | 5,764 | 8,104 | 1,684 | 7,964 | 2,231 | 27,582 |
| **Total Consumer Loans** | $ 229,316 | $ 1,015,550 | $ 1,431,777 | $ 2,938,622 | $ 1,890,613 | $ 2,004,392 | $ 1,776,350 | $ 11,286,620 |
| **Consumer Loans** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ 260 | $ 475 | $ 391 | $ 52 | $ 2,645 | $ 1,115 | $ 4,938 |

The following table presents the credit risk profile by past due status of total loans by origination year as of and for the period ending March 31, 2025:

| (Dollars in thousands) | Term Loans Amortized Cost Basis by Origination Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| As of March 31, 2025 | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | Revolving | Total |
| **Total Loans** | $ 2,050,720 | $ 5,891,044 | $ 5,498,548 | $ 11,939,285 | $ 7,521,363 | $ 9,222,040 | $ 4,643,732 | $ 46,766,732 |
| | | | | | | | | |
| Current-period gross charge-offs | $ — | $ 1,292 | $ 1,105 | $ 4,628 | $ 15,605 | $ 22,182 | $ 2,039 | $ 46,851 |

The following table presents the credit risk profile by past due status of consumer loans by origination year as of and for the period ending December 31, 2024:

| (Dollars in thousands) | Term Loans Amortized Cost Basis by Origination Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **As of December 31, 2024** | **2024** | **2023** | **2022** | **2021** | **2020** | **Prior** | **Revolving** | **Total** |
| **Consumer owner-occupied** | | | | | | | | |
| Days past due: | | | | | | | | |
| Current | $ 623,572 | $ 1,052,852 | $ 2,303,614 | $ 1,578,097 | $ 577,381 | $ 908,983 | $ — | $ 7,044,499 |
| 30 days past due | 1,362 | 1,847 | 1,302 | 614 | 897 | 3,045 | — | 9,067 |
| 60 days past due | 685 | 453 | 2,281 | 354 | 251 | 757 | — | 4,781 |
| 90 days past due | 2,283 | 4,336 | 6,314 | 1,730 | 1,034 | 3,931 | — | 19,628 |
| **Total Consumer owner-occupied** | $ 627,902 | $ 1,059,488 | $ 2,313,511 | $ 1,580,795 | $ 579,563 | $ 916,716 | $ — | $ 7,077,975 |
| **Consumer owner-occupied** | | | | | | | | |
| Current-period gross charge-offs | $ 35 | $ 328 | $ 284 | $ 16 | $ 21 | $ 44 | $ — | $ 728 |
| | | | | | | | | |
| **Home equity loans** | | | | | | | | |
| Days past due: | | | | | | | | |
| Current | $ 7,309 | $ 6,553 | $ 3,701 | $ 1,515 | $ 1,739 | $ 10,600 | $ 1,527,504 | $ 1,558,921 |
| 30 days past due | 57 | 75 | 74 | — | 64 | 788 | 5,019 | 6,077 |
| 60 days past due | — | 73 | 69 | — | — | 120 | 2,044 | 2,306 |
| 90 days past due | 52 | 137 | 388 | 76 | 341 | 467 | 1,319 | 2,780 |
| **Total Home equity loans** | $ 7,418 | $ 6,838 | $ 4,232 | $ 1,591 | $ 2,144 | $ 11,975 | $ 1,535,886 | $ 1,570,084 |
| **Home equity loans** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ — | $ — | $ — | $ — | $ 110 | $ — | $ 110 |
| | | | | | | | | |
| **Consumer** | | | | | | | | |
| Days past due: | | | | | | | | |
| Current | $ 194,192 | $ 218,440 | $ 218,097 | $ 95,017 | $ 50,337 | $ 155,109 | $ 116,590 | $ 1,047,782 |
| 30 days past due | 103 | 269 | 309 | 261 | 199 | 1,426 | 4,926 | 7,493 |
| 60 days past due | 40 | 64 | 86 | 97 | 95 | 319 | 2,994 | 3,695 |
| 90 days past due | 20 | 442 | 393 | 147 | 15 | 1,128 | 1,484 | 3,629 |
| **Total consumer** | $ 194,355 | $ 219,215 | $ 218,885 | $ 95,522 | $ 50,646 | $ 157,982 | $ 125,994 | $ 1,062,599 |
| **Consumer** | | | | | | | | |
| Current-period gross charge-offs | $ 194 | $ 1,610 | $ 1,377 | $ 197 | $ 80 | $ 451 | $ 5,247 | $ 9,156 |
| | | | | | | | | |
| **Construction and land development** | | | | | | | | |
| Days past due: | | | | | | | | |
| Current | $ 75,490 | $ 81,995 | $ 152,974 | $ 46,873 | $ 13,253 | $ 15,309 | $ — | $ 385,894 |
| 30 days past due | — | — | — | — | — | 16 | — | 16 |
| 60 days past due | — | — | — | — | — | — | — | — |
| 90 days past due | — | — | 320 | — | 1 | — | — | 321 |
| **Total Construction and land development** | $ 75,490 | $ 81,995 | $ 153,294 | $ 46,873 | $ 13,254 | $ 15,325 | $ — | $ 386,231 |
| **Construction and land development** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ — | $ 304 | $ — | $ — | $ — | $ — | $ 304 |
| | | | | | | | | |
| **Other income producing property** | | | | | | | | |
| Days past due: | | | | | | | | |
| Current | $ 3,041 | $ 6,066 | $ 39,445 | $ 16,556 | $ 3,511 | $ 31,549 | $ 128 | $ 100,296 |
| 30 days past due | — | — | — | — | — | 24 | — | 24 |
| 60 days past due | — | — | — | — | — | — | — | — |
| 90 days past due | — | — | — | — | — | 117 | — | 117 |
| **Total other income producing property** | $ 3,041 | $ 6,066 | $ 39,445 | $ 16,556 | $ 3,511 | $ 31,690 | $ 128 | $ 100,437 |
| **Other income producing property** | | | | | | | | |
| Current-period gross charge-offs | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| | | | | | | | | |
| **Total Consumer Loans** | | | | | | | | |
| Days past due: | | | | | | | | |
| Current | $ 903,604 | $ 1,365,906 | $ 2,717,831 | $ 1,738,058 | $ 646,221 | $ 1,121,550 | $ 1,644,222 | $ 10,137,392 |
| 30 days past due | 1,522 | 2,191 | 1,685 | 875 | 1,160 | 5,299 | 9,945 | 22,677 |
| 60 days past due | 725 | 590 | 2,436 | 451 | 346 | 1,196 | 5,038 | 10,782 |
| 90 days past due | 2,355 | 4,915 | 7,415 | 1,953 | 1,391 | 5,643 | 2,803 | 26,475 |
| **Total Consumer Loans** | $ 908,206 | $ 1,373,602 | $ 2,729,367 | $ 1,741,337 | $ 649,118 | $ 1,133,688 | $ 1,662,008 | $ 10,197,326 |
| **Consumer Loans** | | | | | | | | |
| Current-period gross charge-offs | $ 229 | $ 1,938 | $ 1,965 | $ 213 | $ 101 | $ 605 | $ 5,247 | $ 10,298 |

The following table presents the credit risk profile by past due status of total loans by origination year as of and for the period ending December 31, 2024:

| (Dollars in thousands) | Term Loans Amortized Cost Basis by Origination Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **As of December 31, 2024** | **2024** | **2023** | **2022** | **2021** | **2020** | **Prior** | **Revolving** | **Total** |
| **Total Loans** | $ 4,798,047 | $ 4,183,610 | $ 8,823,443 | $ 5,446,291 | $ 2,261,836 | $ 5,062,165 | $ 3,327,535 | $ 33,902,927 |
| | | | | | | | | |
| Current-period gross charge-offs | $ 3,200 | $ 4,988 | $ 7,911 | $ 1,146 | $ 502 | $ 8,217 | $ 9,106 | $ 35,070 |

The following table presents an aging analysis of past due accruing loans, segregated by class, as of March 31, 2025 and December 31, 2024:

| (Dollars in thousands) | 30 - 59 Days Past Due | 60 - 89 Days Past Due | 90+ Days Past Due | Total Past Due | Current | Non-Accruing | Total Loans |
|---|---|---|---|---|---|---|---|
| **March 31, 2025** | | | | | | | |
| Construction and land development | **$ 1,070** | **$ 423** | **$ —** | **$ 1,493** | **$ 3,494,998** | **$ 1,418** | **$ 3,497,909** |
| Commercial non-owner-occupied | **65,055** | **223** | **—** | **65,278** | **15,432,246** | **38,562** | **15,536,086** |
| Commercial owner-occupied | **8,028** | **1,145** | **225** | **9,398** | **7,360,737** | **46,981** | **7,417,116** |
| Consumer owner-occupied | **14,329** | **1,539** | **291** | **16,159** | **8,109,769** | **42,549** | **8,168,477** |
| Home equity loans | **3,335** | **1,182** | **—** | **4,517** | **1,654,980** | **10,978** | **1,670,475** |
| Commercial and industrial | **25,064** | **9,586** | **2,991** | **37,641** | **7,948,945** | **119,898** | **8,106,484** |
| Other income producing property | **883** | **265** | **303** | **1,451** | **1,281,771** | **2,811** | **1,286,033** |
| Consumer | **5,005** | **2,244** | **—** | **7,249** | **1,063,456** | **5,167** | **1,075,872** |
| Other loans | **—** | **—** | **—** | **—** | **8,280** | **—** | **8,280** |
| | **$ 122,769** | **$ 16,607** | **$ 3,810** | **$ 143,186** | **$ 46,355,182** | **$ 268,364** | **$ 46,766,732** |
| **December 31, 2024** | | | | | | | |
| Construction and land development | $ 16 | $ — | $ — | $ 16 | $ 2,182,853 | $ 1,458 | $ 2,184,327 |
| Commercial non-owner-occupied | 2,253 | 748 | — | 3,001 | 9,363,226 | 17,505 | 9,383,732 |
| Commercial owner-occupied | 7,208 | 2,844 | 92 | 10,144 | 5,670,550 | 35,682 | 5,716,376 |
| Consumer owner-occupied | 6,536 | 444 | — | 6,980 | 7,094,851 | 43,054 | 7,144,885 |
| Home equity loans | 4,717 | 1,511 | 1 | 6,229 | 1,553,832 | 10,023 | 1,570,084 |
| Commercial and industrial | 28,427 | 7,700 | 3,163 | 39,290 | 6,091,566 | 92,020 | 6,222,876 |
| Other income producing property | 237 | 116 | 37 | 390 | 605,162 | 2,198 | 607,750 |
| Consumer | 7,023 | 3,444 | — | 10,467 | 1,046,776 | 5,356 | 1,062,599 |
| Other loans | — | — | — | — | 10,298 | — | 10,298 |
| | $ 56,417 | $ 16,807 | $ 3,293 | $ 76,517 | $ 33,619,114 | $ 207,296 | $ 33,902,927 |

The following table is a summary of information pertaining to nonaccrual loans by class, including loans modified for borrowers with financial difficulty as of March 31, 2025 and December 31, 2024:

| (Dollars in thousands) | March 31, 2025 | Greater than 90 Days Accruing(1) | Non-accrual with no allowance(1) | December 31, 2024 |
|---|---|---|---|---|
| Construction and land development | **$ 1,418** | **$ —** | **$ —** | $ 1,458 |
| Commercial non-owner-occupied | **38,562** | **—** | **32,803** | 17,505 |
| Commercial owner-occupied real estate | **46,981** | **225** | **18,988** | 35,682 |
| Consumer owner-occupied | **42,549** | **291** | **—** | 43,054 |
| Home equity loans | **10,978** | **—** | **1,149** | 10,023 |
| Commercial and industrial | **119,898** | **2,991** | **28,463** | 92,020 |
| Other income producing property | **2,811** | **303** | **—** | 2,198 |
| Consumer | **5,167** | **—** | **—** | 5,356 |
| Total loans on nonaccrual status | **$ 268,364** | **$ 3,810** | **$ 81,403** | $ 207,296 |

(1) Greater than 90 days accruing and non-accrual with no allowance loans at March 31, 2025.

There is no interest income recognized during the period on nonaccrual loans. The Company follows its nonaccrual policy by reversing contractual interest income in the income statement when the Company places a loan on nonaccrual status. Loans on nonaccrual status in which there is no allowance assigned are individually evaluated loans that do not carry a specific reserve. See Note 2 — Summary of Significant Accounting Policies for further detailed descriptions on individually evaluated loans.

The following is a summary of collateral dependent loans, by type of collateral, and the extent to which they are collateralized during the period:

| (Dollars in thousands) | March 31, 2025 | Collateral Coverage | % | December 31, 2024 | Collateral Coverage | % |
|---|---|---|---|---|---|---|
| Commercial owner-occupied real estate | | | | | | |
| Industrial | **$ 4,734** | **$ 8,729** | **184%** | $ 2,835 | $ 6,831 | 241% |
| Office | **1,444** | **1,980** | **137%** | — | — | |
| Other | **14,644** | **27,082** | **185%** | 11,087 | 20,683 | 187% |
| Commercial non-owner-occupied real estate | | | | | | |
| Retail | **4,385** | **5,760** | **131%** | — | — | |
| Other | **1,202** | **1,512** | **126%** | — | — | |
| Office | **27,216** | **30,894** | **114%** | 14,223 | 15,594 | 110% |
| Commercial and industrial | | | | | | |
| Other | **77,745** | **99,198** | **128%** | 59,171 | 74,549 | 126% |
| Other income producing property | | | | | | |
| 1-4 family investment property | — | — | | 1,265 | 3,286 | 260% |
| Consumer owner-occupied | | | | | | |
| 1st Mtg Residential | — | — | | 963 | 954 | 99% |
| Home equity loans | | | | | | |
| Residential 1-4 family dwelling | **1,149** | **2,250** | **196%** | 1,173 | 2,250 | 192% |
| Total collateral dependent loans | **$ 132,519** | **$ 177,405** | | $ 90,717 | $ 124,147 | |

The Bank designates individually evaluated loans on non-accrual with a net book balance exceeding the designated threshold as collateral dependent loans. Collateral dependent loans are loans for which the repayment is expected to be provided substantially through the operation or sale of the collateral and the borrower is experiencing financial difficulty. These loans do not share common risk characteristics and are not included within the collectively evaluated loans for determining the ACL. Under ASC 326-20-35-6, the Bank has adopted the collateral maintenance practical expedient to measure the ACL based on the fair value of collateral. The ACL is calculated on an individual loan basis based on the shortfall between the fair value of the loan's collateral, which is adjusted for selling costs, and amortized cost. If the fair value of the collateral exceeds the amortized cost, no allowance is required. The Bank's threshold for individually evaluated loans is $1.0 million. The changes above in collateral percentage are normally due to appraisal value updates or changes in the number of loans within the asset class and collateral type. As a result of the acquisition of Independent on January 1, 2025, collateral dependent loans increased $48.0 million from the date of acquisition. Overall collateral dependent loans increased $41.8 million during the three months ended March 31, 2025.

Loans on nonaccrual status at the date of modification are initially classified as nonaccrual. Loans on accruing status at the date of modification are initially classified as accruing if the note is reasonably assured of repayment and performance is expected in accordance with its modified terms. Such loans may be designated as nonaccrual loans subsequent to the modification date if reasonable doubt exists as to the collection of interest or principal under the modification agreement. Nonaccrual loans are returned to accruing status when there is economic substance to the modification, there is documented credit evaluation of the borrower's financial condition, the remaining balance is reasonably assured of repayment in accordance with its modified terms, and the borrower has demonstrated sustained repayment performance in accordance with the modified terms for a reasonable period of time (generally a minimum of six months). See Note 2 — Summary of Significant Accounting Policies for how such modifications are factored into the determination of the ACL for the periods presented above.

The following tables present loans designated as modifications made to borrowers experiencing financial difficulty during the three months ended March 31, 2025 and 2024, respectively. The loans are segregated by type of modification and asset class, indicating the financial effect of the modifications.

The amortized cost balance for the modified loans presented below exclude accrued interest receivable of approximately $176,000 and $16,000 as of March 31, 2025 and 2024, respectively.

| | Three Months Ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | | 2024 | | |
| (Dollars in thousands) | Amortized Cost | % of Total Asset Class | Reduction in Weighted Average Contractual Interest Rate | Amortized Cost | % of Total Asset Class | Reduction in Weighted Average Contractual Interest Rate |
| **Interest rate reduction** | | | | | | |
| Commercial non-owner-occupied | $ 15,088 | $ 0.10% | 8.00% to 7.09% | $ — | $ — | |
| Consumer owner-occupied | — | — | | 923 | 0.01% | 9.00% to 5.00% |
| Commercial and industrial | $ 389 | 0.00% | 8.75% to 7.00% | — | — | |
| **Total interest rate reductions** | $ 15,477 | | | $ 923 | | |

| | Three Months Ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | | 2024 | | |
| (Dollars in thousands) | Amortized Cost | % of Total Asset Class | Increase in Weighted Average Life of Loan | Amortized Cost | % of Total Asset Class | Increase in Weighted Average Life of Loan |
| **Term extension** | | | | | | |
| Construction and land development | $ 295 | 0.01% | 9 months | $ — | — | — |
| Commercial and industrial | 2,000 | 0.02% | 3 months | — | — | — |
| Consumer owner-occupied | 1,298 | 0.02% | 2 months | — | — | — |
| **Total term extensions** | $ 3,593 | | | $ — | | |

| | Three Months Ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | | 2024 | | |
| (Dollars in thousands) | Amortized Cost | % of Total Asset Class | WA of Months Payments Were Deferred | Amortized Cost | % of Total Asset Class | WA of Months Payments Were Deferred |
| **Other-than-insignificant payment delay** | | | | | | |
| Commercial owner-occupied real estate | $ 693 | 0.01% | 13 months | $ — | — | |
| **Total payment delays** | $ 693 | | | $ — | | |

| | Three Months Ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | | 2024 | | |
| (Dollars in thousands) | Amortized Cost | Reduction in Weighted Average Contractual Interest Rate | Increase in Weighted Average Life of Loan | Amortized Cost | Reduction in Weighted Average Contractual Interest Rate | Increase in Weighted Average Life of Loan |
| **Combination- Term Extension and Interest Rate Reduction** | | | | | | |
| Consumer owner-occupied | $ 490 | 7.13% to 3.00% | 3 months | $ — | | |
| **Total** | $ 490 | | | $ — | | |

| | Three Months Ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | | 2024 | | |
| (Dollars in thousands) | Amortized Cost | Reduction in Weighted Average Contractual Interest Rate | Increase in Weighted Average Amortization Term | Amortized Cost | Reduction in Weighted Average Contractual Interest Rate | Increase in Weighted Average Amortization Term |
| **Combination- Interest Rate Reduction and Payment Delay** | | | | | | |
| Commercial and industrial | $ 1,193 | 7.75% to 7.00% | 12 months | $ — | — | — |
| **Total** | $ 1,193 | | | $ — | | |

The Bank on occasion will enter into modification agreements which extend the maturity payoff on a loan or reduce the interest rate for borrowers willing to continue to pay, to minimize losses for the Bank. At March 31, 2025, the Company had no remaining commitments to lend additional funds on loans to borrowers experiencing financial difficulty and modified during the current reporting period.

The following table presents the changes in status of loans modified within the previous twelve months to borrowers experiencing financial difficulty, as of March 31, 2025 and 2024, by type of modification. The subsequent defaults were all due to past due status greater than 89 days.

| | March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | | 2024 | | |
| | Paying Under Restructured Terms | Converted to Nonaccrual | Foreclosures and Defaults | Paying Under Restructured Terms | Converted to Nonaccrual | Foreclosures and Defaults |
| (Dollars in thousands) | Amortized Cost | Amortized Cost | Amortized Cost | Amortized Cost | Amortized Cost | Amortized Cost |
| **Interest rate reduction** | | | | | | |
| Commercial non-owner-occupied | **$ 15,088** | **$ —** | **$ —** | $ — | $ — | $ — |
| Commercial owner-occupied real estate | **—** | **—** | **—** | 839 | — | — |
| Commercial and industrial | **390** | **—** | **—** | — | — | — |
| Consumer owner-occupied | **884** | **—** | **—** | 923 | — | — |
| **Total interest rate reductions** | **$ 16,362** | **$ —** | **$ —** | $ 1,762 | $ — | $ — |
| **Term extension** | | | | | | |
| Construction and land development | **$ 295** | **$ —** | **$ —** | $ — | $ — | $ — |
| Commercial non-owner-occupied | **—** | **—** | **—** | 1,241 | — | — |
| Commercial owner-occupied real estate | **7,716** | **—** | **962** | 7,075 | — | — |
| Consumer owner-occupied | **2,642** | **—** | **328** | — | — | — |
| Commercial and industrial | **12,352** | **—** | **5,144** | 1,596 | — | — |
| Other income producing property | **—** | **—** | **—** | 337 | — | — |
| **Total term extensions** | **$ 23,005** | **$ —** | **$ 6,434** | $ 10,249 | $ — | $ — |
| **Other-than-insignificant payment delay** | | | | | | |
| Commercial owner-occupied real estate | **$ 693** | **$ —** | **$ —** | $ — | $ — | $ — |
| **Total payment delays** | **$ 693** | **$ —** | **$ —** | $ — | $ — | $ — |
| **Term Extension and Interest Rate Reduction** | | | | | | |
| Consumer owner-occupied | **$ 857** | **$ —** | **$ —** | $ 258 | $ — | $ — |
| **Total term extension and interest rate combinations** | **$ 857** | **$ —** | **$ —** | $ 258 | $ — | $ — |
| **Term Extension and Payment Delay** | | | | | | |
| Commercial and industrial | **$ 1,193** | **$ —** | **$ —** | $ — | $ — | $ — |
| **Total term extension and payment delay combinations** | **$ 1,193** | **$ —** | **$ —** | $ — | $ — | $ — |
| | **$ 42,110** | **$ —** | **$ 6,434** | $ 12,269 | $ — | $ — |

The following table depicts the performance of loans modified within the previous twelve months to borrowers experiencing financial difficulty, as of March 31, 2025 and 2024:

| | March 31, 2025 | | | March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Payment Status (Amortized Cost Basis) | | | Payment Status (Amortized Cost Basis) | | |
| (Dollars in thousands) | Current | 30-89 Days Past Due | 90+ Days Past Due | Current | 30-89 Days Past Due | 90+ Days Past Due |
| Construction and land development | **$ 295** | **$ —** | **$ —** | $ — | $ — | $ — |
| Commercial non-owner-occupied | **15,088** | **—** | **—** | 1,241 | — | — |
| Commercial owner-occupied real estate | **8,409** | **—** | **962** | 7,914 | — | — |
| Consumer owner-occupied | **3,529** | **1,182** | **—** | 923 | 258 | — |
| Commercial and industrial | **13,935** | **—** | **5,144** | 1,596 | — | — |
| Other income producing property | **—** | **—** | **—** | 337 | — | — |
| Total | **$ 41,256** | **$ 1,182** | **$ 6,106** | $ 12,011 | $ 258 | $ — |

## Note 7 — Allowance for Credit Losses *(ACL)*

See Note 2 — Summary of Significant Accounting Policies for further detailed descriptions of our estimation process and methodology related to the allowance for credit losses.

The following table presents a disaggregated analysis of activity in the allowance for credit losses for the three months ended March 31, 2025 and 2024:

| (Dollars in thousands) | Residential Mortgage Sr. | Residential Mortgage Jr. | HELOC | Residential Construction | Comm Constr. & Dev. | Consumer | Multifamily | Municipal | CRE Owner-Occupied | Non-Owner-Occupied CRE | C & I | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Three Months Ended March 31, 2025** | | | | | | | | | | | | |
| **Allowance for credit losses:** | | | | | | | | | | | | |
| Balance at end of period December 31, 2024 | **$ 42,687** | **$ 432** | **$14,845** | **$ 9,298** | **$ 65,553** | **$ 17,484** | **$ 22,279** | **$ 1,197** | **$ 78,753** | **$ 111,538** | **$101,214** | **$465,280** |
| Allowance Adjustment - FMV for Independent merger | **1,852** | **—** | **—** | **—** | **6,448** | **114** | **3,561** | **—** | **8,075** | **93,820** | **4,773** | **118,643** |
| Initial Allowance for Non-PCD loans acquired during period | **8,910** | **85** | **91** | **4,700** | **11,751** | **254** | **3,805** | **1,947** | **3,186** | **31,557** | **13,685** | **79,971** |
| Independent Day 1 Loan Charge-offs PCD [(1)] | **(61)** | **—** | **—** | **—** | **—** | **(2,323)** | **—** | **—** | **(1,302)** | **(13,556)** | **(22,187)** | **(39,429)** |
| Charge-offs | **(507)** | **(13)** | **(229)** | **—** | **—** | **(1,805)** | **—** | **—** | **(204)** | **—** | **(4,664)** | **(7,422)** |
| Recoveries | **200** | **24** | **380** | **—** | **98** | **830** | **—** | **—** | **50** | **96** | **1,304** | **2,982** |
| Net (charge-offs) recoveries | **(368)** | **11** | **151** | **—** | **98** | **(3,298)** | **—** | **—** | **(1,456)** | **(13,460)** | **(25,547)** | **(43,869)** |
| Provision (recovery) [(2)] | **1,245** | **265** | **(219)** | **(1,443)** | **(5,309)** | **1,750** | **4,315** | **(2,037)** | **13,098** | **(51,121)** | **43,121** | **3,665** |
| Balance at end of period March 31, 2025 | **$ 54,326** | **$ 793** | **$14,868** | **$ 12,555** | **$ 78,541** | **$ 16,304** | **$ 33,960** | **$ 1,107** | **$ 101,656** | **$ 172,334** | **$137,246** | **$623,690** |
| | | | | | | | | | | | | |
| **Three Months Ended March 31, 2024** | | | | | | | | | | | | |
| **Allowance for credit losses:** | | | | | | | | | | | | |
| Balance at end of period December 31, 2024 | $ 78,052 | $ 745 | $10,942 | $ 5,024 | $ 65,772 | $ 23,331 | $ 13,766 | $ 900 | $ 71,580 | $ 137,055 | $ 49,406 | $456,573 |
| Charge-offs | (343) | — | (110) | (304) | (1,475) | (2,497) | — | — | — | (71) | (3,140) | (7,940) |
| Recoveries | 123 | 39 | 292 | 7 | 1,007 | 1,125 | 25 | — | 103 | 10 | 2,530 | 5,261 |
| Net (charge-offs) recoveries | (220) | 39 | 182 | (297) | (468) | (1,372) | 25 | — | 103 | (61) | (610) | (2,679) |
| Provision (recovery) [(2)] | 9,652 | 446 | 600 | (175) | (4,444) | 1,394 | 3,221 | (24) | 914 | (2,296) | 6,472 | 15,760 |
| Balance at end of period March 31, 2024 | $ 87,484 | $ 1,230 | $11,724 | $ 4,552 | $ 60,860 | $ 23,353 | $ 17,012 | $ 876 | $ 72,597 | $ 134,698 | $ 55,268 | $469,654 |

(1) The Day 1 loan charge-offs for Independent loans were recorded to conform with the Company's charge-off policies and practices.

(2) A provision for credit losses for unfunded commitments of $16.9 million, including $12.1 million for the initial provision for credit losses recorded for unfunded commitments acquired from Independent, was recorded during the first quarter of 2025, compared to a negative provision for credit losses of ($3.1) million recorded during the first quarter of 2024, that is not included in the above table.

**Note 8 — Leases**

As of March 31, 2025 and December 31, 2024, we had operating right-of-use ("ROU") assets of $480.9 million and $95.8 million, respectively, and operating lease liabilities of $488.1 million and $103.9 million, respectively. We maintain operating leases on land and buildings for some of our operating centers, branch facilities and ATM locations. Most leases include one or more options to renew, with renewal terms extending up to 20 years. The exercise of renewal options is based on the sole judgment of management and what they consider to be reasonably certain given the environment today. Factors in determining whether an option is reasonably certain of exercise include, but are not limited to, the value of leasehold improvements, the value of renewal rate compared to market rates, and the presence of factors that would cause a significant economic penalty to us if the option is not exercised. Leases with an initial term of 12 months or less are not recorded on the balance sheet and instead are recognized in lease expense on a straight-line basis over the lease term.

| (Dollars in thousands) | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 |
|---|---|---|
| **Lease Cost Components:** | | |
| Amortization of ROU assets – finance leases | **$ 115** | $ 117 |
| Interest on lease liabilities – finance leases | **7** | 9 |
| Operating lease cost (cost resulting from lease payments) | **9,369** | 4,277 |
| Short-term lease cost | **355** | 139 |
| Variable lease cost (cost excluded from lease payments) | **755** | 797 |
| **Total lease cost** | **$ 10,601** | $ 5,339 |
| **Supplemental Cash Flow and Other Information Related to Leases:** | | |
| Finance lease – operating cash flows | **$ 7** | $ 9 |
| Finance lease – financing cash flows | **121** | 119 |
| Operating lease – operating cash flows (fixed payments) | **8,587** | 4,193 |
| Operating lease – operating cash flows (net change asset/liability) | **(4,985)** | (3,367) |
| New ROU assets – operating leases | **389,613** | 2,544 |
| Weighted – average remaining lease term (years) – finance leases | **3.20** | 4.18 |
| Weighted – average remaining lease term (years) – operating leases | **13.13** | 9.09 |
| Weighted – average discount rate - finance leases | **1.7%** | 1.7% |
| Weighted – average discount rate - operating leases | **6.4%** | 3.2% |
| | | |
| **Operating lease payments due:** | | |
| 2025 (excluding 3 months ended March 31, 2025) | **$ 42,228** | |
| 2026 | **55,872** | |
| 2027 | **54,711** | |
| 2028 | **54,507** | |
| 2029 | **53,639** | |
| Thereafter | **491,763** | |
| Total undiscounted cash flows | **752,720** | |
| Discount on cash flows | **(264,628)** | |
| Total operating lease liabilities | **$ 488,092** | |

As of March 31, 2025, the Company held a small number of finance leases assumed in connection to the CenterState merger completed in 2020. These leases are all real estate leases. Terms and conditions are similar to those real estate operating leases described above. Lease classifications from the acquired institutions were retained. At March 31, 2025, we did not maintain any leases with related parties, and determined that the number and dollar amount of our equipment leases was immaterial. As of March 31, 2025, we had one additional operating lease that has not yet commenced for approximately $28.2 million.

**Sale-leaseback Transaction**

On February 28, 2025, the Bank completed a sale-leaseback transaction for the purchase and sale of real property (the "Sale Agreement") with entities affiliated with Blue Owl Real Estate Capital LLC ("Blue Owl"), providing for the sale to entities affiliated with Blue Owl of 165 bank branch properties owned and operated by the Bank (collectively, the "Branches"). The Branches are located in Alabama, Florida, Georgia, North Carolina, South Carolina and Virginia. The sales price for the Branches was $467.2 million, and the Company recorded a gain on sale of the Branches of $229.3 million (net of transaction costs). Under the Sale Agreement, the Bank has agreed, concurrently with the closing of the sale of the Branches, to enter into triple net lease agreements (the "Lease Agreements") with entities affiliated with Blue Owl, pursuant to which the Bank will lease each of the Branches (the "Sale-leaseback Transaction"). Each of the Lease Agreements will have initial terms of 15 years and provide the Bank with three consecutive renewal options of five years each. The Lease Agreements also will include a 2% annual rent escalation during the initial term and the renewal terms. With the Sale-leaseback Transaction, the Company recorded an additional lease right of use assets of $361.1 million.

**Equipment Lessor**

SouthState has an Equipment Finance Group which goes to market through intermediaries. The Equipment Finance Group primarily focuses on serving the construction and utility segments. Lease terms typically range from 24 months to 120 months. At the end of the lease term, the lessee has the option to renew the lease, return the equipment, or purchase the equipment. In the event the equipment is returned, there is a remarketing agreement with the intermediary to sell the equipment. The Equipment Finance Group offers the following lease products: TRAC Leases, Split-TRAC Leases, and FMV Leases. Direct finance equipment leases are included in commercial and industrial loans category, which is included in the Non-acquired Loans on the Consolidated Balance Sheets.

The estimated residual values for direct finance leases are established by an approved intermediary who utilizes internally developed analyses, external studies, and/or third-party appraisals to establish a residual position. FMV and Split-TRAC leases have residual risk due to their unguaranteed residual value whereas TRAC leases have a guaranteed residual value. Expected credit losses on direct financing leases and the related estimated residual values are included in the Commercial and Industrial loan segment for the ACL.

The following table summarizes lease receivables and investment in operating leases and their corresponding balance sheet location at March 31, 2025 and December 31, 2024:

| (Dollars in thousands) | March 31, 2025 | December 31, 2024 |
|---|---|---|
| **Direct financing leases:** | | |
| Lease receivables | **$ 25,635** | $ 24,584 |
| Guaranteed residual values | **1,158** | 1,057 |
| Unguaranteed residual values | **5,535** | 5,245 |
| Initial direct costs | **2,529** | 2,640 |
| Less: Unearned income | **(7,142)** | (7,362) |
| **Total net investment in direct financing leases** | **$ 27,715** | $ 26,164 |

The following table summarizes direct financing lease income recorded for the three months ended March 31, 2025, and remaining lease payment receivable for each of the next five years:

| | Three Months Ended March 31, | |
|---|---|---|
| (Dollars in thousands) | 2025 | 2024 |
| **Direct financing lease income** | | |
| Interest income | $ 629 | $ 163 |
| **Remaining lease payments receivable:** | | |
| 2025 (excluding 3 months ended March 31, 2025) | $ 5,538 | |
| 2026 | 6,605 | |
| 2027 | 6,632 | |
| 2028 | 5,603 | |
| 2029 | 2,001 | |
| Thereafter | 414 | |
| Total undiscounted lease receivable | 26,793 | |
| Less: unearned interest income | (7,142) | |
| Net lease receivables | $ 19,651 | |

See Note 1 — Summary of Significant Accounting Policies, under the "Leases" section, of our Annual Report on Form 10-K for the year ended December 31, 2024 on accounting for leases.

### Note 9 — Deposits

Our total deposits as of March 31, 2025 and December 31, 2024, are comprised of the following:

| (Dollars in thousands) | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Noninterest-bearing checking | **$ 13,757,255** | $ 10,192,116 |
| Interest-bearing checking | **12,034,973** | 8,232,322 |
| Savings | **2,939,407** | 2,414,172 |
| Money market | **17,447,738** | 13,056,534 |
| Time deposits | **7,158,242** | 4,165,722 |
| Total deposits | **$ 53,337,615** | $ 38,060,866 |

At March 31, 2025 and December 31, 2024, we had $2.0 billion and $1.1 billion in certificates of deposits greater than $250,000, respectively.

### Note 10 — Retirement Plans

The Company sponsors an employees' savings plan under the provisions of the Internal Revenue Code Section 401(k). Electing employees are eligible to participate in the employees' savings plan after attaining age 18. Plan participants elect to contribute portions of their annual base compensation as a before- or after-tax contribution. Employer contributions may be made from current or accumulated net profits. Participants may elect to contribute 1% to 85% of annual base compensation as a before or after tax contribution. Employees participating in the plan receive a 100% match of their 401(k) plan contribution from the Company, up to 4% of their salary. We expensed $5.4 million for the three months ended March 31, 2025 and $4.6 million for the three months ended March 31, 2024 related to the Company's employees' savings plan.

Employees can enter the savings plan on or after the first day of each month. The employee may enter into a salary deferral agreement at any time to select an alternative deferral amount or to elect not to defer in the plan. If the employee does not elect an investment allocation, the plan administrator will select a retirement-based portfolio according to the employee's number of years until normal retirement age. The plan's investment valuations are generally provided on a daily basis.

### Note 11 — Earnings Per Share

Basic earnings per share is calculated by dividing net income by the weighted-average shares of common stock outstanding during each period, excluding non-vested restricted shares. Our diluted earnings per share is based on the weighted-average shares of common stock outstanding during each period plus the maximum dilutive effect of common stock issuable upon exercise of stock options or vesting of restricted stock units. Stock options and unvested restricted stock units are considered common stock equivalents and are only included in the calculation of diluted earnings per common share when their effect is dilutive.

The following table sets forth the computation of basic and diluted earnings per common share for the three months ended March 31, 2025 and 2024:

| (Dollars and shares in thousands, except for per share amounts) | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 |
|---|---|---|
| Basic earnings per common share: | | |
| Net income | **$ 89,080** | $ 115,056 |
| Weighted-average basic common shares | **101,410** | 76,301 |
| Basic earnings per common share | **$ 0.88** | $ 1.51 |
| Diluted earnings per common share: | | |
| Net income | **$ 89,080** | $ 115,056 |
| Weighted-average basic common shares | **101,410** | 76,301 |
| Effect of dilutive securities | **419** | 359 |
| Weighted-average dilutive shares | **101,829** | 76,660 |
| Diluted earnings per common share | **$ 0.87** | $ 1.50 |

The calculation of diluted earnings per common share excludes outstanding stock options for which the results would have been anti-dilutive under the treasury stock method, as follows:

| | Three Months Ended March 31, 2025 | 2024 |
|---|---|---|
| Number of shares | — | 57,169 |
| Range of exercise prices | — | $ 87.30 to $ 91.35 |

## Note 12 — Share-Based Compensation

Our 2004, 2012, 2019 and 2020 share-based compensation plans are long-term retention plans intended to attract, retain, and provide incentives for key employees and non-employee directors in the form of incentive and non-qualified stock options, restricted stock, and restricted stock units ("RSUs"). Our 2020 plan was adopted by our shareholders at our annual meeting on October 29, 2020. The 2020 plan was subsequently amended and restated during our annual meeting on April 24, 2024 to increase the number of shares of common stock available for future grants.

### Stock Options

With the exception of non-qualified stock options granted to directors under the 2004 and 2012 plans, which in some cases may be exercised at any time prior to expiration and in some other cases may be exercised at intervals less than a year following the grant date, incentive stock options granted under our 2004, 2012, 2019 and 2020 plans may not be exercised in whole or in part within a year following the date of the grant, as these incentive stock options become exercisable in 25% increments pro ratably over the four-year period following the grant date. The options are granted at an exercise price at least equal to the fair value of the common stock at the date of grant and expire ten years from the date of grant. No options were granted under the 2004, 2012 or 2019 plans after January 26, 2012, February 1, 2019, and October 29, 2020, respectively, and the plans are closed other than for any options still unexercised and outstanding. The 2020 amended and restated plan is the only plan from which new share-based compensation grants may be issued. It is the Company's policy to grant options out of the 2,451,634 shares registered under the 2020 amended and restated plan.

Activity in the Company's stock option plans is summarized in the following table:

| | Shares | Weighted Average Price | Weighted Average Remaining (Yrs.) | Aggregate Intrinsic (000's) |
|---|---|---|---|---|
| Outstanding at January 1, 2025 | **38,799** | **$ 57.50** | | |
| Exercised | **(6,976)** | **47.29** | | |
| Expired | **(35)** | **39.85** | | |
| Outstanding at March 31, 2025 | **31,788** | **59.77** | **1.92** | **$ 1,051** |
| Exercisable at March 31, 2025 | **31,788** | **59.77** | **1.92** | **$ 1,051** |

The fair value of options is estimated at the date of grant using the Black-Scholes option pricing model and expensed over the options' vesting periods. There have been no stock options issued during the first three months of 2025. Because all outstanding stock options had vested as of December 31, 2024, there was no unrecognized compensation cost related to nonvested stock option grants under the plans or fair value of shares vested during the three months ended March 31, 2025. The intrinsic value of stock option shares exercised for the three months ended March 31, 2025 was $373,000.

### Restricted Stock

From time-to-time, we grant shares of restricted stock to key employees. These awards help align the interests of these employees with the interests of our shareholders by providing economic value directly related to increases in the value of our stock. The value of the stock awarded is established as the fair market value of the stock at the time of the grant. We recognize expenses equal to the total value of such awards, ratably over the vesting period of the stock grants. Restricted stock grants to employees generally vest ratably over a two to four-year vesting period.

All restricted stock agreements are conditioned upon continued employment. Termination of employment prior to a vesting date, as described below, would terminate any interest in non-vested shares. Prior to vesting of the shares, as long as employed by the Company, the employees will have the right to vote such shares and to receive dividends paid with respect to such shares. All restricted shares will fully vest in the event of change in control of the Company or upon the death of the recipient.

Nonvested restricted stock for 2025 is summarized in the following table.

| Restricted Stock | Shares | Weighted-Average Grant-Date Fair Value |
|---|---|---|
| Nonvested at January 1, 2025 | 4,543 | $ 90.00 |
| Vested | (4,543) | 90.00 |
| Nonvested at March 31, 2025 | — | $ — |

As of March 31, 2025, all restricted stock outstanding had vested. There was no unrecognized compensation cost related to nonvested restricted stock granted under the plans. The total fair value of shares vested during the three months ended March 31, 2025 was $409,000.

**Restricted Stock Units ("RSUs")**

From time-to-time, we also grant performance RSUs and time-vested RSUs to key employees, and time-vested RSUs to non-employee directors. These awards help align the interests of these employees with the interests of our shareholders by providing economic value directly related to our performance. Some performance RSU grants contain a three-year performance period while others contain a one to two-year performance period and a time-vested requirement (generally two to four years from the grant date). The performance-based awards for our long-term incentive plans are dependent on the achievement of tangible book value growth and return on average tangible common equity relative to the Company's peer group during each three-year performance period. Grants to non-employee directors typically vest within a 12-month period. We communicate threshold, target, and maximum performance RSU awards and performance targets to the applicable key employees at the beginning of a performance period. With respect to some long-term incentive awards, dividend equivalents are accrued at the same rate as cash dividends paid for each share of the Company's common stock during the performance or time-vested period, and subsequently paid when the shares are issued on the vesting or settlement date. The value of the RSUs awarded is established as the fair market value of the stock at the time of the grant. We recognize expense on a straight-line basis typically over the performance or time-vesting periods based upon the probable performance target, as applicable, that will be met.

Outstanding RSUs for the three months ended March 31, 2025 is summarized in the following table.

| Restricted Stock Units | Shares | Weighted-Average Grant-Date Fair Value |
|---|---|---|
| Outstanding at January 1, 2025 | 835,308 | $ 76.70 |
| Granted | 414,328 | 94.11 |
| Vested | (399,961) | 74.86 |
| Forfeited | (1,781) | 73.75 |
| Outstanding at March 31, 2025 | 847,894 | $ 86.07 |

If maximum performance is achieved pursuant to the 2022, 2023 and 2024 Long Term Incentive performance-based RSU grants, an additional 123,048 shares in total may be issued by the Company at the end of the three-year performance periods.

As of March 31, 2025, there was $51.2 million of total unrecognized compensation cost at target related to nonvested RSUs granted under the plan. This cost is expected to be recognized over a weighted-average period of 1.74 years as of March 31, 2025. The total fair value of RSUs vested and released during the three months ended March 31, 2025 was $40.9 million.

**Note 13 — Commitments and Contingent Liabilities**

In the normal course of business, we make various commitments and incur certain contingent liabilities, which are not reflected in the accompanying financial statements. The commitments and contingent liabilities include guarantees, commitments to extend credit, and standby letters of credit. At March 31, 2025, commitments to extend credit and standby letters of credit totaled $12.1 billion. As of March 31, 2025, the liability recorded for expected credit losses on unfunded commitments, excluding unconditionally cancellable exposures and letters of credit, was $62.3 million and recorded on the Balance Sheet. See Note 2 — Summary of Significant Accounting Policies for discussion of liability recorded for expected credit losses on unfunded commitments.

We have been named as defendant in various legal actions, arising from its normal business activities, in which damages in various amounts are claimed. We are also exposed to litigation risk related to the prior business activities of banks acquired through whole bank acquisitions. Although the amount of any ultimate liability with respect to such matters cannot be determined, in the opinion of management, as of March 31, 2025, any such liability is not expected to have a material effect on our consolidated financial statements.

Cyber Incident Litigation. On April 3, 2024, a putative class action lawsuit was filed against the Bank in the U.S. District Court for the Middle District of Florida, Tampa Division (the "Original Suit"). The plaintiff, who purports to represent the class of individuals harmed by alleged actions and/or omissions by the Bank in connection with the cybersecurity incident that was detected on February 6, 2024 (the "Cyber Incident", as previously reported in the Form 8-K filed with the SEC on February 9, 2024), asserts a variety of common law and statutory claims seeking monetary damages, injunctive relief and other related relief related to the potential unauthorized access by third parties to personal identifiable information. While the Original Suit has been voluntarily dismissed, the same plaintiffs as well as additional plaintiffs initiated litigation that names the Bank as a defendant. These cases have been consolidated into one putative class action, which as of March 31, 2025, remains pending against the Bank in the Circuit Court for Polk County, Florida (the "Cyber Incident Suit").

At this time, neither the Bank nor the Company is able to reasonably estimate the amount or range of reasonably possible loss, if any, that might result from the Cyber Incident Suit. However, the Bank believes that it has defenses to the claims and intends to vigorously defend against the Cyber Incident Suit. Accordingly, no amounts have been recorded in the unaudited consolidated financial statements for the Cyber Incident Suit. The Company will continue to evaluate information as it becomes known and will record an estimate for losses at the time or times when it is both probable that a loss has been incurred and the amount of the loss is reasonably estimable. Additional lawsuits and claims related to the Cyber Incident may be asserted by or on behalf of customers, shareholders, or others seeking damages or other related relief and additional inquiries from governmental agencies may be received or investigations by governmental agencies commenced.

**Note 14 — Fair Value**

GAAP defines fair value and establishes a framework for measuring and disclosing fair value. Fair value should be based on the assumptions market participants would use when pricing an asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions.

The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Available for sale and trading securities, derivative contracts, mortgage loans held for sale, SBA servicing rights, and mortgage servicing rights (“MSRs”) are recorded at fair value on a recurring basis. Additionally, from time to time, we may be required to record at fair value other assets on a nonrecurring basis, such as impaired loans, OREO, bank properties held for sale, and certain other assets. These nonrecurring fair value adjustments typically involve application of lower of cost or market accounting or write-downs of individual assets.

FASB ASC Topic 820 establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

| | |
|---|---|
| Level 1 | Observable inputs such as quoted prices in active markets; |
| Level 2 | Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and |
| Level 3 | Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions. |

A description of valuation methodologies used for assets recorded at fair value is disclosed in Note 23 — Fair Value of our Annual Report on Form 10-K for the year ended December 31, 2024.

### Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The table below presents the recorded amount of assets and liabilities measured at fair value on a recurring basis:

| (Dollars in thousands) | Fair Value | Quoted Prices In Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| **March 31, 2025:** | | | | |
| **Assets** | | | | |
| Derivative financial instruments | **$ 177,262** | **$ —** | **$ 177,262** | **$ —** |
| Mortgage loans held for sale | **86,772** | **—** | **86,772** | **—** |
| Trading securities | **107,401** | **—** | **107,401** | **—** |
| Securities available for sale: | | | | |
| U.S. Treasuries | **18,293** | **—** | **18,293** | **—** |
| Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | **1,447,116** | **—** | **1,447,116** | **—** |
| Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises | **2,347,134** | **—** | **2,347,134** | **—** |
| Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | **560,634** | **—** | **560,634** | **—** |
| State and municipal obligations | **910,649** | **—** | **910,649** | **—** |
| Small Business Administration loan-backed securities | **542,553** | **—** | **542,553** | **—** |
| Corporate securities | **26,990** | **—** | **26,990** | **—** |
| Total securities available for sale | **5,853,369** | **—** | **5,853,369** | **—** |
| Mortgage servicing rights | **87,742** | **—** | **—** | **87,742** |
| SBA servicing asset | **6,209** | **—** | **—** | **6,209** |
| | **$ 6,318,755** | **$ —** | **$ 6,224,804** | **$ 93,951** |
| **Liabilities** | | | | |
| Derivative financial instruments | **$ 698,933** | **$ —** | **$ 698,933** | **$ —** |
| | | | | |
| **December 31, 2024:** | | | | |
| **Assets** | | | | |
| Derivative financial instruments | $ 161,490 | $ — | $ 161,490 | $ — |
| Mortgage loans held for sale | 98,115 | — | 98,115 | — |
| Trading securities | 102,932 | — | 102,932 | — |
| Securities available for sale: | | | | |
| U.S. Treasuries | 10,656 | — | 10,656 | — |
| U.S. Government agencies | 150,418 | — | 150,418 | — |
| Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | 1,377,525 | — | 1,377,525 | — |
| Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises | 459,095 | — | 459,095 | — |
| Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | 1,040,555 | — | 1,040,555 | — |
| State and municipal obligations | 945,723 | — | 945,723 | — |
| Small Business Administration loan-backed securities | 310,112 | — | 310,112 | — |
| Corporate securities | 26,509 | — | 26,509 | — |
| Total securities available for sale | 4,320,593 | — | 4,320,593 | — |
| Mortgage servicing rights | 89,795 | — | — | 89,795 |
| SBA servicing asset | 6,028 | — | — | 6,028 |
| | $ 4,778,953 | $ — | $ 4,683,130 | $ 95,823 |
| **Liabilities** | | | | |
| Derivative financial instruments | $ 879,855 | $ — | $ 879,855 | $ — |

### Fair Value Option

The Company has elected the fair value option for mortgage loans held for sale primarily to ease the operational burden required to maintain hedge accounting for these loans. The Company also has opted for the fair value option for the SBA servicing asset, as it is the industry-preferred method for valuing such assets.

The following table summarizes the difference between the fair value and the unpaid principal balance of mortgage loans held for sale and the changes in fair value of these loans:

| (Dollars in thousands) | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Fair value | $ 86,772 | $ 98,115 |
| Unpaid principal balance | 83,826 | 95,612 |
| Fair value less aggregated unpaid principal balance | $ 2,946 | $ 2,503 |

**Changes in Level 1, 2 and 3 Fair Value Measurements**

When a determination is made to classify a financial instrument within Level 3 of the valuation hierarchy, the determination is based upon the significance of the unobservable factors to the overall fair value measurement. However, since Level 3 financial instruments typically include, in addition to the unobservable or Level 3 components, observable components (that is, components that are actively quoted and can be validated to external sources), the gains and losses below include changes in fair value due in part to observable factors that are part of the valuation methodology.

There were no changes in hierarchy classifications of Level 3 assets or liabilities for the three months ended March 31, 2025. A reconciliation of the beginning and ending balances of the MSRs recorded at fair value on a recurring basis for the three months ended March 31, 2025 is as follows. The changes in fair value of the MSRs are recorded in Mortgage Banking Income on the Consolidated Statements of Income.

| (Dollars in thousands) | MSRs |
|---|---|
| Fair value, January 1, 2025 | $ 89,795 |
| Servicing assets that resulted from transfers of financial assets | 2,056 |
| Changes in fair value due to valuation inputs or assumptions | (3,081) |
| Changes in fair value due to decay | (1,028) |
| Fair value, March 31, 2025 | $ 87,742 |

A reconciliation of the beginning and ending balances of the SBA servicing asset, a Level 3 asset recorded at fair value on a recurring basis for the three months ended March 31, 2025 is as follows. The changes in fair value of the SBA servicing asset are recorded in in SBA Income on the Consolidated Statements of Income.

| (Dollars in thousands) | SBA Servicing Asset |
|---|---|
| Fair value, January 1, 2025 | $ 6,028 |
| Servicing assets that resulted from transfers of financial assets | 420 |
| Changes in fair value due to decay | (301) |
| Changes in fair value due to valuation inputs or assumptions | 62 |
| Fair value, March 31, 2025 | $ 6,209 |

There were no unrealized losses included in accumulated other comprehensive income related to Level 3 financial assets and liabilities at March 31, 2025.

See Note 19 — Mortgage Loan Servicing, Obligation, and Loans Held for Sale for information about recurring Level 3 fair value measurements of mortgage servicing rights.

### Assets and Liabilities Recorded at Fair Value on a Nonrecurring Basis

The tables below present the recorded amount of assets and liabilities measured at fair value on a nonrecurring basis:

| (Dollars in thousands) | Fair Value | Quoted Prices In Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| **March 31, 2025:** | | | | |
| OREO | **$ 7,469** | **$ —** | **$ —** | **$ 7,469** |
| Bank properties held for sale | **74,881** | **—** | **—** | **74,881** |
| Individually evaluated loans | **534,207** | **—** | **—** | **534,207** |
| **December 31, 2024:** | | | | |
| OREO | $ 2,154 | $ — | $ — | $ 2,154 |
| Bank properties held for sale | 3,268 | — | — | 3,268 |
| Individually evaluated loans | 71,112 | — | — | 71,112 |

For an individually evaluated loan, the fair value of collateral is measured based on appraisal or third-party valuation when the loan is placed on nonaccrual.  For OREO and bank properties held for sale, the fair value is initially recorded based on external appraisals at the time of transfer. These assets recorded at fair value on a nonrecurring basis are updated on at least an annual basis.

### Quantitative Information about Level 3 Fair Value Measurement

| | Valuation Technique | Unobservable Input | Weighted Average Discount March 31, 2025 | Weighted Average Discount December 31, 2024 |
|---|---|---|---|---|
| **Nonrecurring measurements:** | | | | |
| Individually evaluated loans | Discounted appraisals and discounted cash flows | Collateral discounts | **13 %** | 28 % |
| OREO and Bank properties held for sale | Discounted appraisals | Collateral discounts and estimated costs to sell | **5 %** | 10 % |

### Fair Value of Financial Instruments

We used the following methods and assumptions in estimating our fair value disclosures for financial instruments.  In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques.  Those models are significantly affected by the assumptions used, including the discount rates and estimates of future cash flows.  In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in immediate settlement of the instrument.  The use of different methodologies may have a material effect on the estimated fair value amounts.  The fair value estimates presented in the table below are based on pertinent information available to management as of March 31, 2025, and December 31, 2024.  Such amounts have not been revalued for purposes of these consolidated financial statements since those dates and, therefore, current estimates of fair value may differ significantly from the amounts presented herein.

Methods and assumptions used to estimate the fair value of each class of financial instruments are disclosed in Note 23 — Fair Value of our Annual Report on Form 10-K for the year ended December 31, 2024.

The estimated fair value, and related carrying amount, of our financial instruments are as follows:

| (Dollars in thousands) | Carrying Amount | Fair Value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| **March 31, 2025** | | | | | |
| **Financial assets:** | | | | | |
| Cash and cash equivalents | **$ 3,299,690** | **$ 3,299,690** | **$ 3,299,690** | **$ —** | **$ —** |
| Trading securities | **107,401** | **107,401** | **—** | **107,401** | **—** |
| Investment securities | **8,395,044** | **8,019,537** | **280,119** | **7,673,842** | **65,576** |
| Loans held for sale | **357,918** | **357,918** | **—** | **357,918** | **—** |
| Loans, net of allowance for credit losses | **46,143,042** | **45,562,297** | **—** | **—** | **45,562,297** |
| Accrued interest receivable | **227,921** | **227,921** | **—** | **33,900** | **194,021** |
| Mortgage servicing rights | **87,742** | **87,742** | **—** | **—** | **87,742** |
| SBA servicing asset | **6,209** | **6,209** | **—** | **—** | **6,209** |
| Interest rate swap – non-designated hedge | **175,155** | **175,155** | **—** | **175,155** | **—** |
| Other derivative financial instruments (mortgage banking related) | **2,107** | **2,107** | **—** | **2,107** | **—** |
| **Financial liabilities:** | | | | | |
| Deposits | | | | | |
| Noninterest-bearing | **13,757,255** | **13,757,255** | **—** | **13,757,255** | **—** |
| Interest-bearing other than time deposits | **32,422,118** | **32,422,118** | **—** | **32,422,118** | **—** |
| Time deposits | **7,158,242** | **7,133,462** | **—** | **7,133,462** | **—** |
| Federal funds purchased and securities sold under agreements to repurchase | **679,337** | **679,337** | **—** | **679,337** | **—** |
| Corporate and subordinated debentures | **752,798** | **756,080** | **—** | **756,080** | **—** |
| Other borrowings | **—** | **—** | **—** | **—** | **—** |
| Accrued interest payable | **39,694** | **39,694** | **—** | **39,694** | **—** |
| Interest rate swap – non-designated hedge | **698,392** | **698,392** | **—** | **698,392** | **—** |
| Other derivative financial instruments (mortgage banking related) | **541** | **541** | **—** | **541** | **—** |
| **December 31, 2024** | | | | | |
| **Financial assets:** | | | | | |
| Cash and cash equivalents | $ 1,392,067 | $ 1,392,067 | $ 1,392,067 | $ — | $ — |
| Trading securities | 102,932 | 102,932 | — | 102,932 | — |
| Investment securities | 6,798,876 | 6,378,734 | 187,266 | 6,155,120 | 36,348 |
| Loans held for sale | 279,426 | 281,662 | — | 281,662 | — |
| Loans, net of allowance for credit losses | 33,437,647 | 32,448,618 | — | — | 32,448,618 |
| Accrued interest receivable | 163,402 | 163,402 | — | 25,035 | 138,367 |
| Mortgage servicing rights | 89,795 | 89,795 | — | — | 89,795 |
| SBA servicing asset | 6,028 | 6,028 | — | — | 6,028 |
| Interest rate swap – non-designated hedge | 160,407 | 160,407 | — | 160,407 | — |
| Other derivative financial instruments (mortgage banking related) | 1,083 | 1,083 | — | 1,083 | — |
| **Financial liabilities:** | | | | | |
| Deposits | | | | | |
| Noninterest-bearing | 10,192,117 | 10,192,117 | — | 10,192,117 | — |
| Interest-bearing other than time deposits | 23,703,027 | 23,703,027 | — | 23,703,027 | — |
| Time deposits | 4,165,722 | 4,145,687 | — | 4,145,687 | — |
| Federal funds purchased and securities sold under agreements to repurchase | 514,912 | 514,912 | — | 514,912 | — |
| Corporate and subordinated debentures | 391,534 | 377,616 | — | 377,616 | — |
| Accrued interest payable | 40,739 | 40,739 | — | 40,739 | — |
| Interest rate swap – non-designated hedge | 878,046 | 878,046 | — | 878,046 | — |
| Other derivative financial instruments (mortgage banking related) | 1,809 | 1,809 | — | 1,809 | — |

## Note 15 — Accumulated Other Comprehensive Income (Loss)

The changes in each component of accumulated other comprehensive income (losses), net of tax, for the three months ended March 31, 2025 and 2024, were as follows:

| (Dollars in thousands) | Benefit Plans | Unrealized Losses on Securities Available for Sale | Total |
|---|---|---|---|
| **Three Months Ended March 31, 2025** | | | |
| Balance at December 31, 2024 | **$ 578** | **$ (607,499)** | **$ (606,921)** |
| Other comprehensive income before reclassifications | **—** | **56,586** | **56,586** |
| Amounts reclassified from accumulated other comprehensive loss | **—** | **173,668** | **173,668** |
| Net comprehensive income | **—** | **230,254** | **230,254** |
| Balance at March 31, 2025 | **$ 578** | **$ (377,245)** | **$ (376,667)** |
| **Three Months Ended March 31, 2024** | | | |
| Balance at December 31, 2023 | $ 627 | $ (583,163) | $ (582,536) |
| Other comprehensive loss before reclassifications | — | (40,458) | (40,458) |
| Net comprehensive loss | — | (40,458) | (40,458) |
| Balance at March 31, 2024 | $ 627 | $ (623,621) | $ (622,994) |

The table below presents the reclassifications out of accumulated other comprehensive income (loss), net of tax:

| (Dollars in thousands) | Amount Reclassified from Accumulated Other Comprehensive Income (Loss) For the Three Months Ended March 31, | | |
|---|---|---|---|
| Accumulated Other Comprehensive Loss Component | 2025 | 2024 | Income Statement Line Item Affected |
| Loss on sale of available for sale securities: | | | |
| | $ 228,811 | $ — | Securities losses, net |
| | (55,143) | — | Provision for income taxes |
| | 173,668 | — | Net income |
| Total reclassifications for the period | $ 173,668 | $ — | |

## Note 16 — Derivative Financial Instruments

The Company uses certain derivative instruments to meet the needs of customers as well as to manage the interest rate risk associated with certain transactions. The following table summarizes the derivative financial instruments used by the Company as of March 31, 2024 and December 31, 2024:

| | | March 31, 2025 | | | December 31, 2024 | | |
|---|---|---|---|---|---|---|---|
| | | | Estimated Fair Value | | | Estimated Fair Value | |
| (Dollars in thousands) | Balance Sheet Location | Notional Amount | Gain | Loss | Notional Amount | Gain | Loss |
| **Fair value hedge of interest rate risk:** | | | | | | | |
| Pay fixed rate swap with counterparty | Other Assets | $ 3,898 | $ 79 | $ — | $ 3,945 | $ 107 | $ — |
| **Not designated hedges of interest rate risk:** | | | | | | | |
| Customer related interest rate contracts: | | | | | | | |
| Matched interest rate swaps with borrowers | Other Assets and Other Liabilities | 12,986,187 | 90,936 | 698,392 | 12,649,905 | 36,232 | 878,046 |
| Matched interest rate swaps with counterparty (1) | Other Assets | 12,880,321 | 84,154 | — | 12,559,707 | 124,032 | — |
| Economic hedges of interest rate risk: | | | | | | | |
| Pay floating rate swap with counterparty | Other Assets | 3,586,000 | (14) | — | 3,083,000 | 36 | — |
| **Not designated hedges of interest rate risk – mortgage banking activities:** | | | | | | | |
| Contracts used to hedge mortgage servicing rights | Other Assets and Other Liabilities | 157,000 | 129 | — | 129,000 | — | 1,809 |
| Contracts used to hedge mortgage pipeline | Other Assets and Other Liabilities | 135,000 | 1,978 | 541 | 88,000 | 1,083 | — |
| **Total derivatives** | | $ 29,748,406 | $ 177,262 | $ 698,933 | $ 28,513,557 | $ 161,490 | $ 879,855 |

(1) The fair value of the interest rate swap derivative assets was reduced by $524.5 million and $719.4 million at March 31, 2025 and December 31, 2024, respectively, in variation margin payments applicable to swaps centrally cleared through LCH and CME.

The following table summarizes the derivative assets and derivative liabilities related to the counterparties on our interest rate swaps subject to master netting agreements where the Company has elected to net the fair values. The Company has elected to not offset cash collateral against the netted derivative assets and liabilities subject to master netting agreements.

| | March 31, 2025 | | | December 31, 2024 | | |
|---|---|---|---|---|---|---|
| | | Estimated Fair Value | | | Estimated Fair Value | |
| (Dollars in thousands) | Notional Amount | Gain | Loss | Notional Amount | Gain | Loss |
| Interest rate contracts subject to master netting agreements included in table above | | | | | | |
| Total gross derivative instruments, before netting | $ 1,899,249 | $ 100,639 | $ 3,094 | $ 1,858,693 | $ 133,304 | $ 708 |
| Less: Netting adjustment | 172,329 | (3,094) | (3,094) | 49,000 | (708) | (708) |
| Total gross derivative instruments, after netting | 1,899,249 | $ 97,545 | $ — | 1,858,693 | $ 132,596 | $ — |

* As of March 31, 2025 and December 31, 2024, counterparties provided $43.9 million and $53.9 million, respectively, of cash collateral to the Company to secure swap asset positions that were not centrally cleared, which is included in Interest-bearing Deposits within Total Liabilities on the Consolidated Balance Sheets. Counterparties also pledged $30.0 million and $30.4 million in investment securities to secure swap asset positions that were not centrally cleared. The Company provided $1.9 million to counterparties to secure swap positions that were not centrally cleared as of March 31, 2025 and December 31, 2024.

**Balance Sheet Fair Value Hedge**

As of March 31, 2025 and December 31, 2024, the Company maintained loan swaps, with an aggregate notional amount of $3.9 million accounted for as fair value hedges. The amortized cost basis of the loans being hedged were $3.8 million both as of March 31, 2025 and December 31, 2024. This derivative protects us from interest rate risk caused by changes in the SOFR curve in relation to a certain designated fixed rate loan. The derivative converts the fixed rate loan to a floating rate. Settlement occurs in any given period where there is a difference in the stated fixed rate and variable rate and the difference is recorded in net interest income. The fair value of this hedge is recorded in either other assets or in other liabilities depending on the position of the hedge with the offset recorded in loans.

**Non-designated Hedges of Interest Rate Risk**

***Customer Swap***

The Company maintains interest rate swap contracts with loan customers of respondent bank customers of the Correspondent Banking Division, in addition to loan customers of the Bank, that are classified as non-designated hedges and are not speculative in nature. These agreements are designed to convert customers' variable rate loans with the Company and respondent bank customers to fixed rate. These interest rate swaps are executed with loan customers to facilitate a respective risk management strategy and allow the customer to pay a fixed rate of interest to the Company. These interest rate swaps are simultaneously hedged by executing offsetting interest rate swaps with unrelated market counterparties to minimize the net risk exposure to the Company resulting from the transactions and allow the Company to receive a variable rate of interest. The interest rate swaps pay and receive interest based on a one-month SOFR floating rate plus a credit spread, with payments being calculated on the notional amount. The interest rate swaps are settled monthly with varying maturities.

The variation margin settlement payment and the related derivative instruments fair value are considered a single unit of account for accounting and financial reporting purposes. Depending on the net position of the swaps with LCH and CME, the fair value, net of the variation margin, is reported in Derivative Assets or Derivative Liabilities on the Consolidated Balance Sheets. In addition, the expense or income attributable to the variation margin for the centrally cleared swaps with LCH and CME is reported in Noninterest Income, specifically within Correspondent and Capital Markets Income. The daily settlement of the derivative exposure does not change or reset the contractual terms of the instrument.

As the interest rate swaps associated with this program do not meet the strict hedge accounting requirements, changes in the fair value of both the customer swaps and the offsetting swaps are recognized directly in earnings. As of March 31, 2025 and December 31, 2024, the interest rate swaps had an aggregate notional amount of approximately $25.9 billion and $25.2 billion, respectively. At March 31, 2025, the fair value of the interest rate swap derivatives is recorded in other assets at $175.1 million and in other liabilities at $698.4 billion. The fair value of derivative assets at March 31, 2025 was reduced by $524.5 million in variation margin payments applicable to swaps centrally cleared through LCH and CME. At December 31, 2024, the fair value of the interest rate swap derivatives was recorded in other assets at $160.3 million and other liabilities at $878.0 billion. The fair value of derivative assets at December 31, 2024 was reduced by $719.4 million in variation margin payments applicable to swaps centrally cleared through LCH and CME. All changes in fair value are recorded through earnings within Correspondent and Capital Markets Income, a component of Noninterest Income on the Consolidated Statements of Income. There was a net loss of $172,000 recorded on these derivatives for the three months ended March 31, 2025. There was a net gain of $113,000 recorded on these derivatives for the three months ended March 31, 2024. As of March 31, 2025, we provided $262.4 million of cash collateral on the customer swaps, which is included in Cash and Cash Equivalents on the Consolidated Balance Sheets as Deposits in Other Financial Institutions (Restricted Cash). We also provided $81.1 million in investment securities at market value as collateral on the customer swaps which is included in Investment Securities – available for sale on the Consolidated Balance Sheets. Counterparties provided $43.9 million of cash collateral to the Company to secure swap asset positions that were not centrally cleared, which is included in Interest-bearing Deposits within Total Liabilities on the Consolidated Balance Sheets.

***Balance Sheet Economic Hedge***

During the third quarter of 2023, management began executing a series of short-term interest rate hedges to address monthly accrual mismatches related to the Company's Assumable Rate Conversion ("ARC") program and its transition from LIBOR to SOFR after June 30, 2023. The Company is required to execute the correspondent side of its back-to-back swaps with customers with the central clearinghouses (CME or LCH). Term SOFR was not available to execute through CME and LCH, and therefore, management elected to convert to the CME-eligible daily SOFR. Because many of the respondent bank customers converted to Term SOFR, this created interest rate basis risk. To address this risk, monthly interest rate hedges were executed to minimize the impact of accrual mismatches between the monthly Term SOFR used by the customer and the daily SOFR rates used by the central clearinghouses.

As of March 31, 2025 and December 31, 2024, the Company maintained an aggregate notional amount of $3.6 billion and $3.1 billion, respectively, in short-term interest rate hedges that were accounted for as economic hedges. As noted above, the derivatives protect the Company from interest rate risk caused by changes in the term and daily SOFR accrual mismatches. The fair value of these hedges is recorded in either Other Assets or in Other Liabilities depending on the position of the hedge with the offset recorded in Correspondent Banking and Capital Market Income, a component of Noninterest Income on the Consolidated Statements of Income. There was a net loss of $14,000 for these derivatives for the three months ended March 31, 2025. There was a net loss of $1,000 for these derivatives for the three months ended March 31, 2024.

***Foreign Exchange***

The Company may enter into foreign exchange contracts with customers to accommodate their need to convert certain foreign currencies into U.S. Dollars. To offset the foreign exchange risk, the Company may enter into substantially identical agreements with an unrelated market counterparty to hedge these foreign exchange contracts. If there were foreign currency contracts outstanding at March 31, 2025, the fair value of these contracts would be included in Other Assets and Other Liabilities in the accompanying Consolidated Balance Sheets. All changes in fair value are recorded as other noninterest income. There was no gain or loss recorded related to the foreign exchange derivative for the three months ended March 31, 2025 and 2024.

***Mortgage Banking***

The Company also has derivatives contracts that are not classified as accounting hedges to mitigate risks related to the Company's mortgage banking activities. These instruments may include financial forwards, futures contracts, and options written and purchased, which are used to hedge MSRs; while forward sales commitments are typically used to hedge the mortgage pipeline. Such instruments derive their cash flows, and therefore their values, by reference to an underlying instrument, index or referenced interest rate. The Company does not elect hedge accounting treatment for any of these derivative instruments and as a result, changes in fair value of the instruments (both gains and losses) are recorded in the Company's Consolidated Statements of Income in Mortgage Banking Income.

***Mortgage Servicing Rights ("MSRs")***

Derivatives contracts related to MSRs are used to help offset changes in fair value and are written in amounts referred to as notional amounts. Notional amounts provide a basis for calculating payments between counterparties but do not represent amounts to be exchanged between the parties and are not a measure of financial risk. On March 31, 2025, we had derivative financial instruments outstanding with notional amounts totaling $157.0 million related to MSRs, compared to $129.0 million on December 31, 2024. The estimated net fair value of the open contracts related to the MSRs was recorded as a gain of $129,000 at March 31, 2025, compared to a loss of $1.8 million at December 31, 2024.

***Mortgage Pipeline***

The following table presents our notional value of forward sale commitments and the fair value of those obligations along with the fair value of the mortgage pipeline related to the held for sale portfolio:

| (Dollars in thousands) | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Mortgage loan pipeline | **$ 112,826** | $ 59,291 |
| Expected closures | **97,758** | 53,177 |
| Fair value of mortgage loan pipeline commitments | **1,978** | 751 |
| Forward sales commitments | **135,000** | 88,000 |
| Fair value of forward commitments | **(541)** | 333 |

**Note 17 — Capital Ratios**

The Company is subject to regulations with respect to certain risk-based capital ratios. These risk-based capital ratios measure the relationship of capital to a combination of balance sheet and off-balance sheet risks. The values of both balance sheet and off-balance sheet items are adjusted based on the rules to reflect categorical credit risk. In addition to the risk-based capital ratios, the regulatory agencies have also established a leverage ratio for assessing capital adequacy. The leverage ratio is equal to Tier 1 capital divided by total consolidated on-balance sheet assets (minus amounts deducted from Tier 1 capital). The leverage ratio does not involve assigning risk weights to assets.

Under current regulations, the Company and the Bank are subject to a minimum required ratio of common equity Tier 1 capital ("CET1") to risk-weighted assets of 4.5% and a minimum required ratio of Tier 1 capital to risk-weighted assets of 6%. The minimum required leverage ratio is 4%. The minimum required total capital to risk-weighted assets ratio is 8%.

In order to avoid restrictions on capital distributions and discretionary bonus payments to executives, a covered banking organization is also required to maintain a "capital conservation buffer" in addition to its minimum risk-based capital requirements. This buffer is required to consist solely of CET1, and the buffer applies to all three risk-based measurements (CET1, Tier 1 capital and total capital). The capital conservation buffer consists of an additional amount of Tier 1 common equity equal to 2.5% of risk-weighted assets.

The Bank is also subject to the regulatory framework for prompt corrective action, which identifies five capital categories for insured depository institutions (well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized) and is based on specified thresholds for each of the three risk-based regulatory capital ratios (CET1, Tier 1 capital and total capital) and for the leverage ratio.

The following table presents actual and required capital ratios as of March 31, 2025 and December 31, 2024 for the Company and the Bank under the current capital rules. Capital levels required to be considered well capitalized are based upon prompt corrective action regulations.

| | Actual | | Minimum Capital Required – Basel III | | Required to be Considered Well Capitalized | |
|---|---|---|---|---|---|---|
| (Dollars in thousands) | Amount | Ratio | Capital Amount | Ratio | Capital Amount | Ratio |
| **March 31, 2025:** | | | | | | |
| Common equity Tier 1 to risk-weighted assets: | | | | | | |
| Consolidated | **$ 5,480,248** | **11.03 %** | **$ 3,479,453** | **7.00 %** | **$ 3,230,921** | **6.50 %** |
| SouthState Bank (the Bank) | **6,104,593** | **12.29 %** | **3,475,618** | **7.00 %** | **3,227,360** | **6.50 %** |
| Tier 1 capital to risk-weighted assets: | | | | | | |
| Consolidated | **5,480,248** | **11.03 %** | **4,225,051** | **8.50 %** | **3,976,518** | **8.00 %** |
| SouthState Bank (the Bank) | **6,104,593** | **12.29 %** | **4,220,393** | **8.50 %** | **3,972,135** | **8.00 %** |
| Total capital to risk-weighted assets: | | | | | | |
| Consolidated | **6,819,716** | **13.72 %** | **5,219,180** | **10.50 %** | **4,970,648** | **10.00 %** |
| SouthState Bank (the Bank) | **6,693,461** | **13.48 %** | **5,213,427** | **10.50 %** | **4,965,169** | **10.00 %** |
| Tier 1 capital to average assets (leverage ratio): | | | | | | |
| Consolidated | **5,480,248** | **8.91 %** | **2,461,151** | **4.00 %** | **3,076,439** | **5.00 %** |
| SouthState Bank (the Bank) | **6,104,593** | **9.92 %** | **2,460,474** | **4.00 %** | **3,075,592** | **5.00 %** |
| **December 31, 2024:** | | | | | | |
| Common equity Tier 1 to risk-weighted assets: | | | | | | |
| Consolidated | $ 4,547,314 | 12.62 % | $ 2,522,926 | 7.00 % | $ 2,342,717 | 6.50 % |
| SouthState Bank (the Bank) | 4,817,945 | 13.38 % | 2,520,065 | 7.00 % | 2,340,060 | 6.50 % |
| Tier 1 capital to risk-weighted assets: | | | | | | |
| Consolidated | 4,547,314 | 12.62 % | 3,063,552 | 8.50 % | 2,883,343 | 8.00 % |
| SouthState Bank (the Bank) | 4,817,945 | 13.38 % | 3,060,079 | 8.50 % | 2,880,074 | 8.00 % |
| Total capital to risk-weighted assets: | | | | | | |
| Consolidated | 5,391,194 | 14.96 % | 3,784,388 | 10.50 % | 3,604,179 | 10.00 % |
| SouthState Bank (the Bank) | 5,271,725 | 14.64 % | 3,780,097 | 10.50 % | 3,600,093 | 10.00 % |
| Tier 1 capital to average assets (leverage ratio): | | | | | | |
| Consolidated | 4,547,314 | 10.04 % | 1,810,985 | 4.00 % | 2,263,732 | 5.00 % |
| SouthState Bank (the Bank) | 4,817,945 | 10.64 % | 1,810,497 | 4.00 % | 2,263,121 | 5.00 % |

As of March 31, 2025 and December 31, 2024, the capital ratios of the Company and the Bank were in excess of the minimum regulatory requirements and exceeded the thresholds for the "well capitalized" regulatory classification.

## Note 18 — Goodwill and Other Intangible Assets

The carrying amount of goodwill was $3.1 billion and $1.9 billion, respectively, at March 31, 2025 and December 31, 2024. The Company added $1.2 billion in goodwill related to the Independent acquisition in the first quarter of 2025. The Company also added $412.1 million in core deposit intangibles related to the Independent acquisition and $558,000 related to the purchase of a wealth business client list during the first quarter of 2025. The goodwill was calculated based on the preliminary fair values of the assets acquired and liabilities assumed as of the acquisition date, and subject to change as additional information becomes available during the measurement period. The Company's other intangible assets, consisting of core deposit intangibles, noncompete intangibles, and client list intangibles are included on the face of the balance sheet.

The Company last completed its annual valuation of the carrying value of its goodwill as of October 31, 2024 and determined there was no impairment of the Company's goodwill. Management continues to monitor the impact of market conditions on the Company's business, operating results, cash flows and/or financial condition.

The following is a summary of gross carrying amounts and accumulated amortization of other intangible assets:

| (Dollars in thousands) | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Gross carrying amount | **$ 687,645** | $ 274,829 |
| Accumulated amortization | **(232,202)** | (208,371) |
| | **$ 455,443** | $ 66,458 |

Amortization expense totaled $23.8 million for the quarter ended March 31, 2025, compared to $6.0 million for the quarter ended March 31, 2024. Other intangibles, except for SBA servicing assets which are carried at fair value, are amortized using either the straight-line method or an accelerated basis over their estimated useful lives, with lives generally between two and 15 years.

Estimated amortization expense for other intangibles for each of the next five quarters is as follows:

| (Dollars in thousands) | |
|---|---|
| Quarter ending: | |
| June 30, 2025 | **$ 23,637** |
| September 30, 2025 | **23,220** |
| December 31, 2025 | **23,211** |
| March 31, 2026 | **21,139** |
| June 30, 2026 | **20,876** |
| Thereafter | **337,152** |
| | **$ 449,235** |

**Note 19 — Mortgage Loan Servicing, Origination, and Loans Held for Sale**

The portfolio of residential mortgages serviced for others, which is not included in the accompanying Consolidated Balance Sheets, was $6.8 billion and $6.7 billion, as of March 31, 2025 and December 31, 2024, respectively. Servicing loans for others generally consists of collecting mortgage payments, maintaining escrow accounts and disbursing payments to investors. The amounts of contractually specified servicing fees we earned during the three months ended March 31, 2025 and March 31, 2024 were $4.3 million and $4.2 million, respectively. Servicing fees are recorded in Mortgage Banking Income in our Consolidated Statements of Income.

At March 31, 2025 and December 31, 2024, MSRs were $87.7 million and $89.8 million on our Consolidated Balance Sheets, respectively. MSRs are recorded at fair value with changes in fair value recorded as a component of Mortgage Banking Income in the Consolidated Statements of Income. The market value adjustments related to MSRs recorded in Mortgage Banking Income for the three months ended March 31, 2025 and March 31, 2024 were losses of $3.1 million, compared with gains of $2.4 million, respectively. The Company has used various free standing derivative instruments to mitigate the income statement effect of changes in fair value resulting from changes in market value adjustments, in addition to changes in valuation inputs and assumptions related to MSRs.

See Note 14 — Fair Value for the changes in fair value of MSRs. The following table presents the changes in the fair value of the MSR and offsetting hedge.

| | Three Months Ended | |
|---|---|---|
| (Dollars in thousands) | March 31, 2025 | March 31, 2024 |
| (Decrease)/increase in fair value of MSRs | **$ (3,081)** | $ 2,384 |
| Decay of MSRs | **(1,028)** | (1,442) |
| Gain (loss) related to derivatives | **2,340** | (2,580) |
| Net effect on Consolidated Statements of Income | **$ (1,769)** | $ (1,638) |

The fair value of MSRs is highly sensitive to changes in assumptions and is determined by estimating the present value of the asset's future cash flows utilizing market-based prepayment rates, discount rates and other assumptions validated through industry surveys, third-party vendor analyses, and market sales data. Changes in prepayment speed assumptions have the most significant impact on the fair value of MSRs. Generally, as interest rates decline, mortgage loan prepayments accelerate due to increased refinance activity, which results in a decrease in the fair value of the MSR. Measurement of fair value is limited to the conditions existing and the assumptions utilized as of a particular point in time, and those assumptions may not be appropriate if applied at a different time. See Note 14 — Fair Value for additional information regarding fair value.

The characteristics and sensitivity analysis of the MSRs are included in the following table.

| (Dollars in thousands) | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Composition of residential loans serviced for others | | |
| Fixed-rate mortgage loans | **100.0 %** | 100.0 % |
| Adjustable-rate mortgage loans | **— %** | — % |
| Total | **100.0 %** | 100.0 % |
| Weighted average life | **7.73 years** | 7.97 years |
| Constant Prepayment rate (CPR) | **7.5 %** | 7.0 % |
| Estimated impact on fair value of a 10% increase | **$ (883)** | $ (658) |
| Estimated impact on fair value of a 20% increase | **(1,721)** | (1,298) |
| Estimated impact on fair value of a 10% decrease | **927** | 666 |
| Estimated impact on fair value of a 20% decrease | **1,884** | 1,328 |
| Weighted average discount rate | **10.8 %** | 10.9 % |
| Estimated impact on fair value of a 10% increase | **$ (3,186)** | $ (3,166) |
| Estimated impact on fair value of a 20% increase | **(6,348)** | (6,339) |
| Estimated impact on fair value of a 10% decrease | **3,072** | 3,022 |
| Estimated impact on fair value of a 20% decrease | **5,825** | 5,738 |
| Effect on fair value due to change in interest rates | | |
| 25 basis point increase | **$ 2,164** | $ 1,761 |
| 50 basis point increase | **4,128** | 3,296 |
| 25 basis point decrease | **(2,281)** | (1,952) |
| 50 basis point decrease | **(4,628)** | (4,052) |

The sensitivity calculations above are hypothetical and should not be considered to be predictive of future performance. Changes in fair value based on changes in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, the effect of a variation in a particular assumption on the fair value of the residential MSRs is calculated without changing any other assumption, while in reality changes in one factor may result in changes in another, which may either magnify or counteract the effect of the change. The derivative instruments utilized by the Company would serve to reduce the estimated impacts to fair value included in the table above.

Whole loan sales were $281.4 million for the three months ended March 31, 2025, compared to $222.6 million for the three months ended March 31, 2024. For the three months ended March 31, 2025, $164.9 million, or 58.6%, were sold with the servicing rights retained by the Company, compared to $160.7 million, or 72.2% for the three months ended March 31, 2024.

The Company retains no beneficial interests in these sales but may retain the servicing rights for the loans sold. The risks related to the sold loans with the retained servicing rights due to a representation or warranty violation such as noncompliance with eligibility or servicing requirements, or customer fraud, that should have been identified in a loan file review are disclosed in Note 1 — Summary of Significant Accounting Policies, under the "Loans Held for Sale" section, of the Company's Annual Report on Form 10-K for the year ended December 31, 2024. The Company is obligated to subsequently repurchase a loan if such representation or warranty violation is identified by the purchaser. The aggregated principal balances of loans repurchased for the three months ended March 31, 2025 and March 31, 2024 were approximately $1.1 million and $117,000, respectively.

Mortgage loans held for sale have historically been comprised of residential mortgage loans awaiting sale in the secondary market, which generally settle in 15 to 45 days. Mortgage loans held for sale were $86.8 million and $98.1 million at March 31, 2025 and December 31, 2024, respectively. Please see Note 14 — Fair Value, under the "Fair Value Option", section in this Quarterly Report on Form 10-Q for summary of the fair value and the unpaid principal balance of loans held for sale and the changes in fair value of these loans.

**Note 20 — Small Business Administration (“SBA”) Loans Held for Sale**

During the third quarter of 2024, the Company began purchasing the guaranteed portions of SBA loans from third-party originators. The guaranteed portions of SBA loans purchased by the Company are aggregated into pools with similar characteristics to create a security representing an interest in those pools through the SBA’s fiscal transfer agent (“FTA”). The individual guaranteed portions of the SBA loans may also be sold prior to pooling into a security. Once the guaranteed portion of the SBA loans are pooled and securities representing interests in that pool are issued, the Company intends to sell those securities into the secondary market. These securities are carried at fair value and classified as trading instruments. Gains or losses on the sale of the securities and individual guaranteed portions of loans are both recorded in Correspondent Banking and Capital Markets Income in Noninterest Income on the Consolidated Statements of Income. Sales of the securities are accounted for as of the settlement date, which is the date the Company surrenders control over the transferred assets. The Company does not retain any interest in the securities once sold. The guaranteed portion of the SBA loans that have not been pooled or sold, are reported as Loans Held for Sale on the Consolidated Balance Sheet and recorded at the lower of cost or estimated fair value. The fair value of the purchased guaranteed portion of the SBA loans is determined based upon their committed sales price, and actual observable market color provided to secondary market participants from the originating banks who are selling their guaranteed portions of loans. These nonrecurring fair value measurements for purchased guaranteed portion of SBA loans are classified within Level 2 of the fair value hierarchy.

During the first quarter of 2025, the Company purchased approximately $450.9 million in guaranteed portions of SBA loans. During the first quarter of 2025, the Company pooled approximately $312.9 million of the guaranteed portions of SBA loans into securities selling approximately $321.0 million into the secondary market. The Company also sold approximately $15.4 million in individual loans during the three months ended March 31, 2025. The Company held approximately $271.1 million in the guaranteed portion of SBA loans held for sale at March 31, 2025.

The Company also separately originates SBA loans and sells the guaranteed portions of these loans into the secondary market. During the three months ended March 31, 2025 and 2024, the Company sold approximately $22.6 million and $31.0 million, respectively, in guaranteed portions of SBA loans originated at the Bank and recognized net gains of $2.0 million and $2.9 million, respectively.

**Note 21 — Short-Term Borrowings**

**Securities Sold Under Agreements to Repurchase (“Repurchase agreements”)**

Repurchase agreements represent funds received from customers, generally on an overnight or continuous basis, which are collateralized by investment securities owned or, at times, borrowed and re-hypothecated by the Company. Repurchase agreements are subject to terms and conditions of the master repurchase agreements between the Company and the client and are accounted for as secured borrowings. Repurchase agreements are included in Securities Sold Under Agreements to Repurchase on the Consolidated Balance Sheets. At March 31, 2025 and December 31, 2024, our repurchase agreements totaled $280.7 million and $254.7 million, respectively. All of our repurchase agreements were overnight or continuous (until-further-notice) agreements at March 31, 2025 and December 31, 2024. These borrowings were collateralized with government, government-sponsored enterprise, or state and political subdivision-issued securities with a carrying value of $336.6 million and $370.4 million at March 31, 2025 and December 31, 2024, respectively. Declines in the value of the collateral would require us to increase the amounts of securities pledged.

**Federal Funds Purchased**

Federal funds purchased are generally overnight daily borrowings with no defined maturity date. At March 31, 2025 and December 31, 2024, our federal funds purchased totaled $398.7 million and $260.2 million, respectively.

**Federal Home Loan Bank ("FHLB") and Federal Reserve Bank ("FRB") Borrowings**

The Company has, from time to time, entered into borrowing agreements with the FHLB and FRB. Borrowings under these agreements are collateralized by stock in the FHLB, qualifying first and second mortgage residential loans, investment securities, and commercial real estate loans under a blanket-floating lien.

As of March 31, 2025 and December 31, 2024, the Company had no outstanding FHLB borrowings. Net eligible loans of the Company pledged via a blanket lien to the FHLB for advances and letters of credit at March 31, 2025, were approximately $18.2 billion (collateral value of $9.6 billion) and investment securities and cash pledged were approximately $177.0 million (collateral value of $150.5 million). This allows the Company a total borrowing capacity at the FHLB of approximately $9.8 billion. After accounting for letters of credit totaling $2.3 million, the Company had unused net credit available with the FHLB in the amount of approximately $9.8 billion at March 31, 2025. The Company also has a total borrowing capacity at the FRB of $1.8 billion at March 31, 2025 secured by a blanket lien on $2.7 billion (collateral value of $1.8 billion) in net eligible loans of the Company. The Company had no outstanding borrowings with the FRB at March 31, 2025 or December 31, 2024.

**Note 22 — Stock Repurchase Program**

On February 11, 2025, the Company received Federal Reserve Board's nonobjection on the 2025 Stock Repurchase Program (the "2025 Repurchase Program"), which was previously approved by the Board of Directors of the Company, contingent upon receipt of such supervisory nonobjection. The 2025 Repurchase Program authorizes the Company to repurchase up to 3,000,000 shares, or up to approximately three percent, of the Company's outstanding shares of common stock as of January 2, 2025. The repurchases under the 2025 Repurchase Program will be made from time to time by the Company as conditions allow and the 2025 Repurchase Program will be made available until December 31, 2026, unless shortened or extended by the Company's Board of Directors. During the first quarter of 2025, the Company did not repurchase any shares pursuant to the 2025 Repurchase Program. During the first quarter of 2024, the Company repurchased a total of 100,000 shares at a weighted average price of $79.85 per share pursuant to the 2022 Stock Repurchase Program. The 2022 Stock Repurchase Plan expired as of December 31, 2024.

The Company repurchased 109,712 and 95,537 shares at a cost of $11.2 million and $8.0 million, respectively, during the three months ended March 31, 2025 and 2024 under other arrangements whereby directors or officers surrender shares to the Company to cover the option cost for stock option exercises or tax liabilities resulting from the vesting of restricted stock awards or restricted stock units.

**Note 23 — Segment Reporting**

The Company, through the Bank, provides a broad range of financial services to individuals and companies primarily in South Carolina, North Carolina, Florida, Alabama, Georgia, Virginia, Texas and Colorado. These services include, but not limited to, demand, time and savings deposits; lending and credit card servicing; ATM processing; mortgage banking services; correspondent banking services and wealth management and trust services. The Company's operations are managed and financial performance is evaluated on an organization-wide basis. Accordingly, the Company's banking and finance operations are not considered by management to constitute more than one reportable operating segment. This single segment is the General Banking Unit.

The Company's chief operating decision maker ("CODM") is the Executive Committee. The CODM generally meets monthly and membership includes the senior executive management team including the Chief Executive Officer, Chief Strategy Officer, President, Chief Financial Officer, Chief Operating Officer, Chief Risk Officer, among other executives.

The CODM assesses performance of the General Banking Unit using a variety of figures, metrics and key performance indicators. However, the CODM primarily utilizes net income and Net Interest Margin ("NIM") to make business decisions. The CODM monitors these profitability measures at each meeting, and is regularly featured in various investor presentations, earnings releases, and other internal management reports. These performance and profitability measures influence business decisions and allocation of resources within the General Banking Unit.

The table below provides net income and NIM information about the General Banking Unit. The most significant expenses to the General Banking Unit are deposit and other borrowing interest expense as well as employee compensation**.**

| | Three Months Ended March 31, | |
|---|---|---|
| (Dollars in thousands) | 2025 | 2024 |
| **Net Income (GAAP)** | | |
| Interest income | **$ 808,566** | $ 517,255 |
| Interest expense | **264,019** | 173,319 |
| Net interest income (a) | **544,547** | 343,936 |
| Provision for credit losses | **100,562** | 12,686 |
| Net interest income after provision for credit losses | **443,985** | 331,250 |
| Total noninterest income | | |
| Securities losses, net | **(228,811)** | — |
| Gain on sale-leaseback, net of transaction costs | **229,279** | — |
| Other operating noninterest income | **85,620** | 71,558 |
| Total noninterest income | **86,088** | 71,558 |
| Total noninterest expense | | |
| Employee salaries | **135,728** | 105,415 |
| Employee commissions | **11,276** | 10,240 |
| Employee incentives | **28,766** | 21,753 |
| Other salaries and benefits | **36,965** | 28,077 |
| Deferred loan costs | **(16,924)** | (15,032) |
| Salaries and employee benefits | **195,811** | 150,453 |
| Occupancy expense | **35,493** | 22,577 |
| Information services expense | **31,362** | 22,353 |
| Professional fees | **4,709** | 3,115 |
| Amortization of intangibles | **23,831** | 5,998 |
| Business development and staff related | **6,510** | 5,521 |
| FDIC assessment and other regulatory charges | **11,258** | 8,534 |
| Merger and branch consolidation related expense | **68,006** | 4,513 |
| FDIC special assessment | **—** | 3,854 |
| Other operating expense | **31,846** | 22,372 |
| Total noninterest expense | **408,826** | 249,290 |
| Income before income tax provision | **121,247** | 153,518 |
| Income tax provision | **32,167** | 38,462 |
| Net income (GAAP) | **$ 89,080** | $ 115,056 |
| | | |
| **Net Interest Margin, Non-Tax Equivalent ("Non-TE") (GAAP)** | | |
| Average interest earning assets (b) | **$ 57,497,453** | $ 40,657,176 |
| Net interest margin, non-TE ((a)/(b)) (GAAP) | **3.84%** | 3.40% |

### Note 24 — Subsequent Events

On April 24, 2025, the Company announced the declaration of a quarterly cash dividend on its common stock at $0.54 per share. The dividend is payable on May 16, 2025 to shareholders of record as of May 9, 2025.

## Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") relates to the financial statements contained in this Quarterly Report beginning on page 3. For further information, refer to the MD&A appearing in the Annual Report on Form 10-K for the year ended December 31, 2024. Results for the three months ended March 31, 2025 are not necessarily indicative of the results for the year ending December 31, 2025 or any future period.

Unless otherwise mentioned or unless the context requires otherwise, references to "SouthState," the "Company," "we," "us," "our" or similar references mean SouthState Corporation and its consolidated subsidiaries. References to the "Bank" means SouthState Corporation's wholly owned subsidiary, SouthState Bank, National Association, a national banking association.

### Overview

SouthState Corporation is a financial holding company headquartered in Winter Haven, Florida, and was incorporated under the laws of South Carolina in 1985. We provide a wide range of banking services and products to our customers through our Bank. The Bank operates SouthState|Duncan-Williams Securities Corp. ("SouthState|Duncan-Williams"), a registered broker-dealer headquartered in Memphis, Tennessee that serves primarily institutional clients across the U.S. in the fixed income business. The Bank also operates SouthState Advisory, Inc., a wholly-owned registered investment advisor, and Private Capital Management, also a wholly-owned registered investment advisor which it acquired through the Independent acquisition completed on January 1, 2025. The Bank, through its Corporate Billing Division, provides factoring, invoicing, collection and accounts receivable management services to transportation companies and automotive parts and service providers nationwide. In 2023, the Bank formed SSB First Street Corporation, an investment subsidiary headquartered in Wilmington, Delaware, to hold tax-exempt municipal investment securities as part of the Bank's investment portfolio. The holding company also owns SSB Insurance Corp., a captive insurance subsidiary pursuant to Section 831(b) of the U.S. Tax Code.

At March 31, 2025, we had $65.1 billion in assets and 6,405 full-time equivalent employees. Through our Bank branches, ATMs and online banking platforms, we provide our customers with a wide range of financial products and services, through an eight (8) state footprint in Alabama, Colorado, Florida, Georgia, North Carolina, South Carolina, Texas, and Virginia. These financial products and services include deposit accounts such as checking accounts, savings and time deposits of various types, safe deposit boxes, bank money orders, wire transfer and ACH services, brokerage services and alternative investment products such as annuities and mutual funds, trust and asset management services, loans of all types, including business loans, agriculture loans, real estate-secured (mortgage) loans, personal use loans, home improvement loans, automobile loans, manufactured housing loans, boat loans, credit cards, letters of credit, home equity lines of credit, treasury management services, and merchant services. As of December 31, 2024, our workforce included employees that are White (70.95%), Black or African American (14.78%), Hispanic (7.78%), Asian (1.95%), Native - American or Alaskan) (0.23%), Native Hawaiian/Pacific Islander (0.17%), Two or more races (2.05%), and Other (2.09%).

We also operate a correspondent banking and capital markets division within our national bank subsidiary, of which the majority of its bond salesmen, traders and operational personnel are housed in facilities located in Atlanta, Georgia, Memphis, Tennessee, Walnut Creek, California, and Birmingham, Alabama. This division's primary revenue generating activities are related to its capital markets division, which includes commissions earned on fixed income security sales, fees from hedging services, loan brokerage fees and consulting fees for services related to these activities; and its correspondent banking division, which includes spread income earned on correspondent bank deposits (i.e., federal funds purchased) and correspondent bank checking account deposits and fees from safe-keeping activities, bond accounting services for correspondents, asset/liability consulting related activities, international wires, and other clearing and corporate checking account services.

We have pursued, and continue to pursue, a growth strategy that focuses on organic growth, supplemented by acquisitions of select financial institutions, or branches in certain market areas.

The following discussion describes our results of operations for the quarter ended March 31, 2025, compared to the quarter ended March 31, 2024, and also analyzes our financial condition as of March 31, 2025 as compared to December 31, 2024. Like most financial institutions, we derive most of our income from interest we receive on our loans and investments. Our primary source of funds for making these loans and investments is our deposits, on which we may pay interest. Consequently, one of the key measures of our success is the amount of our net interest income, or the difference between the income on our interest-earning assets, such as loans and investments, and the expense on our interest-bearing liabilities, such as deposits. Another key measure is the spread between the yield we earn on these interest-earning assets and the rate we pay on our interest-bearing liabilities.

Of course, there are risks inherent in all loans, as such, we maintain an allowance for credit losses, otherwise referred to herein as ACL, to absorb probable losses on existing loans that may become uncollectible. We establish and maintain this allowance by charging a provision for credit losses against our operating earnings. In the following discussion, we have included a detailed discussion of this process.

In addition to earning interest on our loans and investments, we earn income through fees and other services we charge to our customers. We incur costs in addition to interest expense on deposits and other borrowings, the largest of which is salaries and employee benefits. We describe the various components of this noninterest income and noninterest expense in the following discussion.

The following sections also identify significant factors that have affected our financial position and operating results during the periods included in the accompanying financial statements. We encourage you to read this discussion and analysis in conjunction with the financial statements and the related notes and the other statistical information also included in this report.

**Recent Events**

***Independent Bank Group, Inc. ("Independent") Merger***

On January 1, 2025, the Company acquired Independent, a Texas-based corporation, the bank holding company for Independent Bank, in an all-stock transaction. Pursuant to the Agreement dated May 17, 2024, shareholders of Independent received 0.60 shares of the Company's common stock in exchange for each share of Independent stock resulting in the Company issuing 24,858,731 shares of its common stock. In total, the purchase price for Independent was $2.5 billion.

***Sale-leaseback Transaction***

On January 8, 2025, the Bank entered into an agreement for the purchase and sale of real property (the "Sale Agreement") with entities affiliated with Blue Owl Real Estate Capital LLC ("Blue Owl"), providing for the sale to entities affiliated with Blue Owl of certain bank branch properties owned and operated by the Bank. The branch properties are located in Alabama, Florida, Georgia, North Carolina, South Carolina and Virginia. Under the Sale Agreement, the Bank has agreed, concurrently with the closing of the sale of the branches, to enter into triple net lease agreements (the "Lease Agreements") with entities affiliated with Blue Owl, pursuant to which the Bank will lease each of the Branches (the "Sale-leaseback Transaction"). The Company completed the Sale-leaseback Transaction on February 28, 2025. See accompanying Note 8 — Leases to our consolidated financial statements.

***Capital Management***

On February 11, 2025, the Company received Federal Reserve Board's supervisory nonobjection on the 2025 stock repurchase program (the "2025 Repurchase Program"), which was previously approved by the Board of Directors of the Company, contingent upon receipt of such supervisory nonobjection. The 2025 Repurchase Program authorizes the Company to repurchase up to 3,000,000 shares, or up to approximately three percent, of the Company's outstanding shares of common stock as of January 2, 2025. See accompanying Note 22 — Stock Repurchase Program to our consolidated financial statements.

***Governmental and Regulatory Environment***

It is uncertain how the rapid changes initiated by the Trump Administration will impact our business going forward. These include the impact of tariffs, immigration reform, and changes at the agencies that regulate us, including the modification, rescission, withdrawal or changes to the approach and enforcement of, rules and guidance relating to us.

In October 2024, the CFPB finalized a rule to implement Section 1033 of the Dodd-Frank Act, which would require certain entities, including the Company and the Bank, to, among other things, make available to a consumer, upon request, information in its control or possession concerning the consumer financial product or service that the consumer obtained from that entity. In general, the rule also requires, among other things, data providers holding a consumer account, such as the Bank, to establish a developer interface satisfying certain data security specifications and other standards, through which the data provider can receive requests for, and provide, specific types of data covered by the rule in electronic, usable form to authorized third parties, including data aggregators. Under the rule, data providers are prohibited from, among other things, charging consumers or third parties fees for processing these consumer data requests. The rule also places certain data security, authorization and other obligations on third parties accessing covered data from data providers, which could include the Company and the Bank when acting in certain capacities. The rule requires third parties to limit their collection, use, and retention of the data received to only what is reasonably necessary to provide the consumers' requested product or service. The compliance date for a depository institution data provider that holds at least $10 billion in total assets but less than $250 billion in total assets is April 1, 2027; however, the final rule is subject to ongoing litigation that could impact whether and when the Company and the Bank are required to comply with the rule. We continue to evaluate the final rule and the potential impacts on the Company and the Bank.

**Critical Accounting Policies**

Our consolidated financial statements are prepared based on the application of accounting policies in accordance with GAAP and follow general practices within the banking industry. Our financial position and results of operations are affected by management's application of accounting policies, including estimates, assumptions and judgments made to arrive at the carrying value of assets and liabilities and amounts reported for revenues and expenses. Differences in the application of these policies could result in material changes in our consolidated financial position and consolidated results of operations and related disclosures. Understanding our accounting policies is fundamental to understanding our consolidated financial position and consolidated results of operations. Accordingly, our significant accounting policies and changes in accounting principles and effects of new accounting pronouncements are discussed in Note 2 — Summary of Significant Accounting Policies and Note 3 — Recent Accounting and Regulatory Pronouncements of our consolidated financial statements in this Quarterly Report on Form 10-Q and in Note 1 — Summary of Significant Accounting Policies of our Annual Report on Form 10-K for the year ended December 31, 2024.

The following is a summary of our allowance for credit losses ("ACL") critical accounting policy, which is highly dependent on estimates, assumptions and judgments.

***Allowance for Credit Losses (ACL)***

The ACL reflects management's estimate of the portion of the amortized cost of loans and unfunded commitments that it does not expect to collect. Management has a methodology determining its ACL for loans held for investment and certain off-balance-sheet credit exposures. Management considers the effects of past events, current conditions, and reasonable and supportable forecasts on the collectability of the loan portfolio. The Company's estimate of its ACL involves a high degree of judgment; therefore, management's process for determining expected credit losses may result in a range of expected credit losses. It is possible that others, given the same information, may at any point in time reach a different reasonable conclusion. The Company's ACL recorded on the balance sheet reflects management's best estimate within the range of expected credit losses. The Company recognizes in net income the amount needed to adjust the ACL for management's current estimate of expected credit losses. See Note 2 — Summary of Significant Accounting Policies for further detailed descriptions of our estimation process and methodology related to the ACL. See also Note 7 — Allowance for Credit Losses and "Allowance for Credit Losses (ACL) on Loans and Certain Off-Balance-Sheet Credit Exposures" in this MD&A.

One of the most significant judgments influencing the ACL is the macroeconomic forecasts from the third-party service provider. Changes in the economic forecasts may significantly affect the estimated credit losses which may potentially lead to materially different quantitatively modeled allowance levels from one reporting period to the next. Given the dynamic relationship between macroeconomic variables, it is difficult to estimate the impact of a change in any one individual variable on the ACL. SouthState uses a third-party service provider to support the economic forecast assumptions under CECL forecast by providing various levels of economic scenarios. These scenarios are weighted in accordance with management assessment of scenarios as well as expectations of the general market and industry conditions. To illustrate the sensitivity of these scenarios, if a 100% probability weighting was applied to the adverse scenario rather than using the probability-weighted three scenario approach, this would result in an increase in the ACL by approximately $246 million. Conversely, if a 100% probability weighting was applied to the upside scenario, this would result in a decrease in the ACL by approximately $118 million. The adverse scenario includes assumptions including, but not limited to, rising unemployment consistent with a recession, high levels of inflation and weakened consumer and business spending, elevated interest rates, tightening credit, widening Federal deficit, and continued geopolitical tensions. Conversely, the upside scenario includes assumptions such as a stronger domestic economy, swift resolution of international conflicts and strengthening global economy, more than full employment, reduced political tensions, and other favorable assumptions. This sensitivity analysis and related impact on the ACL is a hypothetical analysis and is not intended to represent management's judgments at March 31, 2025.

**Results of Operations**

***Overview***

We reported consolidated net income of $89.1 million, or diluted earnings per share ("EPS") of $0.87, for the first quarter of 2025 as compared to consolidated net income of $115.1 million, or diluted EPS of $1.50, in the comparable period of 2024, a 22.6% decrease in consolidated net income and a 42.0% decrease in diluted EPS. The $26.0 million decrease in consolidated net income was the net result of the following items:

- A $291.3 million increase in interest income, resulting from a $260.9 million increase in interest income from loans and loans held for sale, a $16.1 million increase in interest income from investment securities, and a $14.3 million increase in interest income on federal funds sold, securities purchased under agreement to resell and interest-bearing deposits. The increase in interest income from loans was due to a $14.4 billion increase in average balance of loans and loans held for sale along with a 52 basis point increase in yield. The increase in average balance was mainly due to the loans acquired in the Independent acquisition of $13.1 billion in the first quarter of 2025 along with the organic loan growth in 2024. The increase in yield was mainly due to the loan accretion recognized for the Independent loan portfolio. The increase in interest income from investments securities was due to a $860.0 million increase in the average balance and a 55 basis point increase in the yield. The increase in the average balance in the investment portfolio was also due to the Independent acquisition and the increase in yield was due to the effect of the investment bond restructuring completed in the first quarter of 2025. The increase in interest income on federal funds sold, securities purchased under agreements to resell and interest-bearing deposits was due to a $1.5 billion increase in the average balance;
- A $90.7 million increase in interest expense, which resulted from a $85.8 million increase in interest expense from deposits, a $182,000 increase in interest expense in federal funds purchased and securities sold under agreements to repurchase and a $4.7 million increase in interest expense from corporate and subordinated debentures and other borrowings. The increase in interest expense from deposits resulted from an increase in the average balance of interest-bearing deposits of $12.9 billion along with a 10 basis point increase in average cost on interest bearing deposits. The increase in average balance was mainly due to $12.0 billion of interest-bearing deposits assumed from Independent in the first quarter of 2025. The increase in interest expense from corporate and subordinated debentures and other borrowings was due to an increase in average balance of $248.3 million as the Company assumed $360.5 million in corporate and subordinated debentures from the Independent acquisition;
- An $87.9 million increase in the provision for credit losses, as the Company recorded a provision for credit losses of $100.6 million in the first quarter of 2025 while recording a provision for credit losses of $12.7 million in the first quarter of 2024. The main reason for the increase in 2025 was due to the Company recording the initial provision for credit losses of $80.0 million and $12.1 million on the Independent non-PCD loans portfolio and unfunded commitments, respectively, in the first quarter of 2025;

- A $14.5 million increase in noninterest income, primarily from an increase in service charges on deposit accounts of $2.3 million, in mortgage banking income of $1.6 million, in trust and investment services income of $4.5 million, in correspondent banking and capital market income of $5.2 million and in bank owned life insurance income of $3.3 million.  These increases were slightly offset by a decline in other noninterest income of $2.2 million and SBA income of $1.1 million.  The increases in service charge on deposit account, trust and investment services income and bank owned life insurance income were mainly due to the acquisition of Independent in the first quarter of 2025. The decline in other noninterest income was due to the Company recognizing $2.5 million in credits from an external vendor in the first quarter of 2024.  See Noninterest Income section on page 60 for further discussion;
- A $159.5 million increase in noninterest expense, which resulted primarily from an increase in salaries and employee benefits of $45.4 million, in merger, branch consolidation, severance related and other restructuring expenses of $63.5 million, in amortization of intangibles of $17.8 million, in occupancy expense of $12.9 million, in information services expense of $9.0 million and in other noninterest expense of $6.9 million.  These increases were mainly due to the increase in expenses resulting from the Independent acquisition in the first quarter of 2025.  See Noninterest Expense section on page 62 for further discussion; and
- Lower income tax provision of $6.3 million primarily due to lower pretax book income between the two quarters. The Company recorded pretax book income of $121.2 million in the first quarter of 2025 compared to pretax book income of $153.5 million in the first quarter of 2024.   The effects of the lower pretax book income were partially offset by the impact of deferred tax remeasurement for legacy SouthState's deferred balances, as a result of the acquisition Independent.  Our effective tax rate was 26.53% for the three months ended March 31, 2025 compared to 25.05% for the three months ended March 31, 2024.  See Income Tax Expense section on page 63 for further discussion.

Our quarterly efficiency ratio increased to 61.0% in the first quarter of 2025 compared to 58.5% in the first quarter of 2024.  The increase in the efficiency ratio compared to the first quarter of 2024 was the result of a 58.2% increase in noninterest expense (excluding amortization of intangibles) partially offset by 51.8% increase in the total of tax-equivalent net interest income and noninterest income.  The overall increase in both noninterest expense and tax-equivalent net interest income and noninterest income was due to the acquisition of Independent in the first quarter of 2025.  The higher increase in noninterest expense was mainly due to the $63.5 million increase in merger, branch consolidation, severance related and other restructuring expenses during the first quarter of 2025 compared to the first quarter of 2024.

Basic and diluted EPS were $0.88 and $0.87, respectively, for the first quarter of 2025, compared to $1.51 and $1.50, respectively, for the first quarter of 2024.  The decrease in basic and diluted EPS was due to a 22.6% decrease in net income in the first quarter of 2025 compared to the same period in 2024 along with an increase in average basic common shares of 32.9%.  The decrease in net income in the first quarter of 2025 was mainly attributable to the initial provision for credit losses on Non-PCD loan portfolio and unfunded commitments from Independent of $92.1 million, an $63.5 million increase in merger, branch consolidation, severance related and other restructuring expenses and the impact of the deferred tax remeasurement of $5.6 million during the first quarter of 2025.  The increase in average basic common shares was mainly due to the issuance of approximately 24.9 million shares of common stock related to the acquisition of Independent in the first quarter of 2025.

### Selected Figures and Ratios

| (Dollars in thousands) | Three Months Ended March 31, 2025 | 2024 |
|---|---|---|
| Return on average assets (annualized) | **0.56 %** | 1.03 % |
| Return on average equity (annualized) | **4.29 %** | 8.36 % |
| Return on average tangible equity (annualized)* | **8.99 %** | 13.63 % |
| Dividend payout ratio | **61.45 %** | 34.42 % |
| Equity to assets ratio | **13.24 %** | 12.29 % |
| Average shareholders' equity | **$ 8,418,112** | $ 5,536,551 |

* Denotes a non-GAAP financial measure. The section titled "Reconciliation of GAAP to non-GAAP" below provides a table that reconciles GAAP measures to non-GAAP measures.

- For the three months ended March 31, 2025, the return on average assets declined compared to the same period in 2024. This decrease was primarily due to the decrease in net income of $26.0 million, or 22.6%, which was mainly attributable to costs associated with the acquisition of Independent including the initial provision for credit losses on Non-PCD loan portfolio and unfunded commitments from Independent of $92.1 million and a $63.5 million increase in merger, branch consolidation, severance related and other restructuring expenses. The decline in the return on average assets was also due to an increase in average assets for the three months ended March 31, 2025 of $19.3 billion, or 42.8%, compared to the same period in 2024, mainly due to the $18.1 billion in assets acquired from Independent in the first quarter of 2025.
- For the three months ended March 31, 2025, the return on average equity and the return on average tangible equity declined compared to the same period in 2024. These decreases were primarily due to lower net income of 22.6%, along with an increase in average equity of 52.0% and tangible equity of 37.8%. The decline in net income was mainly due to costs associated with the acquisition of Independent noted above and the increase in average equity and tangible equity was mainly due to common stock issued in the acquisition of Independent.
- The equity-to-assets ratio was 13.24% for the three months ended March 31, 2025, an increase of 0.95% from March 31, 2024. This increase resulted primarily from common stock issued with the acquisition of Independent and the net income earned during the last twelve months being greater than the increase in total assets of 44.3% from March 31, 2024.
- Dividend payout ratios were 61.45% for the three-month period ending March 31, 2025 and 34.42% for the three-month period ending March 31, 2024. The increase in the dividend payout ratio for the three months ended March 31, 2025 was due to the 22.6% decrease in net income along with total dividends paid during the first quarter of 2025 increasing 38.2% compared to the same period in 2024. The increase in dividends paid was due to the increase in outstanding common shares in 2025 resulting from the issuance of 24.9 million shares of common stock for the acquisition of Independent in the first quarter of 2025.

### Net Interest Income and Margin

Non-Tax Equivalent ("TE") net interest income increased $200.6 million, or 58.3%, to $544.5 million in the first quarter of 2025 compared to $343.9 million in the same period in 2024, which primarily was due to the acquisition of Independent completed on January 1, 2025. Interest earning assets averaged $57.5 billion during the three months ended March 31, 2025 compared to $40.7 billion for the same period in 2024, an increase of $16.8 billion, or 41.4%. Interest bearing liabilities averaged $40.8 billion during the three months ended March 31, 2025 compared to $27.5 billion for the same period in 2024, an increase of $13.2 billion, or 48.1%.

The Federal Reserve implemented a total rate cut of 100 basis-point, beginning with a 50 basis-point reduction in mid-September 2024. This was followed by two additional cuts of 25 basis-point each, one in early November 2024 and the other in mid-December 2024. These rate cuts came after a series of rate hikes that began in March 2022, resulting in a target range of 4.25% to 4.50% at March 31, 2025. As a result, the Company operated in a comparatively lower rate environment for the first quarter of 2025 compared to the first quarter of 2024. Some key highlights are outlined below:

- The non-tax equivalent and the Tax Equivalent ("TE") net interest margin increased by 44 basis points in the first quarter of 2025 compared to the same quarter of 2024. The net interest margin increased primarily due to the increase in the yield on interest earning assets of 58 basis points outweighing the increase in the cost of interest-bearing liabilities of 10 basis points.
  - Non-TE yield on interest-earning assets for the first quarter of 2025 increased by 58 basis points to 5.70% from the comparable period in 2024 due to higher yields on a majority of interest-earning assets, including loans held for investment, investments securities, and loans held for sale. The yield on loans increased primarily due to loan accretion of approximately $59.0 million recognized for the loan portfolio acquired from Independent. The yield on investment securities increased due to the effect of the investment bond restructuring completed in the first quarter of 2025. In addition, the average balance of the higher yielding acquired loans increased by $11.5 billion, the average balance of non-acquired loans increased by $2.8 billion, and the average balance of investment securities increased by $860.0 million, all due to balances acquired from Independent.
  - The average cost of interest-bearing liabilities for the first quarter of 2025 increased 10 basis points to 2.63% from the same period in 2024. The average cost of interest-bearing deposits increased 10 basis points primarily due to a higher interest expense incurred from corporate and subordinated debentures as the average balance increased by $360.5 million. The Company assumed $360.5 million in corporate and subordinated debentures from the Independent acquisition. The cost decrease occurred across all deposit categories except for the transaction and money market accounts as a result of the comparatively lower rate environment. Our deposits started to shift from higher-costing certificates and other time deposits to lower-costing transaction and money market and savings accounts as the depositors have sought more liquidity and flexible funding in a changing interest rate environment. The average cost of federal funds purchased and securities sold with agreements to repurchase decreased by 92 basis points and 1 basis point, respectively, while the average balance increased by $66.9 million and $17.6 million, respectively. Other borrowings, consisting of FHLB advances had an average cost of 4.40% during the first quarter of 2025 compared to 5.66% for the comparable period in 2024. Our overall cost of funds, including noninterest-bearing deposits, was 1.97% for the three months ended March 31, 2025 compared to 1.83% for the three months ended March 31, 2024.

The table below summarizes the analysis of changes in interest income and interest expense for the quarter ended March 31, 2025 and 2024 and net interest margin on a tax equivalent basis.

| | Three Months Ended | | | | | |
|---|---|---|---|---|---|---|
| | March 31, 2025 | | | March 31, 2024 | | |
| (Dollars in thousands) | Average Balance | Interest Earned/Paid | Average Yield/Rate | Average Balance | Interest Earned/Paid | Average Yield/Rate |
| **Interest-Earning Assets:** | | | | | | |
| Federal funds sold and interest-earning deposits with banks | **$ 2,199,800** | **$ 22,540** | **4.16 %** | $ 668,349 | $ 8,254 | 4.97 % |
| Investment securities (taxable) (1) | **7,385,704** | **53,870** | **2.96 %** | 6,652,981 | 39,745 | 2.40 % |
| Investment securities (tax-exempt) (1) | **940,071** | **7,516** | **3.24 %** | 812,754 | 5,568 | 2.76 % |
| Loans held for sale | **174,833** | **3,678** | **8.53 %** | 42,872 | 681 | 6.39 % |
| Acquired loans, net | **17,240,501** | **312,059** | **7.34 %** | 5,758,426 | 89,563 | 6.26 % |
| Non-acquired loans | **29,556,544** | **408,903** | **5.61 %** | 26,721,794 | 373,444 | 5.62 % |
| Total interest-earning assets | **57,497,453** | **808,566** | **5.70 %** | 40,657,176 | 517,255 | 5.12 % |
| **Noninterest-Earning Assets:** | | | | | | |
| Cash and due from banks | **582,933** | | | 458,837 | | |
| Other assets | **6,798,857** | | | 4,352,024 | | |
| Allowance for credit losses | **(595,817)** | | | (456,874) | | |
| Total noninterest-earning assets | **6,785,973** | | | 4,353,987 | | |
| **Total Assets** | **$ 64,283,426** | | | $ 45,011,163 | | |
| | | | | | | |
| **Interest-Bearing Liabilities:** | | | | | | |
| Transaction and money market accounts | **$ 29,249,015** | **$ 176,949** | **2.45 %** | $ 19,544,019 | $ 117,292 | 2.41 % |
| Savings deposits | **2,904,961** | **1,944** | **0.27 %** | 2,589,251 | 1,818 | 0.28 % |
| Certificates and other time deposits | **7,165,188** | **67,064** | **3.80 %** | 4,282,749 | 41,052 | 3.86 % |
| Federal funds purchased | **323,400** | **3,479** | **4.36 %** | 256,506 | 3,369 | 5.28 % |
| Securities sold with agreements to repurchase | **298,305** | **1,430** | **1.94 %** | 280,674 | 1,358 | 1.95 % |
| Corporate and subordinated debentures | **752,408** | **12,505** | **6.74 %** | 391,870 | 6,009 | 6.17 % |
| Other borrowings | **59,728** | **648** | **4.40 %** | 171,978 | 2,421 | 5.66 % |
| Total interest-bearing liabilities | **40,753,005** | **264,019** | **2.63 %** | 27,517,047 | 173,319 | 2.53 % |
| **Noninterest-Bearing Liabilities:** | | | | | | |
| Demand deposits | **13,493,329** | | | 10,530,597 | | |
| Other liabilities | **1,618,980** | | | 1,426,968 | | |
| Total noninterest-bearing liabilities (“Non-IBL”) | **15,112,309** | | | 11,957,565 | | |
| Shareholders’ equity | **8,418,112** | | | 5,536,551 | | |
| Total Non-IBL and shareholders’ equity | **23,530,421** | | | 17,494,116 | | |
| **Total Liabilities and Shareholders’ Equity** | **$ 64,283,426** | | | $ 45,011,163 | | |
| | | | | | | |
| **Net Interest Income and Margin (Non-Tax Equivalent)** | | **$ 544,547** | **3.84 %** | | $ 343,936 | 3.40 % |
| **Net Interest Margin (Tax Equivalent)** | | | **3.85 %** | | | 3.41 % |
| | | | | | | |
| **Total Deposit Cost (without debt and other borrowings)** | | | **1.89 %** | | | 1.74 % |
| **Overall Cost of Funds (including demand deposits)** | | | **1.97 %** | | | 1.83 % |

(1) Investment securities (taxable) and (tax-exempt) include trading securities.

### *Investment Securities*

The interest earned on investment securities increased by $16.1 million in the three months ended March 31, 2025 compared to the three months ended March 31, 2024. This is a result of the Bank carrying a higher average balance in investment securities along with an increase in the yield on the investment portfolio in 2025 compared to the same period in 2024. The average balance of investment securities for the three months ended March 31, 2025 increased $860.0 million from the comparable period in 2024 due to the Company acquiring $1.6 billion in investment securities through the acquisition of Independent during the quarter. These securities were subsequently sold during the quarter with the proceeds reinvested into purchases of new securities that fit the Company’s investment strategy. The increase in investment securities related to the Independent acquisition was partially offset due to maturities and mortgage paydowns within the AFS and HTM investment portfolios. The yield on the total investment securities increased 55 basis points during the three months ended March 31, 2025 compared to the same period in 2024. This was due to recent purchases, including the reinvestment of the Independent investment portfolio at current market rates. The Company also conducted a securities repositioning during the quarter where it sold approximately $1.8 billion in investment securities at a loss of $228.8 million and used the proceeds to purchase new securities. This securities repositioning improved the yield and risk weightings and shortened the duration of the investment portfolio.

***Loans***

Interest earned on loans held for investment increased $258.0 million to $721.0 million in the quarter ended March 31, 2025 compared to the same period in 2024. Interest earned on loans held for investment included loan accretion income recognized during the quarters ended March 31, 2025 and 2024 of $61.8 million and $4.3 million, respectively, an increase of $57.5 million. Some key highlights for the quarter ended March 31, 2025 are outlined below:

- Our non-TE yield on total loans increased 51 basis points in the first quarter of 2025 compared to the same period in 2024 due to a 108 basis-point increase in the yield on the acquired loan portfolio, slightly offset by a 1 basis-point decrease in yield on the non-acquired loan portfolio.
  - The yield on the acquired loan portfolio increased 108 basis points to 7.34% in the first quarter of 2025 from 6.26% in the same period in 2024, while interest income on the acquired loan portfolio increased $222.5 million during the same period.
    - The interest income on acquired loans increased primarily due to an increase in the average balance of acquired loans of $11.5 billion. The average balance increased due to loans acquired from Independent, which was offset by paydowns, pay-offs and renewals of acquired loans that were moved to our non-acquired loan portfolio. The yield increased primarily due to loan accretion of approximately $59.0 million recognized for the loan portfolio acquired from Independent during the first quarter of 2025.
  - The yield on the non-acquired loan portfolio slightly decreased 1 basis points to 5.61% in the first quarter of 2025 compared to 5.62% in the same period in 2024. Interest income on the non-acquired loan portfolio increased $35.5 million during the same period.
    - The increase in interest income on non-acquired loans was attributable to a higher average balance of $2.8 billion through organic loan growth and renewals of matured acquired loans that were moved to our non-acquired loan portfolio. The yield slightly decreased despite the average balance and interest income increases as the Company operated in a relatively lower rate environment during the current year compared to the same period in 2024.

***Interest-Bearing Liabilities***

The quarter-to-date average balance of interest-bearing liabilities increased $13.2 billion, or 48.1%, in the first quarter of 2025 compared to the same period in 2024. The cost of interest-bearing liabilities increased by 10 basis points to 2.63% and the overall cost of funds, including demand deposits, increased by 14 basis points to 1.97% in the first quarter of 2025 compared to the same period in 2024. Some key highlights for the quarter ended March 31, 2025 compared to the same period in 2024 include:

- The cost of interest-bearing deposits was 2.54% for the first quarter of 2025 compared to 2.44% for the same period in 2024.
  - Interest expense on interest-bearing deposits increased by $85.8 million in the first quarter of 2025 compared to the same period in 2024 as interest expense on all interest-bearing deposit accounts increased, primarily due to an increase in average balance of deposit accounts as a result of the balances assumed from the Independent acquisition. Interest expense on transaction and money market accounts, savings, certificates and other time deposits increased by $59.7 million, $126,000, and $26.0 million, respectively.
  - The average balance of interest-bearing deposits increased by $12.9 million, driving up interest expense. The increase in the average balance of transaction and money market, savings, and certificates and time deposits accounts were $9.7 billion, $315.7 million, and $2.9 billion, respectively.
- The cost of federal funds purchased decreased by 92 basis points in the first quarter of 2025. The decline in the yield compared to the same period in 2024 was primarily driven by a lower interest rate environment, as the interest expense increased by $110,000 while the average balance grew by $66.9 million.
- The cost of securities sold with agreements to repurchase was 1.94% for the first quarter of 2025 compared to 1.95% for the same period in 2024, driven by the effects from the lower interest environment. While the average balance grew by $17.6 million, interest expense only increased by $72,000.
- The cost of corporate and subordinated debentures increased by 57 basis points to 6.74% for the three months ended March 31, 2025 compared to the same period in 2024, also driven by the effects from the increase in average balance of $360.5 million. The Company assumed $360.5 million in corporate and subordinated debentures from the Independent acquisition. The increase in average balance resulted in an increase in interest expense of $6.5 million.

- The cost of other borrowings, consisting of FHLB advances, for the three months ended March 31, 2025 was 4.40% and interest expense was $648,000 compared to 5.66% and $2.4 million during the first quarter of 2024. The decline in interest expense was due to a decline in the average balance of other borrowings of $112.3 million from $172.0 million during the first quarter of 2024 compared to $59.7 million during the same period in 2025.

We continue to monitor and adjust rates paid on deposit products as part of our strategy to manage our net interest margin. Interest-bearing liabilities include interest-bearing transaction accounts, savings deposits, CDs, other time deposits, federal funds purchased, and other borrowings. Interest-bearing transaction accounts include NOW, HSA, Interest on Lawyers' Trust Accounts ("IOLTA"), and Market Rate checking accounts.

***Noninterest-Bearing Deposits***

Noninterest-bearing deposits are transaction accounts that provide our Bank with "interest-free" sources of funds. Average noninterest-bearing deposits increased $3.0 billion, or 28.1%, to $13.5 billion in the first quarter of 2025 compared to $10.5 billion during the same period in 2024. The increase in the average balance of noninterest bearing deposits was primarily due to noninterest-bearing deposit balances assumed from Independent during the first quarter of 2025.

**Noninterest Income**

Noninterest income provides us with additional revenues that are significant sources of income. For the three months ended March 31, 2025 and 2024, noninterest income comprised 13.7% and 17.2%, respectively, of total net interest income and noninterest income.

| | Three Months Ended March 31, | |
|---|---|---|
| **(Dollars in thousands)** | **2025** | **2024** |
| Service charges on deposit accounts | **$ 24,952** | $ 22,670 |
| Debit, prepaid, ATM and merchant card related income | **10,981** | 10,475 |
| Mortgage banking income | **7,737** | 6,169 |
| Trust and investment services income | **14,932** | 10,391 |
| Correspondent banking and capital markets income | **9,545** | 4,311 |
| Securities losses, net | **(228,811)** | — |
| Gain on sale-leaseback, net of transaction costs | **229,279** | — |
| SBA income | **3,232** | 4,363 |
| Bank owned life insurance income | **10,199** | 6,892 |
| Other | **4,042** | 6,287 |
| Total noninterest income | **$ 86,088** | $ 71,558 |

Noninterest income increased by $14.5 million, or 20.3%, during the first quarter of 2025 compared to the same period in 2024. This quarterly change in total noninterest income resulted from the following:

- Service charges on deposit accounts were higher by $2.3 million, or 10.1%, in the first quarter of 2025 compared to the same period in 2024. The increase was mainly attributable to deposit accounts acquired from Independent.
- Mortgage banking income increased by $1.6 million, or 25.4%, during the first quarter of 2025 compared to the same period of 2024, primarily from a $1.6 million, or 43.5%, increase in secondary market mortgage income. Mortgage production increased from $428.8 million in the first quarter of 2024 to $459.2 million in the first quarter of 2025 with slightly lower mortgage rates in 2025 compared to the same period in 2024. We allocated a higher percentage of mortgage production to the secondary market in the first quarter of 2025 compared to the same period in 2024 as the percentage allocated increased from 53% to 56%. The allocation of mortgage production between portfolio and secondary market depends on the Company's liquidity, market spreads and rate changes during each period and is expected to fluctuate year to year.
    - Mortgage income from the secondary market increased by $1.6 million between the comparable periods resulting from a $2.3 million increase in the gain on sale of mortgage loans, which is net of the commission expense related to mortgage production, and increases in the change in fair value of the pipeline of $201,000 and loans held for sale of $394,000, offset by a decrease in the fair value of MBS forward trades of $1.3 million. Mortgage commission expense was $2.4 million during the first quarter of 2025 compared to $2.2 million during the comparable period in 2024.

  - The mortgage servicing related income, net of the hedge, slightly decreased by $23,000 in the first quarter of 2025. The decrease was primarily due to a $131,000 decrease in the change in fair value of the MSR including decay, offset by a $109,000 increase in service fee income. The decrease in fair value of the MSR between the comparable periods was primarily due to a decrease in the change in fair value from interest rates of $5.5 million, offset by an increase from gains/losses on the MSR hedge of $4.9 million and a $414,000 increase in MSR decay.
- Trust and investment services income for the first quarter of 2025 increased by $4.5 million, or 43.7%, from the first quarter of 2024 as assets under management have increased by $2.0 billion, or 23.5%, in that same time frame. The trust and investment services income increased during the first quarter of 2025, primarily due to higher asset values and the addition of new clients through wealth management services provided by Private Capital Management, which became the Bank's wholly owned subsidiary through the Company's acquisition of Independent during the first quarter of 2025.
- Correspondent banking and capital markets income in the first quarter of 2025 increased by $5.2 million, or 121.4%, compared to the same period in 2024. The increase was primarily related to an increase of $2.1 million in income generated from the sale of customer swap ARC hedges during the first quarter of 2025 compared to the first quarter of 2024, resulting from the comparatively lower interest rate environment in 2025. The increase was also due to the expense attributable to the variation margin payments for centrally cleared swaps where we recorded an expense of $7.2 million related to variation margin payments in the first quarter of 2025 compared to an expense of $10.3 million in the first quarter of 2024.
- SBA income decreased by $1.1 million, or 25.9%, during the first quarter of 2025 compared to the same period in 2024. SBA income includes changes in fair value of the servicing asset, loan servicing fees and gains on sale of SBA loans. The decrease was attributable to lower gains on sale of SBA loans of $897,000 and decline in the change in fair value of the SBA servicing asset of $235,000.
- During the three months ended March 31, 2025, the Company recorded net losses of $228.8 million on the sales of investment securities, excluding the sales of investment securities acquired from Independent. See Note 5 — Securities for more information.
- The Company recorded a gain on sale of the properties of $229.3 million, net of transaction costs from a sale-leaseback transaction completed in February 2025. See Note 8 — Leases under Sale-leaseback Transaction section for more information.
- Bank owned life insurance income increased by $3.3 million, or 48.0%, during the first quarter of 2025 compared to the first quarter of 2024. Bank owned life insurance income increased as the Company acquired approximately $252.0 million of bank owned life insurance assets from the Independent acquisition which increased the income by approximately $1.7 million, and death proceeds on policies received during the first quarter of 2025 for approximately $1.5 million.
- Other income decreased by $2.2 million, or 35.7%, in the first quarter of 2025 compared to the same quarter in 2024. This decrease was primarily due to the Bank recognizing approximately $2.5 million in credits from an external vendor during the first quarter of 2024.

## Noninterest Expense

| (Dollars in thousands) | Three Months Ended March 31, 2025 | 2024 |
|---|---|---|
| Salaries and employee benefits | **$ 195,811** | $ 150,453 |
| Occupancy expense | **35,493** | 22,577 |
| Information services expense | **31,362** | 22,353 |
| OREO and loan related expense | **1,784** | 606 |
| Amortization of intangibles | **23,831** | 5,998 |
| Business development and staff related expense | **6,510** | 5,521 |
| Supplies and printing expense | **3,128** | 2,540 |
| Professional fees | **4,709** | 3,115 |
| FDIC assessment and other regulatory charges | **11,258** | 8,534 |
| FDIC special assessment | **—** | 3,854 |
| Advertising and marketing | **2,290** | 1,984 |
| Merger, branch consolidation, severance related and other expense | **68,006** | 4,513 |
| Other | **24,644** | 17,242 |
| Total noninterest expense | **$ 408,826** | $ 249,290 |

Noninterest expense increased by $159.5 million, or 64.0%, in the first quarter of 2025 compared to the same period in 2024. The quarterly increase in total noninterest expense primarily resulted from the following:

- Salaries and employee benefits increased by $45.4 million, or 30.1%, in the first quarter of 2025 compared to the same period in 2024. The increase was primarily associated with the addition of Independent employees during the first quarter of 2025. Salaries increased by $34.9 million resulting from both merit increases and an increase in the number of employees, along with higher employee benefits from higher FICA tax paid and medical insurance expense of $6.7 million.
- Occupancy expense increased $12.9 million, or 57.2%, in the first quarter of 2025 compared to the same period in 2024. The increase was primarily due to increases in branch maintenance and repair expenses and lease expense of $4.6 million and $5.4 million, respectively.
- Information services expense increased by $9.0 million, or 40.3% in the first quarter of 2025 compared to the same period in 2024. The increase was due to additional cost associated with the Company updating its systems and software as it grows in size and complexity.
- Amortization of intangibles increased by $17.8 million, or 297.3%, which is related to the Independent acquisition.
- FDIC assessment and other regulatory charges increased by $2.7 million, or 31.9%, in the first quarter of 2025 compared to the same period in 2024. The increase in the FDIC assessment was primarily due to an increase in the FDIC assessment rate to bring the overall FDIC insurance fund to 1.35 times total deposits by the end of 2028. The increase also reflects changes in the Company's size and complexity along with the effects from the increase in the Company's classified assets.
- The FDIC's special assessment expense decreased by $3.9 million as the FDIC announced a projected reduction in the special assessment rate late 2024, resulting in no additional accrual recorded during the first quarter of 2025. The Company accrued a total of $3.9 million during the first quarter of 2024 based on the anticipation of a higher assessment that may be allocated to the Bank at that time.
- Merger, branch consolidation, severance related and other expense increased by $63.5 million to $68.0 million in the first quarter of 2025 compared to the same period in 2024 primarily due to the Independent acquisition. Of the $68.0 million of expense recognized in the first quarter of 2025, approximately $66.5 million pertains to the Independent acquisition.
- Other noninterest expense increased by $7.4 million, or 42.9%, in the first quarter of 2025 compared to the same period in 2024. This increase primarily resulted from a $2.7 million increase in other miscellaneous charge-offs and a $1.3 million increase in earnings credit expense to Homeowners Association ("HOA") customers. The Bank provides a credit to HOA customers based on the average deposit balances held that reduces fees for other services provided. In addition, other miscellaneous expenses increased by approximately $2.2 million, which included increases from new expenses recorded as a result of the Independent acquisition including franchise tax payments, donations.

**Income Tax Expense**

Our effective tax rate was 26.53% for the three months ended March 31, 2025 compared to 25.05% for the three months ended March 31, 2024. The increase in the effective rate for the quarter, when compared to the same period in the prior year, is driven primarily by an increase in non-deductible executive compensation related to the acquisition of Independent, as well as an increase in non-deductible FDIC premiums, an increase in non-deductible merger expense, and one-time expense of $5.6 million related to the remeasurement of the Company's deferred tax balances resulting from the acquisition of Independent and new blended income tax rate. This was partially offset by an increase in the cash surrender value of BOLI policies, increased tax-exempt interest income, and additional tax benefits associated with the vesting of incentive stock compensation during the first quarter of 2025.

***Segment Reporting***

As discussed in Note 23—Segment Reporting, the Company's operations are managed and financial performance is evaluated on an organization-wide basis, and the Company's banking and finance operations are considered by management to constitute one reportable operating segment, the General Banking Unit.

The Company's Chief Operating Decision Maker ("CODM"), the Executive Committee, consists of the Company's senior executive management team, including the Chief Executive Officer, Chief Strategy Officer, President, Chief Financial Officer, Chief Operating Officer, Chief Risk Officer, and other executives. The CODM generally meets monthly to assess performance of the General Banking Unit using a variety of figures, metrics and key performance indicators. In addition to net income and non-Tax Equivalent ("TE") Net Interest Margin ("NIM"), the CODM considers Pre-Provision Net Revenue ("PPNR") and TE NIM to make business decisions. The CODM monitors these profitability measures at each meeting, and is regularly featured in various investor presentations, earnings releases, and other internal management reports. These performance and profitability measures influence business decisions and allocation of resources within the General Banking Unit.

The table below provides PPNR and TE NIM information of the General Banking Unit.

***Pre-Provision Net Revenue and Tax Equivalent Net Interest Margin***

| (Dollars in thousands) | Three Months Ended March 31, 2025 | Three Months Ended March 31, 2024 |
|---|---|---|
| **Revenue, Adjusted (Non-GAAP)** | | |
| Net interest income (GAAP) (a) | **$ 544,547** | $ 343,936 |
| Plus: | | |
| Noninterest income | **86,088** | 71,558 |
| Revenue (GAAP) | **$ 630,635** | $ 415,494 |
| Less: | | |
| Securities losses, net | **(228,811)** | — |
| Gain on sale-leaseback, net of transaction costs | **229,279** | — |
| Revenue, adjusted (Non-GAAP) | **$ 630,167** | $ 415,494 |
| | | |
| **PPNR, Adjusted (Non-GAAP)** | | |
| Revenue, adjusted (Non-GAAP) | **$ 630,167** | $ 415,494 |
| Less: | | |
| Noninterest expense | **408,826** | 249,290 |
| PPNR (Non-GAAP) | **$ 221,341** | $ 166,204 |
| Plus: | | |
| Merger and branch consolidation related expense | **68,006** | 4,513 |
| FDIC special assessment | **—** | 3,854 |
| PPNR, adjusted (Non-GAAP) | **$ 289,347** | $ 174,571 |
| | | |
| **Net Interest Margin, Tax Equivalent ("TE") (non-GAAP)** | | |
| Average interest earning assets (b) | **$ 57,497,453** | $ 40,657,176 |
| | | |
| Net interest margin, non-TE ((a)/(b)) (GAAP) | **3.84%** | 3.40% |
| TE adjustment (c) | **784** | 528 |
| Net interest margin, TE (((a)+(c))/(b)) (non-GAAP) | **3.85%** | 3.41% |

## Analysis of Financial Condition

### Summary

Our total assets increased by approximately $18.8 billion, or 40.4%, from December 31, 2024 to approximately $65.1 billion at March 31, 2025. Within total assets, cash and cash equivalents increased by $1.9 billion, or 137.0% and loans increased by $12.9 billion or 37.9% during the period, while investment securities increased by $1.6 billion, or 23.5%. Within total liabilities, deposits grew $15.3 billion, or 40.1%, and federal funds purchased and securities sold under agreements to repurchase increased by $164.4 million, or 31.9%. Total borrowings increased by $361.3 million, or 92.3%. Total shareholder's equity increased by $2.7 billion, or 46.4%. The increases in total assets, cash and cash equivalents, investment securities, loans, deposits and equity were all primarily driven by the acquisition of Independent on January 1, 2025. The increase in cash and cash equivalents was also due to the cash received from the sale-leaseback transaction of approximately $456.4 million, an increase in deposits (excluding deposits acquired with Independent) of approximately $68.0 million and an increase in federal funds purchased and securities sold under agreements to repurchase of $164.4 million. The increase in deposits excluding deposits acquired with Independent was mainly from the increases in money market accounts and time deposit accounts. Loans declined $263.2 million during the quarter, excluding the $13.1 billion in loans acquired in the Independent acquisition. Our loan to deposit ratio was 88% and 89% at March 31, 2025 and December 31, 2024, respectively, while our percentage of noninterest-bearing deposit accounts to total deposits was 26% and 27% at March 31, 2025 and December 31, 2024, respectively.

### Investment Securities

We use investment securities, our second largest category of earning assets, to generate interest income, provide liquidity, fund loan demand or deposit liquidation, and to pledge as collateral for public funds deposits, repurchase agreements, derivative exposures and to augment borrowing capacity at the Federal Reserve Bank of Atlanta, and the Federal Home Loan Bank of Atlanta. At March 31, 2025, investment securities totaled $8.4 billion, compared to $6.8 billion at December 31, 2024, an increase of $1.6 billion, or 23.5%. During the first quarter of 2025, the Company acquired $1.6 billion in investment securities through the acquisition of Independent. A majority of these securities were subsequently sold during the quarter with the proceeds reinvested into securities that fit the Company's investment strategy. The Company executed a securities repositioning during the quarter and sold investment securities with a book value of approximately $1.8 billion at a loss of $228.8 million and used the proceeds to purchase new securities. This securities repositioning improved the yield and risk weightings and shortened the duration of the investment portfolio. We purchased $3.3 billion in investment securities during the quarter from reinvesting funds provided by the sales of securities acquired from Independent and reinvesting proceeds from the sale of securities involved in the repositioning strategy. The increases in investment securities from the acquisition and purchases were partially offset as a result of maturities, calls, sales and paydowns of investment securities totaling $3.6 billion and a reduction from the net amortization of premiums of $2.4 million. Of the $3.3 billion in purchases of investment securities during the quarter, $3.2 billion were available-for-sale securities and $115.5 million were other investment securities. There were no purchases of held to maturity securities during the quarter. Other investment securities purchased were mainly related to capital stock with the Federal Home Loan Bank and Federal Reserve Bank. $38.0 million was redeemed by the Federal Home Loan Bank during the first quarter of 2025. The purchases in the Federal Home Loan Bank Stock and Federal Reserve Bank Stock during the quarter were mainly due to stock holding requirements related to the Independent acquisition. At March 31, 2025, approximately 69.7% of the investment portfolio was classified as available for sale, approximately 26.2% was classified as held to maturity and 4.1% was classified as other investments.

At March 31, 2025, the unrealized net loss of the available for sale securities portfolio was $505.1 million, or 7.9%, below its amortized cost basis, compared to an unrealized net loss of $808.6 million, or 15.8%, at December 31, 2024. At March 31, 2025, the unrealized net loss of the held to maturity securities portfolio was $375.5 million, or 17.1%, below its amortized cost basis, compared to an unrealized net loss of $420.1 million, or 18.6%, at December 31, 2024. The decrease in the unrealized net loss in the available for sale investment portfolio of $303.6 was mainly due to the securities repositioning transaction where the Company sold $1.8 billion in securities during the quarter and recognized a loss of $228.8 million. The proceeds from this transaction were reinvested in investment securities at current pricing. The decrease in the unrealized net loss for the held to maturity portfolio of $44.6 during the first three months of 2025 was due to changes in market interest rates during the quarter.

The following is the combined amortized cost and fair value of investment securities available for sale and held for maturity, aggregated by credit quality indicator:

| (Dollars in thousands) | Amortized Cost | Fair Value | Unrealized Net Gain (Loss) | AAA – A | Not Rated |
|---|---|---|---|---|---|
| **March 31, 2025** | | | | | |
| U.S. Treasuries | $ 18,294 | $ 18,293 | $ (1) | $ 18,294 | $ — |
| U.S. Government agencies | 132,908 | 112,547 | (20,361) | 132,908 | — |
| Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises * | 2,875,981 | 2,494,968 | (381,013) | 92 | 2,875,889 |
| Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises * | 2,802,135 | 2,688,339 | (113,796) | — | 2,802,135 |
| Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises * | 989,567 | 840,372 | (149,195) | 20,339 | 969,228 |
| State and municipal obligations | 1,085,891 | 910,649 | (175,242) | 1,083,983 | 1,908 |
| Small Business Administration loan-backed securities | 621,133 | 581,684 | (39,449) | 538,900 | 82,233 |
| Corporate securities | 28,498 | 26,990 | (1,508) | — | 28,498 |
| | $ 8,554,407 | $ 7,673,842 | $ (880,565) | $ 1,794,516 | $ 6,759,891 |

* Agency mortgage-backed securities ("MBS"), agency collateralized mortgage-obligations ("CMO") and agency commercial mortgage-backed securities ("CMBS") are guaranteed by the issuing government-sponsored enterprise ("GSE") as to the timely payments of principal and interest. Except for Government National Mortgage Association securities, which have the full faith and credit backing of the United States Government, the GSE alone is responsible for making payments on this guaranty. While the rating agencies have not rated any of the MBS, CMO and CMBS issued, senior debt securities issued by GSEs are rated consistently as "Triple-A." Most market participants consider agency MBS, CMOs and CMBSs as carrying an implied Aaa rating (S&P rating of AA+) because of the guarantees of timely payments and selection criteria of mortgages backing the securities. We do not own any private label mortgage-backed securities. The balances presented under the ratings above reflect the amortized cost of the investment securities.

At March 31, 2025, we had 1,123 investment securities, including both available for sale and held to maturity in an unrealized loss position, which totaled $893.6 million unrealized loss position. At December 31, 2024, we had 1,214 investment securities, including both available for sale and held to maturity, in an unrealized loss position, which totaled $1.3 billion. The total number of investment securities with an unrealized loss position decreased by 91 securities, while the total dollar amount of the unrealized loss decreased by $335.9 million. The reduction in the number of securities in a loss position and level of unrealized losses during the quarter was mainly due the securities repositioning strategy during the quarter where we sold certain available-for-sale investment securities and recognized the losses and then reinvested the proceeds in investment securities at current market prices. The reduction was also due to changes in interest rate during the quarter.

All investment securities in an unrealized loss position as of March 31, 2025, continue to perform as scheduled. We have evaluated the securities and have determined that the decline in fair value, relative to its amortized cost, is not due to credit-related factors. In addition, we have the ability and intent to hold these securities within the portfolio until maturity or until the value recovers, and we believe that it is more likely than not that we will not be required to sell these securities prior to recovery. We continue to monitor all of our securities with a high degree of scrutiny. There can be no assurance that we will not conclude in future periods that conditions existing at that time indicate some or all of our securities may be sold or would require a charge to earnings as a provision for credit losses in such periods. Any charges as a provision for credit losses related to investment securities could impact cash flow, tangible capital or liquidity. See Note 2 — Summary of Significant Accounting Policies and Note 5 — Securities for further discussion on the application of ASU 2016-13 on the investment securities portfolio.

As securities held for investment are purchased, they are designated as held to maturity or available for sale based upon our intent, which incorporates liquidity needs, interest rate expectations, asset/liability management strategies, and capital requirements. Although securities classified as available for sale may be sold from time to time to meet liquidity or other needs, it is not our normal practice to trade this segment of the investment securities portfolio. From time to time, the Bank may execute transactions to reposition the investment portfolio, as we did during the quarter ended March 31, 2025. Such activity has not expanded the broad asset classes used by the Bank. While management generally holds these assets on a long-term basis or until maturity, any short-term investments or securities available for sale could be converted at an earlier point, depending partly on changes in interest rates and alternative investment opportunities.

The following table presents a summary of our investment portfolio by contractual maturity and related yield as of March 31, 2025:

| | Due In 1 Year or Less | | Due After 1 Thru 5 Years | | Due After 5 Thru 10 Years | | Due After 10 Years | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| (Dollars in thousands) | Amount | Yield | Amount | Yield | Amount | Yield | Amount | Yield | Amount | Yield |
| **Held to Maturity (amortized cost)** | | | | | | | | | | |
| U.S. Government agencies | $ — | — % | $ 19,987 | 2.06 % | $ 112,921 | 1.67 % | $ — | — % | $ 132,908 | 1.73 % |
| Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | — | — | — | — | 121,793 | 1.96 | 1,140,983 | 1.84 | 1,262,776 | 1.85 |
| Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises | — | — | — | — | — | — | 405,003 | 2.55 | 405,003 | 2.55 |
| Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | — | — | 36,391 | 0.94 | 174,543 | 1.47 | 135,149 | 1.51 | 346,083 | 1.43 |
| Small Business Administration loan-backed securities | — | — | — | — | — | — | 49,210 | 1.20 | 49,210 | 1.20 |
| Total held to maturity | $ — | — % | $ 56,378 | 1.34 % | $ 409,257 | 1.67 % | $ 1,730,345 | 1.96 % | $ 2,195,980 | 1.89 % |
| **Available for Sale (fair value)** | | | | | | | | | | |
| U.S. Government treasuries | $ 18,293 | 4.21 % | $ — | — % | $ — | — % | $ — | — % | $ 18,293 | 4.21 % |
| Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | 167 | 3.98 | 5,641 | 2.09 | 100,790 | 2.63 | 1,340,518 | 3.33 | 1,447,116 | 3.28 |
| Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises | 30 | 2.92 | 3,726 | 2.42 | 5,372 | 2.38 | 2,338,006 | 4.63 | 2,347,134 | 4.62 |
| Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | 17,422 | 3.45 | 130,577 | 3.73 | 220,621 | 2.75 | 192,014 | 1.83 | 560,634 | 2.66 |
| State and municipal obligations | 7,703 | 3.30 | 29,816 | 3.09 | 153,253 | 2.66 | 719,877 | 2.84 | 910,649 | 2.81 |
| Small Business Administration loan-backed securities | 6,096 | 2.36 | 18,123 | 4.48 | 183,495 | 4.88 | 334,839 | 3.48 | 542,553 | 3.94 |
| Corporate securities | — | — | 10,466 | 7.33 | 15,649 | 4.15 | 875 | 4.50 | 26,990 | 5.31 |
| Total available for sale | $ 49,711 | 3.57 % | $ 198,349 | 3.81 % | $ 679,180 | 3.32 % | $ 4,926,129 | 3.83 % | $ 5,853,369 | 3.76 % |
| Total other investments | $ — | — % | $ — | — % | $ — | — % | $ 345,695 | 3.37 % | $ 345,695 | 3.37 % |
| Total investment securities | $ 49,711 | 3.57 % | $ 254,727 | 3.27 % | $ 1,088,437 | 2.70 % | $ 7,002,169 | 3.34 % | $ 8,395,044 | 3.25 % |
| Percent of total | 2 % | | 3 % | | 13 % | | 83 % | | | |
| Cumulative percent of total | 2 % | | 4 % | | 17 % | | 100 % | | | |

(1) Yields on tax exempt income have been presented on a taxable equivalent basis in the table above.
(2) FRB, FHLB and other non-marketable equity securities have no set maturity date and are classified in "Due after 10 Years."
(3) The total values presented in the table above represent total fair value for available for sale and amortized cost for held to maturity.

Approximately 83.6% (based on amortized cost) of the investment portfolio is comprised of U.S. Treasury securities, U.S. Government agency securities, and U.S. Government Agency Mortgage-backed securities. These securities may be pledged to the Federal Home Loan Bank of Atlanta or the Federal Reserve Bank of Atlanta Discount Window. Approximately 12.2% (based on amortized cost) of the investment portfolio is comprised of municipal securities. A portion of the municipal bond portfolio may be pledged to the Federal Home Loan Bank of Atlanta subject to their credit approval. Approximately 99% of the municipal bond portfolio has ratings in the Double A or Triple A category.

As of March 31, 2025, the portfolio had an effective duration of 4.77 years. We continue to monitor duration risk and seek to align actual duration with the target range.

The following table presents a summary of our investment portfolio duration for the periods presented:

| | March 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| (Dollars in thousands, duration in years) | Amount | Duration | Amount | Duration |
| **Held to Maturity (amortized cost)** | | | | |
| U.S. Government agencies | **$ 132,908** | **6.03** | $ 147,272 | 5.85 |
| Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | **1,262,776** | **5.80** | 1,297,543 | 5.94 |
| Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises | **405,003** | **6.39** | 411,721 | 6.76 |
| Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | **346,083** | **5.44** | 348,338 | 6.12 |
| Small Business Administration loan-backed securities | **49,210** | **3.86** | 49,796 | 9.12 |
| Total held to maturity | **$ 2,195,980** | **5.82** | $ 2,254,670 | 6.18 |
| **Available for Sale (fair value)** | | | | |
| U.S. Treasuries | **$ 18,293** | **0.14** | $ 10,656 | 0.10 |
| U.S. Government agencies | — | — | 150,418 | 3.95 |
| Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | **1,447,116** | **4.78** | 1,377,525 | 5.73 |
| Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises | **2,347,134** | **2.92** | 459,095 | 6.00 |
| Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises | **560,634** | **4.90** | 1,040,555 | 5.35 |
| State and municipal obligations | **910,649** | **8.54** | 945,723 | 10.08 |
| Small Business Administration loan-backed securities | **542,553** | **1.48** | 310,112 | 5.09 |
| Corporate securities | **26,990** | **1.61** | 26,509 | 1.27 |
| Total available for sale | **$ 5,853,369** | **4.41** | $ 4,320,593 | 6.47 |

**Other Investments**

Other investment securities include primarily our investments in FHLB and FRB stock with no readily determinable market value. Accordingly, when evaluating these securities for impairment, management considers the ultimate recoverability of the par value rather than recognizing temporary declines in value. As of March 31, 2025, we determined that there was no impairment on our other investment securities. As of March 31, 2025, other investment securities represented approximately $345.7 million, or 0.53% of total assets, and primarily consists of FHLB and FRB stock which totals to approximately $257.7 million, or 0.40% of total assets. There were no gains or losses on the sales of these securities for three months ended March 31, 2025 and 2024, respectively.

**Trading Securities**

We have a trading portfolio associated with our Correspondent Banking Division and its subsidiary SouthState|Duncan-Williams. This portfolio is carried at fair value and realized and unrealized gains and losses are included in trading securities revenue, a component of Correspondent Banking and Capital Markets Income in our Consolidated Statements of Income. Securities purchased for this portfolio have primarily been municipal bonds, treasuries and mortgage-backed agency securities, which are held for short periods of time and totaled $107.4 million and $102.9 million at March 31, 2025 and December 31, 2024, respectively.

**Loans Held for Sale**

The balance of loans held for sale increased $78.5 million from December 31, 2024 to $357.9 million at March 31, 2025. Loans held for sale at March 31, 2025 and December 31, 2024 consisted of mortgage and SBA loans held for sale.

During the third quarter of 2024, the Company began purchasing the guaranteed portions of SBA loans from third-party originators with the intent to aggregate the guaranteed portion of the SBA loans into pools with similar characteristics to create a security representing an interest in those pools through the SBA's fiscal transfer agent. SBA loans held for sale totaled $271.1 million at March 31, 2025 compared to $181.3 million at December 31, 2024. See Note 20 — SBA Loans Held for Sale for more information.

Mortgage loans held for sale totaled $86.8 million at March 31, 2025, a decrease from $98.1 million at December 31, 2024. Total mortgage production was $459 million in the first quarter of 2025. This compares to $456 million in the fourth quarter of 2024. Mortgage production has remained relatively stable as mortgage rates declined slightly during the quarter. The percentage of mortgage production sold into the secondary market decreased to 56% at March 31, 2025 compared to 60% at December 31, 2024. The allocation of mortgage production between portfolio and secondary market depends on the Company's liquidity, market spreads and rate changes during each period and will fluctuate over time.

## Loans

The following table presents a summary of the loan portfolio by category (excludes loans held for sale):

| LOAN PORTFOLIO (Dollars in thousands) | March 31, 2025 | % of Total | December 31, 2024 | % of Total |
|---|---|---|---|---|
| Acquired loans: | | | | |
| Acquired - non-purchased credit deteriorated loans: | | | | |
| Construction and land development | $ **1,036,857** | **2.2 %** | $ 37,527 | 0.1 % |
| Commercial non-owner-occupied | **5,370,751** | **11.5 %** | 1,317,925 | 4.0 % |
| Commercial owner-occupied real estate | **2,154,617** | **4.6 %** | 912,760 | 2.7 % |
| Consumer owner-occupied | **1,285,792** | **2.7 %** | 428,753 | 1.3 % |
| Home equity loans | **254,212** | **0.5 %** | 190,455 | 0.6 % |
| Commercial and industrial | **2,135,035** | **4.6 %** | 579,883 | 1.7 % |
| Other income producing property | **753,539** | **1.6 %** | 111,394 | 0.3 % |
| Consumer non real estate | **93,844** | **0.2 %** | 56,879 | 0.2 % |
| Other | **206** | **— %** | 206 | — % |
| Total acquired - non-purchased credit deteriorated loans | **13,084,853** | **27.9 %** | 3,635,782 | 10.7 % |
| Acquired - purchased credit deteriorated loans (PCD): | | | | |
| Construction and land development | **315,841** | **0.7 %** | 5,893 | — % |
| Commercial non-owner-occupied | **2,141,626** | **4.6 %** | 349,998 | 1.0 % |
| Commercial owner-occupied real estate | **592,090** | **1.3 %** | 266,288 | 0.8 % |
| Consumer owner-occupied | **208,004** | **0.4 %** | 145,290 | 0.4 % |
| Home equity loans | **26,427** | **0.1 %** | 23,447 | 0.1 % |
| Commercial and industrial | **247,557** | **0.5 %** | 21,451 | 0.1 % |
| Other income producing property | **68,851** | **0.1 %** | 24,013 | 0.1 % |
| Consumer non real estate | **34,094** | **0.1 %** | 25,775 | 0.1 % |
| Total acquired - purchased credit deteriorated loans (PCD) | **3,634,490** | **7.8 %** | 862,155 | 2.5 % |
| Total acquired loans | **16,719,343** | **35.7 %** | 4,497,937 | 13.3 % |
| Non-acquired loans: | | | | |
| Construction and land development | **2,145,211** | **4.6 %** | 2,140,907 | 6.3 % |
| Commercial non-owner-occupied | **8,023,709** | **17.2 %** | 7,715,809 | 22.8 % |
| Commercial owner-occupied real estate | **4,670,409** | **10.0 %** | 4,537,328 | 13.4 % |
| Consumer owner-occupied | **6,674,681** | **14.3 %** | 6,570,842 | 19.4 % |
| Home equity loans | **1,389,836** | **3.0 %** | 1,356,182 | 4.0 % |
| Commercial and industrial | **5,723,892** | **12.2 %** | 5,621,542 | 16.6 % |
| Other income producing property | **463,643** | **1.0 %** | 472,343 | 1.4 % |
| Consumer non real estate | **947,934** | **2.0 %** | 979,945 | 2.9 % |
| Other | **8,074** | **— %** | 10,092 | — % |
| Total non-acquired loans | **30,047,389** | **64.3 %** | 29,404,990 | 86.7 % |
| Total loans (net of unearned income) | $ **46,766,732** | **100.0 %** | $ 33,902,927 | 100.0 % |

Total loans, net of deferred loan costs and fees (excluding mortgage loans held for sale), increased by $12.9 billion to $46.8 billion at March 31, 2025. Our non-acquired loan portfolio increased by $642.4 million, or 8.9% annualized, driven by organic growth and the migration of loans from acquired loans as they renew. Commercial non-owner-occupied loans, commercial owner-occupied real estate loans, consumer owner-occupied loans, commercial and industrial loans, home equity loans and construction and land development loans led the way with $307.9 million, $133.1 million, $103.8 million, $102.4 million, $33.7 million and $4.3 million in year-to-date loan growth, respectively, or 16.2%, 11.9%, 6.4%, 7.4%, 10.1% and .8% annualized growth, respectively. The acquired loan portfolio increased by $12.2 billion. This increase in acquired loans was due to the addition of $13.1 billion from the acquisition of Independent, net of offsets from paydowns and payoffs in both the PCD and Non-PCD loan categories along with renewals of acquired loans that were moved to our non-acquired loan portfolio. The main categories that increased were commercial non-owner-occupied loans, commercial and industrial loans, commercial owner-occupied real estate loans, construction and land development loans, consumer owner-occupied loans and other income producing property loans which increased by $5.8 billion, $1.8 billion, $1.6 billion, $1.3 billion, $919.8 million and $687.0 million, respectively, during the quarter. Acquired loans as a percentage of total loans increased to 35.7% and non-acquired loans as a percentage of the overall portfolio decreased to 64.3% at March 31, 2025. This compares to acquired loans as a percentage of total loans of 13.3% and non-acquired loans as a percentage of total loans of 86.7% at December 31, 2024.

Total commercial non-owner-occupied loans of $15.5 billion, approximately 33.2% of the total loans held for investment, was the largest category of the loan portfolio as of March 31, 2025. As of March 31, 2025, approximately 94% of the commercial non-owner-occupied portfolio was located within the Company’s footprint. Of the $15.5 billion, approximately $1.8 billion, or 4% of the total loans, represented our office segment. Approximately 96% of the office segment was located in the Company’s footprint and approximately 5% was located within the metropolitan or central business district.

The following table presents the top eight loan segments of the commercial non-owner-occupied loan category (excluding loans held for sale). The loan segments in the table below are determined by the call code, used for the Bank's regulatory reporting requirements issued by the FDIC for the FFIEC 041, also referred to as the Call Report.

| Commercial Non-Owner-Occupied Loans (Dollars in thousands) | Net Book Balance (1) | Average Loan Size | % of Non-Accrual | % of Substandard & Accruing | % of Special Mention |
|---|---|---|---|---|---|
| March 31, 2025 | | | | | |
| Loan Type: | | | | | |
| Retail | $ 4,352,544 | $ 2,187 | 0.16 % | 1.40 % | 2.33 % |
| Multifamily | 2,522,417 | 3,272 | — % | 13.66 % | 7.60 % |
| Warehouse/Industrial | 2,443,580 | 2,059 | — % | 3.60 % | 3.54 % |
| Office | 1,837,118 | 1,568 | 1.59 % | 9.07 % | 2.55 % |
| Hotel | 1,315,047 | 5,058 | 0.04 % | 6.43 % | 2.52 % |
| Medical | 870,653 | 2,034 | 0.19 % | 2.06 % | 2.57 % |
| Other | 663,765 | 1,584 | — % | 9.83 % | 3.89 % |
| Self Storage | 625,278 | 3,142 | — % | 9.15 % | 3.30 % |

(1) Net book balance in each segment that represents 2% or more of commercial non-owner-occupied portfolio as of March 31, 2025.

**Allowance for Credit Losses ("ACL") on Loans and Certain Off-Balance-Sheet Credit Exposures**

The ACL reflects management's estimate of losses that will result from the inability of our borrowers to make required loan payments. The Company records loans charged off against the ACL and subsequent recoveries, if any, increase the ACL when they are recognized. Please see Note 1 — Summary of Significant Accounting Policies, under the "ACL – Loans" section, of our Annual Report on Form 10-K for the year ended December 31, 2024 and Note 2 — Significant Accounting Policies in this Quarterly Report on Form 10-Q for further detailed descriptions of our estimation process and methodology related to the ACL on loans.

Management considers forward-looking information in estimating expected credit losses. The Company subscribes to a third-party service which provides a quarterly macroeconomic baseline outlook and alternative scenarios for the United States economy. The baseline, along with the evaluation of alternative scenarios, is used by management to determine the best estimate within the range of expected credit losses. Management evaluates the appropriateness of the reasonable and supportable forecast scenarios and takes into consideration the scenarios in relation to actual economic and other data, such as gross domestic product growth, monetary and fiscal policy, inflation, supply chain issues and global events like the Russian/Ukraine conflict, unrest in middle east, and changes in global trade policy, as well as the volatility and magnitude of changes within those scenarios quarter over quarter, and consideration of conditions within the Bank's operating environment and geographic area. Additional forecast scenarios may be weighted along with the baseline forecast to arrive at the final reserve estimate. While periods of relative economic stability should generally lead to stability in forecast scenarios and weightings to estimate credit losses, periods of instability can likewise require management to adjust the selection of scenarios and weightings, in accordance with the accounting standards. For the contractual term that extends beyond the reasonable and supportable forecast period, the Company reverts to the long term mean of historical factors within four quarters using a straight-line approach. The Company generally uses an eight-quarter forecast and a four-quarter reversion period.

In spite of the rapid interest rate hikes experienced cycle-to-date, the U.S. has thus far avoided a recession, although an inverted yield curve such as observed in the current interest rate environment often portends a coming recession. Management continues to use a blended forecast scenario of the baseline, upside, and more severe scenario, depending on the circumstances and economic outlook. For the quarter ending March 31, 2025, management selected a baseline weighting of 40%, a 30% weighting for an upside scenario and a 30% weighting for the more severe scenario. The scenario weightings were unchanged from the prior quarter. Scenario weightings are generally expected to remain stable but are reviewed on a quarterly basis. The scenario weightings reflect continued recognition of downside risks in the economic forecast from persistent levels of inflation, high interest rates, and tightening credit conditions conducive of a mild recession. While employment figures still show resilience and actual loan losses remain at low levels, continued projected borrower weakness related to high interest rates, uncertainty, and lingering chances of an economic downturn continue to moderate optimism in the path of the forecast and kept expected losses mostly flat. The Company recorded a total provision for credit losses of $100.6 million for the first quarter of 2025, which included an initial provision for credit losses of $80.0 million and $12.1 million for Non-PCD loans and unfunded commitments, respectively, acquired from Independent. Excluding this initial provision for balances acquired from Independent, the Company recorded a provision for credit losses of $3.7 million and $4.8 million for funded loans and unfunded commitments, respectively, during the first quarter of 2025.

The Company has a variety of assets that have a component that qualifies as an off-balance sheet exposure. These primarily include undrawn portions of revolving lines of credit and standby letters of credit. Please see MD&A, under the "Financial Condition", "Allowance for Credit Losses ("ACL")" section, of our Annual Report on Form 10-K for the year ended December 31, 2024 and Note 2 — Summary of Significant Accounting Policies in this Quarterly Report on Form 10-Q for further detailed descriptions of our estimation process and methodology related to the ACL on certain off-balance-sheet credit exposures.

As of March 31, 2025, the balance of the ACL was $623.7 million or 1.33% of total loans. The ACL increased $158.4 million from the balance of $465.3 million recorded at December 31, 2024. The net increase during the first quarter of 2025 included an initial provision related to PCD loans acquired from Independent of $118.6 million, an initial provision related to Non-PCD loans acquired from Independent of $80.0 million, a $3.7 million provision for all other loans, and $43.9 million in net charge-offs, which included $39.4 million of acquisition date charge-offs on PCD loans acquired from Independent. During the three months ended March 31, 2025, the Company recorded a provision for credit losses based on loan growth and current forecasts applied to our modeling to adequately capture potential economic recessionary risks.

At March 31, 2025, the Company had a reserve on unfunded commitments of $62.3 million, which was recorded as a liability on the Consolidated Balance Sheet, compared to $45.3 million at December 31, 2024. During the three months ended March 31, 2025, the Company recorded an increase in the reserve for unfunded commitments of $16.9 million, which was comprised of $12.1 million in the initial provision for unfunded commitments acquired from Independent and $4.8 million for all other unfunded commitments. This amount was recorded in Provision for Credit Losses on the Consolidated Statements of Income. For the comparative period in 2024, the Company had a reserve on unfunded commitments of $53.2 million recorded at March 31, 2024. The Company did not have an allowance for credit losses or record a provision for credit losses on investment securities or other financial assets during the first three months of 2025.

The ACL provides 2.29 times coverage of nonperforming loans at March 31, 2025. Net charge-offs to the total average loans during the three months ended March 31, 2025 were 0.38%, including the acquisition date charge-offs on PCD loans acquired from Independent, compared to 0.03% during the three months ended March 31, 2024. We continued to experience solid and stable asset quality numbers and ratios as of March 31, 2025.

The following table provides the allocation, by segment, for expected credit losses as of March 31, 2025:

| | March 31, 2025 | |
|---|---|---|
| **(Dollars in thousands)** | **Amount** | **%*** |
| Residential Mortgage Senior | **$ 54,326** | **19.6 %** |
| Residential Mortgage Junior | **793** | **0.1 %** |
| Revolving Mortgage | **14,868** | **3.7 %** |
| Residential Construction | **12,555** | **1.6 %** |
| Other Construction and Development | **78,541** | **5.9 %** |
| Consumer | **16,304** | **2.3 %** |
| Multifamily | **33,960** | **5.3 %** |
| Municipal | **1,107** | **1.7 %** |
| Owner-Occupied Commercial Real Estate | **101,656** | **15.9 %** |
| Non-Owner-Occupied Commercial Real Estate | **172,334** | **27.9 %** |
| Commercial and Industrial | **137,246** | **16.0 %** |
| Total | **$ 623,690** | **100.0 %** |

* Loan balance in each category expressed as a percentage of total loans.

The following table presents a summary of net charge-off ratios (annualized) by loan segment, for the quarters ended March 31, 2025 and 2024:

| | Three Months Ended | | | | | |
|---|---|---|---|---|---|---|
| | March 31, 2025 | | | March 31, 2024 | | |
| (Dollars in thousands) | Net Recovery (Charge-Off) | Average Balance | Net Recovery (Charge-Off) Ratio | Net Recovery (Charge-Off) | Average Balance | Net Recovery (Charge-Off) Ratio |
| Residential Mortgage Senior | **$ (368)** | **$ 9,719,220** | **(0.02)%** | $ (220) | $ 7,142,755 | (0.01)% |
| Residential Mortgage Junior | **11** | **41,030** | **0.11 %** | 39 | 14,639 | 1.07 % |
| Revolving Mortgage | **151** | **1,946,671** | **0.03 %** | 182 | 1,487,324 | 0.05 % |
| Residential Construction | **—** | **647,257** | **— %** | (297) | 634,180 | (0.19)% |
| Other Construction and Development | **98** | **2,640,423** | **0.02 %** | (468) | 2,009,144 | (0.09)% |
| Consumer | **(3,298)** | **1,223,549** | **(1.09)%** | (1,372) | 1,199,449 | (0.46)% |
| Multifamily | **—** | **2,361,507** | **— %** | 25 | 1,033,034 | 0.01 % |
| Municipal | **—** | **917,205** | **— %** | — | 741,355 | — % |
| Owner-Occupied Commercial Real Estate | **(1,456)** | **7,623,351** | **(0.08)%** | 103 | 5,488,913 | 0.01 % |
| Non-Owner-Occupied Commercial Real Estate | **(13,460)** | **12,118,854** | **(0.45)%** | (61) | 7,839,935 | (0.00)% |
| Commercial and Industrial | **(25,547)** | **7,557,978** | **(1.37)%** | (610) | 4,889,492 | (0.05)% |
| Total | **$ (43,869)** | **$ 46,797,045** | **(0.38)%** | $ (2,679) | $ 32,480,220 | (0.03)% |

The following table presents a summary of the changes in the ACL, for the three months ended March 31, 2025, and 2024:

| | Three Months Ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | | 2024 | | |
| (Dollars in thousands) | Non-PCD Loans | PCD Loans | Total | Non-PCD Loans | PCD Loans | Total |
| Balance at beginning of period | **$ 444,959** | **$ 20,321** | **$ 465,280** | $ 423,876 | $ 32,697 | $ 456,573 |
| Allowance adjustment - FMV for Independent acquisition | **—** | **118,643** | **118,643** | — | — | — |
| Initial Allowance for Non-PCD loans acquired during period | **79,971** | **—** | **79,971** | — | — | — |
| Independent Day 1 Loan Charge-offs PCD | **—** | **(39,429)** | **(39,429)** | — | — | — |
| Loans charged off | **(7,024)** | **(398)** | **(7,422)** | (7,718) | (222) | (7,940) |
| Recoveries of loans previously charged off | **1,636** | **1,346** | **2,982** | 2,975 | 2,286 | 5,261 |
| Net (charge-offs) recoveries | **(5,388)** | **(38,481)** | **(43,869)** | (4,743) | 2,064 | (2,679) |
| Provision (recovery) for credit losses | **7,073** | **(3,408)** | **3,665** | 20,055 | (4,295) | 15,760 |
| Balance at end of period | **$ 526,615** | **$ 97,075** | **$ 623,690** | $ 439,188 | $ 30,466 | $ 469,654 |
| | | | | | | |
| Total loans, net of unearned income: | | | | | | |
| At period end | **$ 46,766,732** | | | $ 32,667,310 | | |
| Average | **46,797,045** | | | 32,480,220 | | |
| Net charge-offs as a percentage of average loans (annualized) | **0.38 %** | | | 0.03 % | | |
| Allowance for credit losses as a percentage of period end loans | **1.33 %** | | | 1.44 % | | |
| Allowance for credit losses as a percentage of period end non-performing loans (“NPLs”) | **229.15 %** | | | 272.62 % | | |

## Nonperforming Assets ("NPAs")

The following table summarizes our nonperforming assets for the past five quarters:

| (Dollars in thousands) | March 31, 2025 | December 31, 2024 | September 30, 2024 | June 30, 2024 | March 31, 2024 |
|---|---|---|---|---|---|
| **Non-acquired:** | | | | | |
| Nonaccrual loans | **$ 144,079** | $ 134,867 | $ 101,438 | $ 102,295 | $ 106,189 |
| Accruing loans past due 90 days or more | **3,273** | 3,293 | 6,890 | 5,843 | 2,497 |
| Modified loans to a borrower experiencing financial difficulty - nonaccrual | **7,594** | 7,115 | 9,802 | 8,479 | — |
| Total non-acquired nonperforming loans | **154,946** | 145,275 | 118,130 | 116,617 | 108,686 |
| Other real estate owned ("OREO") (1) (6) | **1,570** | 648 | 751 | 2,555 | 1,035 |
| Other nonperforming assets (2) | **720** | 534 | 466 | 321 | 554 |
| Total nonperforming assets excluding acquired assets | **157,236** | 146,457 | 119,347 | 119,493 | 110,275 |
| **Acquired:** | | | | | |
| Nonaccrual loans (3) | **110,474** | 58,923 | 64,167 | 71,549 | 62,612 |
| Accruing loans past due 90 days or more | **537** | — | 389 | 916 | 135 |
| Modified loans to a borrower experiencing financial difficulty - nonaccrual | **6,217** | 6,391 | 6,564 | 6,738 | 839 |
| Total acquired nonperforming loans | **117,228** | 65,314 | 71,120 | 79,203 | 63,586 |
| Acquired OREO (1) (7) | **5,899** | 1,505 | 448 | 502 | 609 |
| Other acquired nonperforming assets (2) | **77** | 78 | 45 | 96 | 46 |
| Total acquired nonperforming assets | **123,204** | 66,897 | 71,613 | 79,801 | 64,241 |
| Total nonperforming assets | **$ 280,440** | $ 213,354 | $ 190,960 | $ 199,294 | $ 174,516 |
| | | | | | |
| **Excluding Acquired Assets** | | | | | |
| Total nonperforming assets as a percentage of total loans and repossessed assets (4) | **0.52 %** | 0.50 % | 0.42 % | 0.43 % | 0.41 % |
| Total nonperforming assets as a percentage of total assets (5) | **0.24 %** | 0.32 % | 0.26 % | 0.26 % | 0.24 % |
| Nonperforming loans as a percentage of period end loans (4) | **0.52 %** | 0.49 % | 0.41 % | 0.42 % | 0.40 % |
| | | | | | |
| **Including Acquired Assets** | | | | | |
| Total nonperforming assets as a percentage of total loans and repossessed assets (4) | **0.60 %** | 0.63 % | 0.57 % | 0.60 % | 0.53 % |
| Total nonperforming assets as a percentage of total assets (5) | **0.43 %** | 0.46 % | 0.41 % | 0.44 % | 0.39 % |
| Nonperforming loans as a percentage of period end loans (4) | **0.58 %** | 0.62 % | 0.56 % | 0.59 % | 0.53 % |

(1) Consists of real estate acquired as a result of foreclosure.
(2) Consists of non-real estate foreclosed assets, such as repossessed vehicles.
(3) Includes nonaccrual loans that are purchase credit deteriorated (PCD loans).
(4) Loan data excludes mortgage loans held for sale.
(5) For purposes of this calculation, total assets include all assets (both acquired and non-acquired).
(6) Excludes non-acquired bank properties held for sale of $2.9 million, $3.3 million, $5.2 million, $6.1 million, and $9.0 million as of March 31, 2025, December 31, 2024, September 30, 2024, June 30, 2024 and March 31, 2024, respectively, that is now separately disclosed on the balance sheet.
(7) Excludes acquired bank properties held for sale of $72.0 million, $0, $0, $0, and $0 as of March 31, 2025, December 31, 2024, September 30, 2024, June 30, 2024 and March 31, 2024, respectively, that is now separately disclosed on the balance sheet. This was one property acquired in the acquisition of Independent.

Total nonperforming assets were $280.4 million, or 0.60% of total loans and repossessed assets, at March 31, 2025, an increase of $67.1 million, or 31.4%, from December 31, 2024. Total nonperforming loans were $272.2 million, or 0.58%, of total loans, at March 31, 2025, an increase of $61.6 million, or 31.4%, from December 31, 2024. Non-acquired nonperforming loans increased by $9.7 million from December 31, 2024. The increase in non-acquired nonperforming loans was driven primarily by an increase in commercial nonaccrual loans of $7.6 million, an increase in consumer nonaccrual loans of $1.7 million, and an increase in modified loans to a borrower experiencing financial difficulty of $479,000. Acquired nonperforming loans increased $51.9 million from December 31, 2024. The increase in the acquired nonperforming loan balances was due primarily to an increase in commercial nonaccrual loans of $51.4 million and an increase in accruing loans past due 90 days or more of $537,000. The majority of the increase in acquired commercial nonaccrual loans was due to the addition of $53.7 million in loans acquired in the merger with Independent, offset by a $2.3 million decline in legacy commercial nonaccrual loans. The $53.7 million in loans acquired were primarily commercial real estate and commercial and industrial loans.

## Interest-Bearing Liabilities

Interest-bearing liabilities include interest-bearing transaction accounts, savings deposits, CDs, other time deposits, federal funds purchased, securities sold under agreements to repurchase and other borrowings. Interest-bearing transaction accounts include NOW, HSA, Interest on Layers' Trust Accounts ("IOLTA"), and Market Rate checking accounts.

Total interest-bearing deposits increased by $11.7 billion, or 170.4% annualized, to $39.6 billion at March 31, 2025 from $27.9 billion at December 31, 2024. This increase was mainly driven by interest-bearing deposits of $10.8 billion as of March 31, 2025 acquired from Independent on January 1, 2025. Interest-bearing checking accounts increased $3.8 billion during the quarter which was driven by $3.9 billion as of March 31, 2025 in interest-bearing checking accounts acquired in the Independent acquisition. Savings accounts increased by $525.2 million during the quarter which was driven by $475.6 million as of March 31, 2025 in savings accounts acquired in the Independent acquisition. Money market accounts increased $4.4 billion during the quarter which was driven by $3.9 billion as of March 31, 2025 in money market accounts acquired in the Independent acquisition. Money market accounts additionally increased $475.3 million as customers continue to move funds from lower yielding deposit products seeking higher yields in money market accounts. Time deposits increased $3.0 billion during the quarter which was driven by $2.2 billion as of March 31, 2025 in time deposits acquired in the Independent acquisition. The additional growth in time deposits was due to an increase in brokered time deposits of $775.5 million during the quarter. Federal funds purchases related to the Correspondent Banking Division and securities sold under agreements to repurchase were $679.3 million at March 31, 2025, a $164.4 million increase from December 31, 2024. Corporate and subordinated debentures increased by $361.3 million to $752.8 million and was due to $360.5 in corporate and subordinated debentures assumed in the Independent acquisition.

As noted above, excluding the money market accounts acquired in the Independent acquisition, the Company continued to see higher yielding money market accounts increase during the first quarter of 2025. The Company raised interest rates on most interest-bearing deposit products (in particular money market accounts and time deposit specials) due to competitive pressures to retain deposits. Average interest-bearing deposits increased $12.9 billion to $39.3 billion in the quarter ended March 31, 2025 compared to the same period in 2024. For more information on the composition of our total deposits, see Note 9 — Deposits.

**Noninterest-Bearing Deposits**

Noninterest-bearing deposits are transaction accounts that provide our Bank with "interest-free" sources of funds. At March 31, 2025, the period end balance of noninterest-bearing deposits of $13.8 billion increased compared to the balance at December 31, 2024 of $10.2 billion. At March 31, 2025, the period-end balance of noninterest-bearing deposits included $3.9 billion assumed in the Independent acquisition. Noninterest-bearing deposits, excluding the deposits assumed during the quarter, declined $290.1 million. Average noninterest-bearing deposits were $13.5 billion for the first quarter of 2025 compared to $10.5 billion for the first quarter of 2024. This increase in the average noninterest bearing deposits from the quarter ended March 31, 2024 was due to the deposits assumed in the Independent acquisition.

**Uninsured Deposits**

At March 31, 2025 and December 31, 2024, the Company had approximately $21.8 billion and $14.7 billion, respectively, in estimated uninsured deposits. Total uninsured deposits at March 31, 2025 included $7.1 billion related to the Independent deposit base. The amounts above are estimates and are based on the same methodologies and assumptions used for the Bank's regulatory reporting requirements issued by the FDIC for the FFIEC 041, also referred to as the Call Report.

**Capital Resources**

Our ongoing capital requirements have been met primarily through retained earnings, less the payment of cash dividends. During the first quarter of 2025, the Company issued $2.5 billion in stock related to the acquisition of Independent. As of March 31, 2025, shareholders' equity was $8.6 billion, an increase of $2.7 billion, or 46.4%, from December 31, 2024.

The following table shows the changes in shareholders' equity during the three months ended March 31, 2025.

| (Dollars in thousands) | | |
|---|---|---|
| Total shareholders' equity at December 31, 2024 | $ | 5,890,415 |
| Net income | | 89,080 |
| Dividends paid on common shares ($0.54 per share) | | (54,736) |
| Dividends paid on restricted stock units | | (1,100) |
| Net increase in market value of securities available for sale, net of deferred taxes | | 230,254 |
| Stock options exercised | | 330 |
| Equity based compensation | | 8,254 |
| Common stock repurchased - equity plans | | (11,176) |
| Stock issued pursuant to the acquisition of Independent | | 2,472,947 |
| Stock issued in lieu of cash - directors fees | | 93 |
| Total shareholders' equity at March 31, 2025 | $ | 8,624,361 |

The Company did not repurchase any shares under the under the 2025 Repurchase Program during the first quarter of 2025. The number of shares to be purchased and the timing of the purchases are based on a variety of factors, including, but not limited to, the level of cash balances, general business conditions, regulatory requirements, the market price of our common stock, and the availability of alternative investment opportunities. As of March 31, 2025, a total of 3,000,000 authorized shares remained available for repurchase.

Under current regulations, the Company and the Bank are subject to a minimum ratio of common equity Tier 1 capital ("CET1") to risk-weighted assets of 4.5% and a minimum required ratio of Tier 1 capital to risk-weighted assets of 6%. The minimum required leverage ratio is 4%. The minimum required total capital to risk-weighted assets ratio is 8%. Refer to Note 17 — Capital Ratios for more information regarding Company and Bank's regulatory capital compliance requirements.

The well-capitalized minimums and the Company's and the Bank's regulatory capital ratios for the following periods are reflected below:

| | Well-Capitalized Minimums | March 31, 2025 | December 31, 2024 |
|---|---|---|---|
| **SouthState Corporation:** | | | |
| Common equity Tier 1 risk-based capital | N/A | **11.03 %** | 12.62 % |
| Tier 1 risk-based capital | 6.00 % | **11.03 %** | 12.62 % |
| Total risk-based capital | 10.00 % | **13.72 %** | 14.96 % |
| Tier 1 leverage | N/A | **8.91 %** | 10.04 % |
| | | | |
| **SouthState Bank:** | | | |
| Common equity Tier 1 risk-based capital | 6.50 % | **12.29 %** | 13.38 % |
| Tier 1 risk-based capital | 8.00 % | **12.29 %** | 13.38 % |
| Total risk-based capital | 10.00 % | **13.48 %** | 14.64 % |
| Tier 1 leverage | 5.00 % | **9.92 %** | 10.64 % |

The Company's and Bank's Common equity Tier 1 risk-based capital, Tier 1 risk-based capital and total risk-based capital and Tier 1 leverage ratios as of March 31, 2025 all declined as compared to December 31, 2024. The capital ratios declined due mainly to the effects on capital and assets from the acquisition with Independent. Tier 1 capital increased by 20.5% and 26.7% at both the Company and Bank, respectively, with the increase in equity resulting from the issuance of shares of common stock for the Independent acquisition and the net income recognized during the quarter. Total risk-based capital increased by 26.5% and 27.0% at both the Company and Bank, respectively, with the increase in equity resulting from the issuance of shares of common stock for the Independent acquisition, the net income recognized during the quarter along with the increase in the allowance for credit losses and unfunded commitments includable in Tier 2 capital. Both regulatory risk-based assets and quarterly average assets increased in the first quarter of 2025 when compared to the fourth quarter with average assets for both the Company and Bank increasing by 35.9% and risk-based assets increasing by 37.9%. The increases in both average assets and risk-based assets were due to the assets acquired in the Independent acquisition during the quarter ended March 31, 2025. Our capital ratios are currently well in excess of the minimum standards and continue to be in the "well capitalized" regulatory classification.

**Liquidity**

Liquidity refers to our ability to generate sufficient cash to meet our financial obligations, which arise primarily from the withdrawal of deposits, extension of credit and payment of operating expenses. Liquidity risk is the risk that the Bank's financial condition or overall safety and soundness is adversely affected by an inability (or perceived inability) to meet its obligations. Our Asset Liability Management Committee ("ALCO") is charged with the responsibility of monitoring policies designed to ensure an acceptable composition of our asset/liability mix. Two critical areas of focus for ALCO are interest rate sensitivity and liquidity risk management. We have employed our funds in a manner to provide liquidity from both assets and liabilities sufficient to meet our cash needs.

The ALCO has established key risk indicators to monitor liquidity and interest rate risk. The key risk indicators are reviewed and approved by the ALCO on an annual basis. The liquidity key risk indicators include the loan to deposit ratio (policy limit not to exceed 100%), net noncore funding dependence ratio (policy limit not to exceed 30%), on-hand liquidity to total liabilities ratio (policy limit not to fall below 5%), the percentage of securities pledged to total securities (policy limit not to exceed 85%), primary liquidity to uninsured deposits excluding collateralized deposits (policy limit to maintain a minimum of 95%), primary liquidity to uninsured deposits including collateralized deposits (policy limit to maintain a minimum of 80%) and the ratio of brokered deposits to total deposits (policy limit not to exceed 15%). As of March 31, 2025, the Company was operating within its liquidity policy limits except for the primary liquidity to uninsured deposits including collateralized deposits coverage ratio. This ratio temporarily did not meet the policy threshold of 80% due to the Independent acquisition and operational timing related to the movement of collateral. Management expects the ratio to return within the policy limit during the second quarter of 2025.

Asset liquidity is maintained by the maturity structure of loans, investment securities and other short-term investments. Management has policies and procedures governing the length of time to maturity on loans and investments. Normally, changes in the earning asset mix are of a longer-term nature and are not used for day-to-day corporate liquidity needs.

Our liabilities provide liquidity on a day-to-day basis. Daily liquidity needs are met from deposit levels or from our use of federal funds purchased, securities sold under agreements to repurchase, interest-bearing deposits at other banks and other short-term borrowings. We engage in routine activities to retain deposits intended to enhance our liquidity position. These routine activities include various measures, such as the following:

- Emphasizing relationship banking to new and existing customers, where borrowers are encouraged and normally expected to maintain deposit accounts with our Bank;
- Pricing deposits, including certificates of deposit, at rate levels that will attract and /or retain balances of deposits that will enhance our Bank's asset/liability management and net interest margin requirements; and
- Continually working to identify and introduce new products that will attract customers or enhance our Bank's appeal as a primary provider of financial services.

Our non-acquired loan portfolio increased in the three months ended March 31, 2025 by approximately $642.4 million, or approximately 8.9% annualized, compared to the balance at December 31, 2024. The increase from December 31, 2024 was mainly related to organic growth and renewals of acquired loans that are moved to our non-acquired loan portfolio. The acquired loan portfolio increased by $12.2 billion from the balance at December 31, 2024 due to acquisition of the Independent loan portfolio of $13.1 billion during the quarter. The acquired loans portfolio had reductions totaling $905.6 million through principal paydowns, charge-offs, foreclosures and renewals of acquired loans.

Our investment securities portfolio (excluding trading securities) increased in the three months ended March 31, 2025 by $1.6 billion compared to the balance at December 31, 2024. During the first quarter of 2025, the Company acquired $1.6 billion in investment securities through the acquisition of Independent. These securities were subsequently sold during the quarter with the proceeds reinvested into purchases of new securities that fit the Company's investment strategy. The Company also conducted a securities repositioning during the quarter where it sold approximately $1.8 billion in investment securities at a loss of $228.8 million and used the proceeds to purchase new securities. This securities repositioning improved the yield and shortened the duration of the investment portfolio. Increases in the investment securities portfolio came from $1.6 billion in securities acquired in the Independent acquisition and $3.3 billion in investment securities purchased during the quarter from reinvesting funds provided by the sales of securities acquired from Independent and securities repositioning strategy. The increases in investment securities from the acquisition and purchases were partially offset as a result of maturities, calls, sales and paydowns of investment securities totaling $3.6 billion and a reduction from the net amortization of premiums of $2.4 million. The market value of the available for sale securities also increased during quarter by $303.6 million mainly through the securities repositioning and the recognition of losses in the portfolio. Of the $3.3 billion in purchases of investment securities during the quarter, $3.2 billion were in available-for-sale securities and $115.5 million were in other investment securities. There were no purchases of held to maturity securities during the quarter. Other investment securities purchased were mainly related to capital stock with the Federal Home Loan Bank and Federal Reserve Bank of which we sold back $38.0 million during the first quarter of 2025. The purchases in the Federal Home Loan Bank Stock and Federal Reserve Bank Stock during the quarter were mainly due to stock holding requirements related to the Independent acquisition. The Bank pledges a portion of its available-for-sale and held-to-maturity investment portfolios for a variety of purposes, including, but not limited to, collateral for public funds and credit with the Federal Home Loan Bank of Atlanta. As of March 31, 2025, the bank pledged 69.4% of the market value of its available-for-sale and held-to-maturity investment portfolios. As of March 31, 2025, the Bank had unpledged securities with a market value of $2.3 billion. These securities included Treasury, Agency, Agency MBS, Municipals and Corporate securities.

Total cash and cash equivalents were $3.3 billion at March 31, 2025 as compared to $1.4 billion at December 31, 2024. The increase in cash and cash equivalents was primarily due to the cash and cash equivalents acquired in the Independent acquisition of $1.0 billion, the cash received from the sale-leaseback transaction of approximately $456.4 million, an increase in deposits (excluding deposits acquired with Independent) of approximately $68.0 million and an increase in federal funds purchased and securities sold under agreements to repurchase of $164.4 million.

At March 31, 2025, and December 31, 2024, we had $1.4 billion and $614.5 million of traditional, out–of–market brokered time deposits, respectively. At March 31, 2025, and December 31, 2024, we had $4.3 billion and $2.5 billion, respectively, of reciprocal brokered deposits. Total deposits were $53.3 billion at March 31, 2025, an increase of $15.3 million from $38.1 billion at December 31, 2024. Our deposit growth since December 31, 2024 was mainly attributable to the deposits acquired in the Independent acquisition of $15.2 billion. See further discussion on changes in deposits in the Interest-Bearing Liabilities and Noninterest-Bearing Deposits section of this MD&A. Total short-term borrowings at March 31, 2025 were $679.3 million, consisting of $398.7 million in federal funds purchased and $280.7 million in securities sold under agreements to repurchase. Total long-term borrowing at March 31, 2025, were $752.8 million and consisted of trust preferred securities and subordinated debentures. To the extent that we employ other types of non-deposit funding sources, typically to accommodate retail and correspondent customers, we continue to take in shorter maturities of such funds. Our current approach may provide an opportunity to sustain a low funding rate or possibly lower our cost of funds but could also increase our cost of funds if interest rates rise.

Deposit flows are significantly influenced by general and local economic conditions, changes in prevailing interest rates, internal pricing decisions and competition. Our deposits are primarily obtained from depositors located around our branch footprint, and we believe that we have attractive opportunities to capture additional retail and commercial deposits in our markets, in addition to having access to brokered deposits. Of the $53.3 billion in total deposits at March 31, 2025, approximately 68% were insured or collateralized. The Bank has a granular deposit base comprised of over 1.7 million accounts, with an average deposit size of $31,000. The top ten and twenty deposit relationships comprise approximately 3% and 4% of total deposits, and approximately 26% of total deposits are noninterest-bearing.

As discussed previously and presented below, the Bank maintains credit facilities with the Federal Home Loan Bank of Atlanta and the Federal Reserve Bank of Atlanta. The table below compares Primary Funding Sources to uninsured deposits as of March 31, 2025.

| (Dollars in millions) | Available Capacity |
|---|---|
| Federal Home Loan Bank of Atlanta | $ 9,759 |
| Federal Reserve Bank of Atlanta Discount Window | 1,755 |
| Cash and cash equivalents | 3,300 |
| Fair value of securities that can be pledged | 2,253 |
| Total primary sources | $ 17,067 |
| Uninsured deposits, excluding collateralized deposits | $ 17,304 |
| Uninsured and collateralized deposits | $ 21,788 |
| Coverage ratio, uninsured deposits | 78.3 % |
| Coverage ratio, uninsured and uncollateralized deposits | 98.6 % |
| Ratio of uninsured and collateralized deposits to total deposits | 40.8 % |

Through the operations of our Bank, we have made contractual commitments to extend credit in the ordinary course of our business activities. These commitments are legally binding agreements to lend money to our customers at predetermined interest rates for a specified period of time. We manage the credit risk on these commitments by subjecting them to normal underwriting and risk management processes. We believe that we have adequate sources of liquidity to fund commitments that are drawn upon by the borrowers. In addition to commitments to extend credit, we also issue standby letters of credit, which are assurances to third parties that they will not suffer a loss if our customer fails to meet its contractual obligation to the third-party. Although our experience indicates that many of these standby letters of credit will expire unused, through our various sources of liquidity, we believe that we will have the resources to meet these obligations should the need arise.

Our ongoing philosophy is to remain in a liquid position, as reflected by such indicators as the composition of our earning assets, typically including some level of reverse repurchase agreements; federal funds sold; balances at the Federal Reserve Bank; and/or other short-term investments; asset quality; well-capitalized position; and profitable operating results. Cyclical and other economic trends and conditions can disrupt our desired liquidity position at any time. We expect that these conditions would generally be of a short-term nature. Under such circumstances, we expect our reverse repurchase agreements and federal funds sold positions, or balances at the Federal Reserve Bank, if any, to serve as the primary source of immediate liquidity. We could draw on additional alternative immediate funding sources from lines of credit extended to us from our correspondent banks. The Bank may also access funds from borrowing facilities established with the Federal Home Loan Bank of Atlanta and the discount window of the Federal Reserve Bank of Atlanta.

At March 31, 2025, the Bank had a total FHLB credit facility of $9.8 billion, with no outstanding borrowings in short-term FHLB advances and $2.3 million FHLB letters of credit outstanding at quarter-end, leaving $9.8 billion in availability on the FHLB credit facility. At March 31, 2025, the Bank had $1.8 billion of credit available at the Federal Reserve Bank's discount window and federal funds credit lines of $300.0 million with no balances outstanding at March 31, 2025. The Bank has $2.3 billion in market value of unpledged securities at March 31, 2025, that can be pledged to attain additional funds if necessary. The Bank also has an internal limit on brokered deposits of 15% of total deposits, which would allow capacity of $8.0 billion at March 31, 2025. The Bank had $2.1 billion of outstanding brokered deposits at the end of the quarter-end leaving $5.9 billion in available capacity as per the internal policy limit of 15% of total deposits. All of the primary sources noted in the table above and the brokered deposit remaining available capacity would provide an additional $23.0 billion in funding if we needed additional liquidity. We can also consider actions such as deposit promotions to increase core deposits. The Company has a $100.0 million unsecured line of credit with U.S. Bank National Association with no balance outstanding at March 31, 2025. We believe that our liquidity position continues to be adequate and readily available.

In addition to adequate liquidity, the Company and Bank are considered well capitalized by all regulatory capital standards as the Company and the Bank were significantly above the required capital levels as of March 31, 2025. The Company's tier 1 leverage ratio, CET 1 risk-based capital ratio and total risk-based capital ratio were 8.91%, 11.03% and 13.72%, respectively, at March 31, 2025. The Bank's Tier 1 leverage ratio, CET 1 risk-based capital ratio and total risk-based capital ratio were 9.92%, 12.29% and 13.48%, respectively, at March 31, 2025. As permitted, we elected to exclude accumulated other comprehensive income related to available for sale securities from Tier 1, CET 1 and total risk-based capital; however, even if our unrealized losses as of March 31, 2025 in our available for sale and held to maturity investment portfolios were recognized by selling the portfolios for liquidity purposes, all else being equal, our regulatory capital ratios would remain well in excess of the minimum standards and continue to be in the "well capitalized" regulatory classification.

Our contingency funding plan describes several potential stages based on stressed liquidity levels. Liquidity key risk indicators are reported to the Board of Directors on a quarterly basis. As noted previously, we maintain various wholesale sources of funding. If our deposit retention efforts were to be unsuccessful, we would use these alternative sources of funding. Under such circumstances, depending on the external source of funds, our interest cost would vary based on the range of interest rates charged. This could increase our cost of funds, impacting our net interest margin and net interest spread.

**Asset-Liability Management and Market Risk Sensitivity**

Our earnings and the economic value of equity vary in relation to the behavior of interest rates and the accompanying fluctuations in market prices of certain of our financial instruments. We define interest rate risk as the risk to earnings and equity arising from the behavior of interest rates. These behaviors include increases and decreases in interest rates as well as continuation of the current interest rate environment.

Our interest rate risk principally consists of reprice, option, basis, and yield curve risk. Reprice risk results from differences in the maturity or repricing characteristics of asset and liability portfolios. Option risk arises from embedded options in the investment and loan portfolios such as investment securities calls and loan prepayment options. Option risk also exists since deposit customers may withdraw funds at their discretion in response to general market conditions, competitive alternatives to existing accounts or other factors. The exercise of such options may result in higher costs or lower revenue. Basis risk refers to the potential for changes in the underlying relationship between market rates or indices, which subsequently result in narrowing spreads on interest-earning assets and interest-bearing liabilities. Basis risk also exists in administered rate liabilities, such as interest-bearing checking accounts, savings accounts, and money market accounts where the price sensitivity of such products may vary relative to general markets rates. Yield curve risk refers to adverse consequences of nonparallel shifts in the yield curves of various market indices that impact our assets and liabilities.

We use simulation analysis as a primary method to assess earnings at risk and equity at risk due to assumed changes in interest rates. Management uses the results of its various simulation analyses in combination with other data and observations to formulate strategies designed to maintain interest rate risk within risk tolerances.

Simulation analysis involves the use of several assumptions including, but not limited to, the timing of cash flows such as the terms of contractual agreements, investment security calls, loan prepayment speeds, deposit attrition rates, the interest rate sensitivity of loans and deposits relative to general market rates, and the behavior of interest rates and spreads. The assumptions for loan prepayments, deposit decay, and nonstable deposit balances are derived from models that use historical bank data. These models are independently validated. Equity at risk simulation uses assumptions regarding discount rates that value cash flows. Simulation analysis is highly dependent on model assumptions that may vary from actual outcomes. Key simulation assumptions are subject to sensitivity analysis to assess the impact of assumption changes on earnings at risk and equity at risk. Model assumptions are reviewed by our Assumptions Committee. While the Bank is continuously refining its modeling methodology, the core principles of the methodology have remained stable over for several years.

Earnings at risk is defined as the percentage change in net interest income due to assumed changes in interest rates. Earnings at risk is generally used to assess interest rate risk over relatively short time horizons.

Equity at risk is defined as the percentage change in the net economic value of assets and liabilities due to changes in interest rates compared to a base net economic value. The discounted present value of all cash flows represents our economic value of equity. Equity at risk is generally considered a measure of the long-term interest rate exposures of the balance sheet at a point in time.

The earnings simulation models consider our contractual agreements with regard to investments, loans, deposits, borrowings, and derivatives as well as a number of behavioral assumptions applied to certain assets and liabilities.

Mortgage banking derivatives used in the ordinary course of business consist of forward sales contracts and interest rate lock commitments on residential mortgage loans. These derivatives involve underlying items, such as interest rates, and are designed to mitigate risk. Derivatives are also used to hedge mortgage servicing rights. For additional information see Note 16 — Derivative Financial Instruments in the consolidated financial statements.

From time to time, we execute interest rate swaps to hedge some of our interest rate risks. Under these arrangements, the Company enters into a variable rate loan with a client in addition to a swap agreement. The swap agreement effectively converts the client's variable rate loan into a fixed rate loan. The Company then enters into a matching swap agreement with a third-party dealer to offset its exposure on the customer swap. The Company may also execute interest rate swap agreements that are not specific to client loans. As of March 31, 2025, the Company had a series of short-term interest rate hedges to address monthly accrual mismatches related to the Company's ARC program and its transition from LIBOR to SOFR after June 30, 2023. For additional information on these derivatives refer to Note 16 — Derivative Financial Instruments in the consolidated financial statements.

Our interest rate risk key indicators are applied to a static balance sheet using forward rates from the Moody's Baseline Scenario. The Company will also use other rate forecasts, including, but not limited to, Moody's Consensus Scenario. This Base Case Scenario assumes the maturity composition of asset and liability rollover volumes is modeled to approximately replicate current consolidated balance sheet characteristics throughout the simulation. These treatments are consistent with the Company's goal of assessing current interest rate risk embedded in its current balance sheet. The Base Case Scenario assumes that maturing or repricing assets and liabilities are replaced at prices referencing forward rates derived from the selected rate forecast consistent with current balance sheet pricing characteristics. Key rate drivers are used to price assets and liabilities with sensitivity assumptions used to price non-maturity deposits. The sensitivity assumptions for the pricing of non-maturity deposits are subjected to sensitivity analysis no less frequently than on an annual basis.

Interest rate shocks are applied to the Base Case on an instantaneous basis. Our policy establishes the use of upward and downward interest rate shocks applied in 100 basis point increments through 400 basis points. We calculate smaller rate shocks as needed. At times, market conditions may result in assumed rate movements that will be deemphasized. For example, during a period of ultra-low interest rates, certain downward rate shocks may be impractical. The model simulation results produced from the Base Case Scenario and related instantaneous shocks for changes in net interest income and changes in the economic value of equity are referred to as the Core Scenario Analysis and constitute the policy key risk indicators for interest rate risk when compared to risk tolerances. As of March 31, 2025, the Company was operating within its interest rate key risk indicator policy limits.

During 2024 and for the three months ended March 31, 2025, the beta assumption applied to total deposits increased to reflect changes in deposit mix. Management recognizes the difficulty in using historical data to forecast deposit betas in the current environment. For internal purposes, and based on the deposit mix as of March 31, 2025, the total deposit beta assumption was 37.7%. For internal forecasting, management will apply overlays to certain assumptions to adjust for current market conditions rather than use assumptions modeled over longer periods of time.

The following interest rate risk metrics are derived from analysis using the Moody's Baseline Scenario published in January 2025 as the Base Case Scenario. As of March 31, 2025, the earnings simulations indicated that the year 1 impact of an instantaneous 100 basis point parallel increase / decrease in rates would result in an estimated 1.1% increase (up 100) and 1.3% decrease (down 100) in net interest income.

We use Economic Value of Equity ("EVE") analysis as an indicator of the extent to which the present value of our capital could change, given potential changes in interest rates. This measure also assumes a static balance sheet (Base Case Scenario) with rate shocks applied as described above. At March 31, 2025, the percentage change in EVE due to a 100-basis point increase or decrease in interest rates was 2.0% decrease and 1.0 % increase, respectively. The percentage changes in EVE due to a 200-basis point increase or decrease in interest rates were 4.7% decrease and 1.0% increase, respectively. Downward shocks are constrained on various balance sheet categories due to the inability to price products below floors or zero. This is particularly meaningful given the cost of deposits as of March 31, 2025.

The analysis below reflects a Base Case and shocked scenarios that assume a static balance sheet projection where volume is added to maintain balances consistent with current levels. Base Case assumes new and repricing volumes reference forward rates derived from the Moody's Baseline rate forecast. Instantaneous, parallel, and sustained interest rate shocks are applied to the Base Case scenario over a one-year time horizon.

| | Percentage Change in Net Interest Income over One Year |
|---|---|
| Up 100 basis points | **1.1 %** |
| Down 100 basis points | **(1.3)%** |
| Down 200 basis points | **(3.3)%** |
| Down 300 basis points | **(6.8)%** |
| Down 400 basis points | **(9.6)%** |

**Deposit Concentrations**

At March 31, 2025, and December 31, 2024, we have no material concentration of deposits from any single customer or group of customers. We have no significant portion of our deposits concentrated within a single industry or group of related industries. We do not believe there are any material seasonal factors that would have a material adverse effect on us. The total deposit balances held by top 10 and 20 deposit holders were below 5% of the Company's average total deposit balances at March 31, 2025. We do not have any foreign deposits.

**Concentration of Credit Risk**

Each category of earning assets has a certain degree of credit risk. We use various techniques to measure credit risk. Credit risk in the investment portfolio can be measured through bond ratings published by independent agencies. In the investment securities portfolio, the investments consist of U.S. government-sponsored entity securities, tax-free securities, or other securities having ratings of "AAA" to "Not Rated". All securities, with the exception of those that are not rated, were rated by at least one of the nationally recognized statistical rating organizations. The credit risk of the loan portfolio can be measured by historical experience. We maintain our loan portfolio in accordance with credit policies that we have established. Although the Bank has a diversified loan portfolio, a substantial portion of our borrowers' abilities to honor their contracts is dependent upon economic conditions within our geographic footprint and the surrounding regions.

We consider concentrations of credit to exist when, pursuant to regulatory guidelines, the amounts loaned to a multiple number of borrowers engaged in similar business activities which would cause them to be similarly impacted by general economic conditions represents 25% of total Tier 1 capital plus regulatory adjusted allowance for credit losses of the Company, or $1.5 billion at March 31, 2025. Based on this criteria, we had eight such credit concentrations at March 31, 2025, including loans to lessors of nonresidential buildings (except mini-warehouses) of $10.3 billion, loans secured by owner-occupied office buildings (including medical office buildings) of $2.4 billion, loans secured by owner-occupied nonresidential buildings (excluding office buildings) of $3.1 billion, loans to lessors of residential buildings (investment properties and multi-family) of $3.8 billion, loans secured by 1st mortgage 1-4 family owner-occupied residential property (including condos and home equity lines) of $11.3 billion, loans secured by jumbo (original loans greater than $548,250) of $3.4 billion, loans secured by business assets including accounts receivable, inventory and equipment of $3.2 billion and purchased syndication loans of $2.0 billion. The risk for these loans and for all loans is managed collectively through the use of credit underwriting practices developed and updated over time. The loss estimate for these loans is determined using our standard ACL methodology.

After the adoption of CECL in the first quarter of 2020, banking regulators established guidelines for calculating credit concentrations. Banking regulators set the guidelines for construction, land development and other land loans to total less than 100% of total Tier 1 capital less modified CECL transitional amount plus ACL (CDL concentration ratio) and for total commercial real estate loans (construction, land development and other land loans along with other non-owner-occupied commercial real estate and multifamily loans) to total less than 300% of total Tier 1 capital less modified CECL transitional amount plus ACL (CRE concentration ratio). Both ratios are calculated by dividing certain types of loan balances for each of the two categories by the Bank's total Tier 1 capital less modified CECL transitional amount plus ACL. At March 31, 2025, and December 31, 2024, the Bank's CDL concentration ratio was 51.5% and 40.9%, respectively, and its CRE concentration ratio was 282.9% and 219.6%, respectively. As of March 31, 2025, the Bank was below the established regulatory guidelines. When a bank's ratios are in excess of one or both of these loan concentration ratios guidelines, banking regulators generally require an increased level of monitoring in these lending areas by bank management. Therefore, we monitor these two ratios as part of our concentration management processes.

**Reconciliation of GAAP to Non-GAAP**

The return on average tangible equity is a non-GAAP financial measure that excludes the effect of the average balance of intangible assets and adds back the after-tax amortization of intangibles to GAAP basis net income. Management believes these non-GAAP financial measures provide additional information that is useful to investors in evaluating our performance and capital and may facilitate comparisons with other institutions in the banking industry as well as period-to-period comparisons. Non-GAAP measures should not be considered as an alternative to any measure of performance or financial condition as promulgated under GAAP, and investors should consider the Company's performance and financial condition as reported under GAAP and all other relevant information when assessing the performance or financial condition of the Company. Non-GAAP measures have limitations as analytical tools, are not audited, and may not be comparable to other similarly titled financial measures used by other companies. Investors should not consider non-GAAP measures in isolation or as a substitute for analysis of the Company's results or financial condition as reported under GAAP.

| | Three Months Ended March 31, | |
|---|---|---|
| **(Dollars in thousands)** | **2025** | **2024** |
| Return on average equity (GAAP) | **4.29 %** | 8.36 % |
| Effect to adjust for intangible assets | **4.70 %** | 5.27 % |
| Return on average tangible equity (non-GAAP) | **8.99 %** | 13.63 % |
| | | |
| Average shareholders' equity (GAAP) | **$ 8,418,112** | $ 5,536,551 |
| Average intangible assets | **(3,558,378)** | (2,009,649) |
| Adjusted average shareholders' equity (non-GAAP) | **$ 4,859,734** | $ 3,526,902 |
| | | |
| Net income (GAAP) | **$ 89,080** | $ 115,056 |
| Amortization of intangibles | **23,831** | 5,998 |
| Tax effect | **(5,225)** | (1,503) |
| Net income excluding the after-tax effect of amortization of intangibles (non-GAAP) | **$ 107,686** | $ 119,551 |

**Cautionary Note Regarding Any Forward-Looking Statements**

*Statements included in this report, 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 our acquisition of Independent in all-stock merger transaction. 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. We caution 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:*

Risks relating to our Business and Business Strategy

- Economic volatility risk, as a result of monetary, fiscal and trade law policies, such as tariffs, and inflation, potentially resulting in higher rates, deterioration in the credit markets, inflation, greater than expected noninterest expenses, excessive loan losses and other negative consequences, or on the other hand, lower rates, which also may have 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;
- Risks relating to the merger and integration of SouthState and Independent, 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 Independent's operations into SouthState'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 Independent's businesses into SouthState's businesses, (iii) the amount of the costs, fees, expenses and charges related to the merger, (iii) the risk of deposit attrition, client loss or revenue loss that may be greater than anticipated, and (iv) reputational risk and the reaction of each company's customers, supplies, employees or other business partners to the merger;
- Risks related to the ability of the Company to pursue its strategic plans which depend upon certain growth goals in our lines of business which are dependent on a variety of factors including economic conditions in the U.S. and globally, geopolitical factors including tariffs, competition, and the regulatory environment;
- Interest rate risk and a decrease in our net interest income primarily resulting from our inability to effectively manage the risk, and its impact on the Bank's earnings, including from the correspondent and mortgage divisions, housing demand and changes in mortgage conditions, the market value of the Bank's loan and securities portfolios, and the market value of SouthState's equity;
- Inflationary risks negatively impacting our business and profitability, earnings and budgetary projections, or demand for our products and services;
- Risks related to the costs of funds and our profitability and liquidity, and changes in our deposit mix and growth;
- Compliance, reputational and operational risks related to implementing new lines of business or new products and services and our failure to successfully manage such risks;
- The impact of increasing digitization of the banking industry and movement of customers to on-line platforms, and the possible impact on the Bank's results of operations, customer base, expenses, suppliers and operations;
- Risks related to the potential deterioration in real estate values and other adverse changes in mortgage conditions, higher risks inherent in a loan portfolio that includes commercial real estate loans, environmental risks in our lending activities, and risks that appraisals used in deciding whether to make a loan that is secured by real estate not ensuring the value of the real property collateral;
- Risks related to (i) our ability to effectively manage credit risk, interest rate risk and liquidity risk affecting the Bank's ability to meet its obligations when they come due; and (ii) 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;
- The results of our most recent stress tests not accurately predicting the impact on our financial condition if the economy were to deteriorate;
- The impact of the Current Expected Credit Loss standard, merger activity, and global events on our allowance for credit losses;

- Risks related to maintaining adequate levels of capital to support our operations and the availability of additional capital when needed due to our size and continued pace of growth;
- 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;
- Reputational and operational risks associated with sustainability, stewardship and governance matters, including the impact of state legislation and inconsistent federal and state regulatory guidance and regulation;
- Risks related to losses arising from errors, omissions or fraudulent behavior by employees, clients, counterparties and third parties;
- Increased risk from the adoption and use of artificial intelligence tools by us and our third party vendors and service providers, including risk of errors, omissions, unfair treatment or fraudulent behavior by our employees, clients, counterparties or other third parties;
- Risks related to our reliance on and our ability to retain our culture and attract, retain, develop, and motivate qualified and highly skilled personnel as we grow and are located in new markets, and being able to offer competitive salaries and benefits, including flexibility of working remotely or in the office;
- Cybersecurity risk related to the dependence of SouthState on internal computer systems and the technology of outside service providers, as well as the potential impacts of internal or external security breaches, which may subject the Company to potential business disruptions or financial losses resulting from deliberate attacks or unintentional events;
- Transaction risk arising from problems with service or product delivery, and strategic risk resulting from adverse business decisions or improper implementation of business decisions;
- Reputation risk that adversely affects earnings or capital arising from negative public opinion including the effects of social media on market perceptions of us and banks generally;
- Operational, technological, cultural, regulatory, legal, credit and other risks associated with the exploration, consummation and integration of potential future acquisitions, whether involving stock or cash consideration;
- Risks related to unexpected outflows of uninsured deposits requiring us to sell investment securities at a loss, price risks focusing on changes in market factors that may affect the value of traded instruments in "mark-to-market" portfolios, and the loss of value of our investment portfolio negatively impacting market perceptions of us, possibly resulting in deposit withdrawals;
- Risks relating to consumers opting not to use banks to complete their financial transactions; and
- Reputational risk and possible higher than estimated reduced revenue from previously announced or proposed regulatory changes in the Bank's consumer programs and products.

Risks relating to the Regulatory Environment

- Risks related to the heightened expectations of regulatory agencies exposing it to regulatory enforcement actions and civil penalties which could have an adverse material impact on the Company's business, financial condition, operations and reputation and could jeopardize the Company's ability to pursue acquisition opportunities;
- 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 the impact of special FDIC assessments, the effects of Consumer Financial Protection Bureau regulations or other guidance, changes in policies and standards for regulatory review of bank mergers, challenges to our income tax provision following changes to tax laws, regulations or interpretations, and the possibility of changes in accounting standards, policies, principles and practices;
- Compliance risk involving risk to earnings or capital resulting from violations of or nonconformance with laws, rules, regulations, prescribed practices, or ethical standards, and contractual obligations regarding data privacy and cybersecurity; and
- Risks relating to the legal, regulatory and supervisory environment, including periodic examination and scrutiny by a number of banking agencies and any adjustments to our business resulting from such examinations, changes in financial services legislation and capital regulatory requirements, regulations policies or government officials or other personnel.

Risks relating to our Common Stock

- Risks related to state law and provisions in our articles of incorporation or bylaws that make it more difficult for another company to purchase us; and

- Risks related to: (i) shares of our Common Stock not being insured deposits and losing value; (ii) future capital needs resulting in dilution of shareholder investment; (iii) our ability to pay dividends which is subject to legal and regulatory limitations as well as the discretion of the board of directors of SouthState, SouthState's performance and other factors; (iv) dilution in our common stock resulting from issuing stock as consideration in a potential merger or acquisition, future capital needs, or increased trading volume in our common stock in the public market; (v) rights of our holders of our junior subordinated debentures that are senior to those of our common shareholders; (vi) volatility of our stock price stock that may or may not reflect economic condition or performance of SouthState; and (vii) our institutional shareholders, exercising significant influence over us and having interests that differ from our other shareholders.

Risks relating to Economic Conditions and Other Outside Forces

- Geopolitical and economic risks and market volatility associated with the political and economic environment and uncertainty surrounding the potential legal, regulatory, and policy changes resulting from a new U.S. presidential administration, changes in the fiscal and monetary policies of the federal government and its agencies, and changes to and instability in global economic conditions and geopolitical matters, including as a result of possible tariffs or other trade disruptions;
- Risks related to a slowdown in economic growth or a resumption of recessionary economic conditions impacting inflationary pressures and interest rates to dampen demand could adversely affect consumer confidence, loan payment patterns, and our charge-offs and the provision for credit losses;
- Volatility in the financial services industry (including failures or rumors of failures of other depository institutions), along with actions taken by governmental agencies to address such turmoil, could affect the ability of depository institutions, including us, to attract and retain depositors and to borrow or raise capital;
- The impact of competition with other financial institutions, including deposit and loan pricing pressures and the resulting impact, including as a result of compression to net interest margin;
- Catastrophic events such as hurricanes, tornados, earthquakes, floods or other natural or human disasters, including public health crises and infectious disease outbreaks, as well as any government actions in response to such events, 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 SouthState and its customers and other constituencies; and
- Risks that lawsuits, legal proceedings, information-gathering requests, investigations, and proceedings by governmental and self-regulatory agencies result in significant civil or criminal penalties, including monetary penalties, damages, adverse judgments, settlements, fines, injunctions, restrictions on the way the Company and the Bank conduct their business, or reputational harm.

For any forward-looking statements made in this report or in any documents incorporated by reference into this Report, we claim the protection of the safe harbor for forward looking statements contained in the Private Securities Litigation Reform Act of 1995. All forward-looking statements speak only as of the date they are made and are based on information available at that time. We do 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. All subsequent written and oral forward-looking statements by us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this Report.

Additional information with respect to factors that may cause actual results to differ materially from those contemplated by our forward-looking statements may also be included in other reports that we file with the SEC. We caution that the foregoing list of risk factors is not exclusive and not to place undue reliance on forward-looking statements.

## Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our quantitative and qualitative disclosures about market risk as of March 31, 2025 from those disclosures presented in our Annual Report on Form 10-K for the year ended 2024.

## Item 4. CONTROLS AND PROCEDURES

*Evaluation of Disclosure Controls and Procedures*

SouthState's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of SouthState's disclosure controls and procedures as of March 31, 2025, in accordance with Rule 13a-15 of the Securities Exchange Act of 1934. We applied our judgment in the process of reviewing these controls and procedures, which, by their nature, can provide only reasonable assurance regarding our control objectives. Based upon that evaluation, our Chief Executive Officer and the Chief Financial Officer concluded that SouthState's disclosure controls and procedures as of March 31, 2025, were effective to provide reasonable assurance regarding our control objectives.

In conducting the evaluation of the effectiveness of our internal controls over financial reporting as of March 31, 2025, we excluded the operations of Independent as permitted by the guidance issued by the Office of the Chief Accountant of the Securities and Exchange Commission (not to extend more than one year beyond the date of the acquisition or for more than one annual reporting period). In conducting the evaluation of the effectiveness of our disclosure controls and procedures as of March 31, 2025, we excluded those disclosure controls and procedures of Independent that are subsumed by internal control over financial reporting. The merger was completed on January 1, 2025. As of January 1, 2025, Independent's assets represented approximately 25 percent of our consolidated assets. See Note 4 — Mergers and Acquisitions for further discussion of the merger and its impact on our consolidated financial statements.

The design of any system of controls and procedures is based in part upon certain assumptions about the likelihood of future events. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote.

*Changes in Internal Control over Financial Reporting*

During the first quarter of 2025, Independent merged into SouthState Corporation. We are working to integrate Independent into our overall internal control over financial reporting processes. Except for changes made in connection with this integration of Independent, there has been no change in our internal control over financial reporting during the three months ended March 31, 2025, that has materially affected, or is likely to materially affect, our internal control over financial reporting.

# PART II — OTHER INFORMATION

## Item 1. LEGAL PROCEEDINGS

On February 9, 2024, the Company disclosed that it detected what was determined to be a cybersecurity incident on February 6, 2024 (the "Cyber Incident"). The Bank notified banking regulators and law enforcement and, based on its investigation and findings, notified individuals whose personal information may have been compromised in the Cyber Incident. Further, the Bank has taken other actions, such as offering credit monitoring services. While the Company is unable to estimate the total cost of any remediation that may be required, as of March 31, 2025, the Company had not incurred material costs as a result of the Cyber Incident.

On April 3, 2024, a putative class action lawsuit (the "Original Suit") was filed against the Bank purportedly on behalf of a class consisting of those persons impacted by the Cyber Incident. While the Original Suit has been voluntarily dismissed, the same plaintiffs as well as additional plaintiffs initiated litigation that names the Bank as a defendant. These cases have been consolidated into one putative class action, which as of the date of this Quarterly Report on Form 10-Q, remains pending against the Bank in the Circuit Court for Polk County, Florida (the "Cyber Incident Suit"). For more information about the Original Suit and other litigations filed in connection with the Cyber Incident, please refer to Note 13 — Commitments and Contingent Liabilities, in the Notes to Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report on Form 10-Q.

Other than the Cyber Incident Suit (as defined in Note 13 — Commitments and Contingent Liabilities*)*, as of March 31, 2025, and the date of this Quarterly Report on Form 10-Q, we believe that we are not party to, nor is any of our property the subject of, any pending material legal proceeding other than those that may occur in the ordinary course of our business.

**Item 1A.  RISK FACTORS**

Investing in shares of our common stock involves certain risks, including those identified and described in Item 1A. of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, as well as cautionary statements contained in this Quarterly Report on Form 10-Q, including those under the caption "Cautionary Note Regarding Any Forward-Looking Statements" set forth in Part I, Item 2. of this Quarterly Report on Form 10-Q, risks and matters described elsewhere in this Quarterly Report on Form 10-Q and in our other filings with the SEC.

There have been no material changes to the risk factors disclosed in Item 1A. of Part I in our Annual Report on Form 10-K for the year ended December 31, 2024.

**Item 2.  UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

(a) Not applicable
(b) Not applicable
(c) Issuer Purchases of Registered Equity Securities:

On February 11, 2025, the Company received Federal Reserve Board's nonobjection on the 2025 Stock Repurchase Program (the "2025 Repurchase Program"), which was previously approved by the Board of Directors of the Company, contingent upon receipt of such supervisory nonobjection.  The 2025 Repurchase Program authorizes the Company to repurchase up to 3,000,000 shares, or up to approximately three percent, of the Company's outstanding shares of common stock as of January 2, 2025. The repurchases under the 2025 Repurchase Program will be made from time to time by the Company as conditions allow and the 2025 Repurchase Program will be made available until December 31, 2026, unless shortened or extended by the Company's Board of Directors.  During the first quarter of 2025, the Company did not repurchase any shares pursuant to the 2025 Repurchase Program.  As of March 31, 2025, there is a total of 3,000,000 shares authorized to be repurchased.  The number of shares to be purchased and the timing of the purchases are based on a variety of factors, including, but not limited to, the level of cash balances, general business conditions, regulatory requirements, the market price of our common stock, and the availability of alternative investment opportunities.

The following table reflects share repurchase activity during the first quarter of 2025:

| Period | (a) Total Number of Shares (or Units) Purchased | (b) Average Price Paid per Share (or Unit) | (c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs | (d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| January 1 - January 31 | **40,386 *** | **$ 99.75** | — | **3,000,000** |
| February 1 - February 28 | **65,411 *** | **103.34** | — | **3,000,000** |
| March 1 - March 31 | **3,915 *** | **99.14** | — | **3,000,000** |
| Total | **109,712** | | — | **3,000,000** |

* For the three months ended March 31, 2025, monthly totals include 40,386, 65,411, and 3,915 shares, respectively, that were repurchased under arrangements, authorized by our stock-based compensation plans and Board of Directors, whereby officers or directors may sell previously owned shares to SouthState in order to pay for the exercises of stock options or for income taxes owed on vesting shares of restricted stock.  These shares were not repurchased under the 2025 Stock Repurchase Program.

## Item 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

## Item 4. MINE SAFETY DISCLOSURES

Not applicable.

## Item 5. OTHER INFORMATION

None.

## Item 6. EXHIBITS

The exhibits required to be filed as part of this Quarterly Report on Form 10-Q are listed in the Exhibit Index attached hereto and are incorporated by reference.

**Exhibit Index**

| Exhibit No. | Description of Exhibit | Incorporated by Reference | | | | Filed Herewith |
|---|---|---|---|---|---|---|
| | | Form | Commission File No. | Exhibit | Filing Date | |
| 3.1 | Amended and Restated Bylaws of SouthState Corporation dated April 26, 2023 | 10-Q | 001-12669 | 3.1 | 8/4/2023 | |
| 31.1 | Rule 13a-14(a) Certification of Principal Executive Officer | | | | | X |
| 31.2 | Rule 13a-14(a) Certification of Principal Financial Officer | | | | | X |
| 32 | Section 1350 Certifications of Principal Executive Officer and Principal Financial Officer | | | | | X |
| 101 | The following financial statements from the Quarterly Report on Form 10-Q of SouthState Corporation for the quarter ended March 31, 2025, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Changes in Shareholders' Equity, (v) Consolidated Statement of Cash Flows and (vi) Notes to Consolidated Financial Statements. | | | | | X |
| 104 | Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document). | | | | | X |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

| | |
|---|---|
| | SOUTHSTATE CORPORATION<br>(Registrant) |
| Date: May 2, 2025 | /s/ John C. Corbett<br>John C. Corbett<br>President and Chief Executive Officer<br>(Principal Executive Officer) |
| Date: May 2, 2025 | /s/ William E. Matthews, V<br>William E. Matthews, V<br>Senior Executive Vice President,<br>Chief Financial Officer<br>(Principal Financial Officer) |
| Date: May 2, 2025 | /s/ Sara G. Arana<br>Sara G. Arana<br>Executive Vice President and<br>Principal Accounting Officer |

**Exhibit 31.1**

**RULE 13A-14(A) CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**

I, John C. Corbett, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SouthState Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ John C. Corbett
John C. Corbett
Chief Executive Officer
(Principal Executive Officer)

**Exhibit 31.2**

**RULE 13A-14(A) CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**

I, William E. Matthews, V, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SouthState Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ William E. Matthews, V

William E. Matthews, V
Senior Executive Vice President,
Chief Financial Officer
(Principal Financial Officer)

**Exhibit 32**

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of SouthState Corporation (the “Company”) on Form 10-Q for the period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned certifies, pursuant to 18 U.S.C. paragraph 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 2, 2025

/s/ John C. Corbett

John C. Corbett
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of SouthState Corporation (the "Company") on Form 10-Q for the period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies, pursuant to 18 U.S.C. paragraph 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 2, 2025

/s/ William E. Matthews, V

William E. Matthews, V
Senior Executive Vice President,
Chief Financial Officer
(Principal Financial Officer)