

SOUTHSTATE BANK CORP

FORM 10-Q (Quarterly Report)

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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 June 30, 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
(State or other jurisdiction of incorporation)

1101 First Street South, Suite 202
Winter Haven, Florida
(Address of principal executive offices)

57-0799315
(I.R.S. Employer Identification No.)

33880
(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 July 30, 2025
Common Stock, \$2.50 par value	101,208,988

SouthState Corporation and Subsidiaries
June 30, 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)

	June 30, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents:		
Cash and due from banks	\$ 755,798	\$ 525,506
Federal funds sold and interest-earning deposits with banks	2,465,004	593,777
Deposits in other financial institutions (restricted cash)	243,304	272,784
Total cash and cash equivalents	3,464,106	1,392,067
Trading securities, at fair value	95,306	102,932
Investment securities:		
Securities held to maturity (fair value of \$1,781,748 and \$1,834,527)	2,145,991	2,254,670
Securities available for sale, at fair value	5,927,867	4,320,593
Other investments	357,487	223,613
Total investment securities	8,431,345	6,798,876
Loans held for sale	318,985	279,426
Loans:		
Acquired - non-purchased credit deteriorated loans	12,492,553	3,635,782
Acquired - purchased credit deteriorated loans	3,409,186	862,155
Non-acquired loans	31,365,508	29,404,990
Less allowance for credit losses	(621,046)	(465,280)
Loans, net	46,646,201	33,437,647
Premises and equipment, net	964,878	502,559
Bank owned life insurance ("BOLI")	1,280,632	1,013,209
Deferred tax assets	166,361	179,884
Derivatives assets	214,898	161,490
Mortgage servicing rights	85,836	89,795
Core deposit and other intangibles	433,458	66,458
Goodwill	3,094,059	1,923,106
Other assets	697,257	433,755
Total assets	\$ 65,893,322	\$ 46,381,204
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Noninterest-bearing	\$ 13,719,030	\$ 10,192,117
Interest-bearing	39,977,931	27,868,749
Total deposits	53,696,961	38,060,866
Federal funds purchased	364,032	260,191
Securities sold under agreements to repurchase	266,526	254,721
Corporate and subordinated debentures	1,099,705	391,534
Reserve for unfunded commitments	64,693	45,327
Derivative liabilities	612,284	879,855
Other liabilities	987,987	598,295
Total liabilities	57,092,188	40,490,789
Shareholders' equity:		
Common stock - \$2.50 par value; authorized 160,000,000 shares; 101,498,000 and 76,322,206 shares issued and outstanding, respectively	253,745	190,805
Surplus	6,679,028	4,259,722
Retained earnings	2,240,470	2,046,809
Accumulated other comprehensive loss	(372,109)	(606,921)
Total shareholders' equity	8,801,134	5,890,415
Total liabilities and shareholders' equity	\$ 65,893,322	\$ 46,381,204

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Interest income:				
Loans, including fees	\$ 746,448	\$ 478,360	\$ 1,471,088	\$ 942,048
Investment securities:				
Taxable	68,081	38,747	121,951	78,492
Tax-exempt	6,136	5,769	13,652	11,337
Federal funds sold, securities purchased under agreements to resell and interest-bearing deposits with banks	19,839	8,248	42,379	16,502
Total interest income	840,504	531,124	1,649,070	1,048,379
Interest expense:				
Deposits	241,593	165,481	487,550	325,643
Federal funds purchased and securities sold under agreements to repurchase	5,405	4,983	10,314	9,710
Corporate and subordinated debentures	15,558	5,999	28,063	12,008
Other borrowings	—	4,402	648	6,823
Total interest expense	262,556	180,865	526,575	354,184
Net interest income	577,948	350,259	1,122,495	694,195
Provision for credit losses	7,505	3,889	108,067	16,575
Net interest income after provision for credit losses	570,443	346,370	1,014,428	677,620
Noninterest income:				
Fees on deposit accounts	37,869	33,842	73,802	66,987
Mortgage banking income	5,936	5,912	13,673	12,081
Trust and investment services income	14,419	11,091	29,351	21,482
Correspondent banking and capital markets income	13,767	4,860	23,312	9,171
SBA income	2,430	3,955	5,662	8,318
Securities losses, net	—	—	(228,811)	—
Gain on sale-leaseback, net of transaction costs	—	—	229,279	—
Other income	12,396	15,565	26,637	28,744
Total noninterest income	86,817	75,225	172,905	146,783
Noninterest expense:				
Salaries and employee benefits	200,162	151,435	395,973	301,888
Occupancy expense	41,507	22,453	77,000	45,030
Information services expense	30,155	23,144	61,517	45,497
OREO and loan related expense	2,295	1,307	4,079	1,913
Amortization of intangibles	24,048	5,744	47,879	11,742
Supplies, printing and postage expense	3,970	2,526	7,098	5,066
Professional fees	4,658	3,906	9,367	7,021
FDIC assessment and other regulatory charges	11,469	7,771	22,727	16,305
FDIC special assessment	—	619	—	4,473
Advertising and marketing	3,010	2,594	5,300	4,578
Merger, branch consolidation, severance-related, and other expense	24,379	5,785	92,385	10,298
Other expense	29,408	21,463	60,562	44,226
Total noninterest expense	375,061	248,747	783,887	498,037
Earnings:				
Income before provision for income taxes	282,199	172,848	403,446	326,366
Provision for income taxes	66,975	40,478	99,142	78,940
Net income	\$ 215,224	\$ 132,370	\$ 304,304	\$ 247,426
Earnings per common share:				
Basic	\$ 2.12	\$ 1.74	\$ 3.00	\$ 3.24
Diluted	\$ 2.11	\$ 1.73	\$ 2.99	\$ 3.23
Weighted average common shares outstanding:				
Basic	101,495	76,251	101,453	76,276
Diluted	101,845	76,607	101,836	76,630

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		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Net income	<u>\$ 215,224</u>	<u>\$ 132,370</u>	<u>\$ 304,304</u>	<u>\$ 247,426</u>
Other comprehensive income (loss):				
Unrealized holding gains (losses) on available for sale securities:				
Unrealized holding gains (losses) arising during period	6,222	3,839	80,976	(49,737)
Tax effect	(1,664)	(1,056)	(19,832)	12,062
Reclassification adjustment for net loss included in net income	—	—	228,811	—
Tax effect	—	—	(55,143)	—
Net of tax amount	<u>4,558</u>	<u>2,783</u>	<u>234,812</u>	<u>(37,675)</u>
Other comprehensive income (loss), net of tax	<u>4,558</u>	<u>2,783</u>	<u>234,812</u>	<u>(37,675)</u>
Comprehensive income	<u>\$ 219,782</u>	<u>\$ 135,153</u>	<u>\$ 539,116</u>	<u>\$ 209,751</u>

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

SouthState Corporation and Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity (unaudited)
Three months ended June 30, 2025 and 2024
(Dollars in thousands, except for share data)

	Common Stock			Retained	Accumulated	
	Shares	Amount	Surplus	Earnings	Other Comprehensive Loss	Total
Balance, March 31, 2024	76,177,163	\$ 190,443	\$ 4,230,345	\$ 1,749,215	\$ (622,994)	\$ 5,547,009
Comprehensive loss:						
Net income	—	—	—	132,370	—	132,370
Other comprehensive income, net of tax effects	—	—	—	—	2,783	2,783
Total comprehensive income	—	—	—	—	—	135,153
Cash dividends declared on common stock at \$0.52 per share	—	—	—	(39,619)	—	(39,619)
Cash dividend equivalents paid on restricted stock units	—	—	—	(33)	—	(33)
Employee stock purchases	9,092	23	707	—	—	730
Stock options exercised	1,099	3	47	—	—	50
Restricted stock awards (forfeits)	(252)	(1)	1	—	—	—
Stock issued pursuant to restricted stock units	9,299	23	(23)	—	—	—
Stock issued in lieu of cash - directors fees	1,148	3	90	—	—	93
Common stock repurchased - equity plans	(1,826)	(5)	(135)	—	—	(140)
Share-based compensation expense	—	—	7,160	—	—	7,160
Balance, June 30, 2024	76,195,723	\$ 190,489	\$ 4,238,192	\$ 1,841,933	\$ (620,211)	\$ 5,650,403
Balance, March 31, 2025	101,479,065	\$ 253,698	\$ 6,667,277	\$ 2,080,053	\$ (376,667)	\$ 8,624,361
Comprehensive loss:						
Net income	—	—	—	215,224	—	215,224
Other comprehensive income, net of tax effects	—	—	—	—	4,558	4,558
Total comprehensive income	—	—	—	—	—	219,782
Cash dividends declared on common stock at \$0.54 per share	—	31	—	(54,807)	—	(54,807)
Employee stock purchases	12,615	31	1,081	—	—	1,112
Stock options exercised	71	1	2	—	—	3
Stock issued pursuant to restricted stock units	5,930	15	(15)	—	—	—
Stock issued in lieu of cash - directors fees	1,404	3	122	—	—	125
Common stock repurchased - equity plans	(1,085)	(3)	(94)	—	—	(97)
Share-based compensation expense	—	—	10,655	—	—	10,655
Balance, June 30, 2025	101,498,000	\$ 253,745	\$ 6,679,028	\$ 2,240,470	\$ (372,109)	\$ 8,801,134

SouthState Corporation and Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity (unaudited)
Six Months Ended June 30, 2025 and 2024
(Dollars in thousands, except for share data)

	Common Stock		Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance, December 31, 2023	76,022,039	\$ 190,055	\$ 4,240,413	\$ 1,685,166	\$ (582,536)	\$ 5,533,098
Comprehensive income:						
Net income	—	—	—	247,426	—	247,426
Other comprehensive loss, net of tax effects	—	—	—	—	(37,675)	(37,675)
Total comprehensive income	—	—	—	—	—	209,751
Cash dividends declared on common stock at \$1.04 per share	—	—	—	(79,217)	—	(79,217)
Cash dividend equivalents paid on restricted stock units	—	—	—	(1,196)	—	(1,196)
Employee stock purchases	9,092	23	707	—	—	730
Stock options exercised	7,448	19	422	—	—	441
Restricted stock awards (forfeits)	(316)	(2)	2	—	—	—
Stock issued pursuant to restricted stock units	353,675	884	(884)	—	—	—
Stock issued in lieu of cash - directors fees	1,148	3	90	—	—	93
Common stock repurchased - buyback plan	(100,000)	(250)	(7,735)	—	—	(7,985)
Common stock repurchased - equity plans	(97,363)	(243)	(7,850)	—	—	(8,093)
Share-based compensation expense	—	—	13,027	—	—	13,027
Cumulative change in accounting principle due to the adoption of ASU 2023-02	—	—	—	(10,246)	—	(10,246)
Balance, June 30, 2024	76,195,723	\$ 190,489	\$ 4,238,192	\$ 1,841,933	\$ (620,211)	\$ 5,650,403
Balance, December 31, 2024	76,322,206	\$ 190,805	\$ 4,259,722	\$ 2,046,809	\$ (606,921)	\$ 5,890,415
Comprehensive income:						
Net income	—	—	—	304,304	—	304,304
Other comprehensive income, net of tax effects	—	—	—	—	234,812	234,812
Total comprehensive income	—	—	—	—	—	539,116
Cash dividends declared on common stock at \$1.08 per share	—	—	—	(109,543)	—	(109,543)
Cash dividend equivalents paid on restricted stock units	—	—	—	(1,100)	—	(1,100)
Employee stock purchases	12,615	31	1,081	—	—	1,112
Stock options exercised	7,047	19	314	—	—	333
Stock issued pursuant to restricted stock units	405,891	1,015	(1,015)	—	—	—
Stock issued in lieu of cash - directors fees	2,307	5	213	—	—	218
Common stock repurchased - equity plans	(110,797)	(277)	(10,996)	—	—	(11,273)
Share-based compensation expense	—	—	18,909	—	—	18,909
Common stock issued for Independent acquisition	24,858,731	62,147	2,410,800	—	—	2,472,947
Balance, June 30, 2025	101,498,000	\$ 253,745	\$ 6,679,028	\$ 2,240,470	\$ (372,109)	\$ 8,801,134

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

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

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 304,304	\$ 247,426
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	75,001	27,837
Provision for credit losses	108,067	16,575
Deferred income taxes	83,833	9,221
Losses on sale of securities, net	228,811	—
Share-based compensation expense	18,909	13,027
Accretion of discount related to acquired loans	(125,305)	(8,673)
Gains on disposal of premises and equipment	(115)	(7)
Gains on sale of bank properties held for sale and repossessed real estate	(229,810)	(1,090)
Net amortization of premiums and discounts on investment securities	5,437	9,721
Bank properties held for sale and repossessed real estate write downs	266	52
Fair value adjustment for loans held for sale	433	(1,008)
Originations and purchases of loans held for sale	(1,235,565)	(553,362)
Proceeds from sales of loans held for sale	658,553	511,006
Gains on sales of loans held for sale	(11,462)	(5,755)
Increase in cash surrender value of BOLI	(17,527)	(13,444)
Net change in:		
Accrued interest receivable	(3,830)	(5,462)
Prepaid assets	6,992	(4,177)
Operating leases	2,817	216
Bank owned life insurance	(1,427)	(840)
Trading securities	514,762	(60,840)
Derivative assets	(46,679)	(12,097)
Miscellaneous other assets	16,915	40,804
Accrued interest payable	(26,808)	(1,465)
Accrued income taxes	(64,074)	20,603
Derivative liabilities	(275,258)	150,861
Miscellaneous other liabilities	(40,891)	25,351
Net cash (used in) provided by operating activities	(53,651)	404,480
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	106,692	136,746
Proceeds from maturities and calls of investment securities available for sale	674,993	241,844
Proceeds from sales and redemptions of other investment securities	45,302	85,517
Purchases of investment securities available for sale	(3,503,942)	(13,014)
Purchases of other investment securities	(117,363)	(94,989)
Net increase in loans	(209,675)	(857,537)
Net cash received from acquisitions	1,040,765	—
Net cash paid for acquisition of customer list	(279)	—
Recoveries of loans previously charged off	7,700	9,626
Purchases of premises and equipment	(32,933)	(14,999)
Proceeds from redemption and payout of bank owned life insurance policies	3,532	3,739
Proceeds from sale of bank properties held for sale and repossessed real estate	464,751	8,724
Proceeds from sale of premises and equipment	972	363
Net cash provided by (used in) investing activities	1,354,625	(493,980)
Cash flows from financing activities:		
Net increase in deposits	430,633	49,798
Net increase in federal funds purchased and securities sold under agreements to repurchase and other short-term borrowings	115,646	53,218
Proceeds from borrowings	1,045,039	2,550,000
Repayment of borrowings	(700,000)	(2,350,000)
Common stock issuance	1,330	823
Common stock repurchases	(11,273)	(16,078)
Dividends paid	(110,643)	(80,413)
Stock options exercised	333	441
Net cash provided by financing activities	771,065	207,789
Net increase in cash and cash equivalents	2,072,039	118,289
Cash and cash equivalents at beginning of period	1,392,067	998,877
Cash and cash equivalents at end of period	\$ 3,464,106	\$ 1,117,166

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

	Six Months Ended June 30,	
	2025	2024
Supplemental Disclosures:		
Cash Flow Information:		
Cash paid for:		
Interest	\$ 553,383	\$ 355,649
Income taxes	\$ 72,267	\$ 42,186
Recognition of operating lease assets in exchange for lease liabilities	\$ 397,318	\$ 9,093
Schedule of Noncash Operating Transactions:		
Pooling of SBA loans held for sale into trading securities	\$ 507,136	\$ —
Schedule of Noncash Investing Transactions:		
Acquisitions:		
Fair value of tangible assets acquired	\$ 16,553,467	\$ —
Other intangible assets acquired	414,553	—
Liabilities assumed	15,665,912	—
Net identifiable assets acquired over liabilities assumed	1,170,953	—
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	\$ 21,584	\$ 3,604

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 and six months ended June 30, 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 June 30, 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 June 30, 2025, and December 31, 2024, the accrued interest receivables for all investment securities recorded in Other Assets were \$36.6 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.

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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 June 30, 2025, and December 31, 2024, the accrued interest receivables for loans recorded in Other Assets were \$183.7 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 June 30, 2025, and December 31, 2024, the liabilities recorded for expected credit losses on unfunded commitments were \$64.7 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 \$13.0 billion of loans, at fair value, net of \$617.4 million, or 4.5%, estimated discount to the outstanding principal balance, representing 38.8% 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 statements of the Company since the acquisition date. Due to the integration of Independent’s financial information into the financial statements of the Company since the acquisition date, it is impractical to separately disclose the revenue and earnings of Independent.

During the three and six months ended June 30, 2025, the Company incurred approximately \$28.4 million and \$94.9 million, respectively, of acquisition costs related to the Independent acquisition. During the three and six months ended June 30, 2024, the Company incurred approximately \$2.5 million of acquisition costs related to this transaction. These acquisition costs are reported in Merger, Branch Consolidation, Severance-Related, and Other Expense 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 is subject to change as additional information becomes available during the measurement period. Subsequently, as a result of the various measurement period adjustments identified during the second quarter of 2025, the goodwill increased by \$6.0 million to \$1.2 billion.

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In addition to the preliminary fair value adjustments, inclusive of subsequent measurement period adjustments recorded during the second quarter of 2025, for assets acquired and liabilities assumed from Independent, the table below includes on the line adjustments representing expenses incurred by Independent that were contingent upon the consummation of the acquisition, as well as reclassifications to conform with the Company's presentation and other adjustments. Fair values are preliminary and subject to refinement for up to a year after the closing date of the acquisition.

(Dollars in thousands)	As Recorded by Independent	On The Line Adjustments	Reclassifications and Other Adjustments	Adjusted Acquired Balance Sheet	Preliminary Fair Value Adjustments	Subsequent 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)	(16,798) (j)	12,991,559
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)	1,849 (l)	116,412
Bank property held for sale	—	—	—	—	72,000 (m)	6,474 (m)	78,474
Goodwill	476,021	—	—	476,021	(476,021) (n)	—	—
Core deposit and other intangible assets	38,808	—	—	38,808	373,270 (o)	2,475 (o)	414,553
Other assets	226,032	(23,000) (b)	(35,915) (c, g)	167,117	(11,530) (p)	—	155,587
Total assets	<u>\$ 17,566,327</u>	<u>\$ (16,404)</u>	<u>\$ (1,434)</u>	<u>\$ 17,548,489</u>	<u>\$ (574,469)</u>	<u>\$ (6,000)</u>	<u>\$ 16,968,020</u>
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)	(6,000)	1,302,108
Goodwill	—	—	—	—	1,164,953	6,000	1,170,953
Net assets acquired over liabilities assumed	<u>\$ 1,908,397</u>	<u>\$ (23,263)</u>	<u>\$ 486</u>	<u>\$ 1,885,620</u>	<u>\$ 587,441</u>	<u>\$ —</u>	<u>\$ 2,473,061</u>
Consideration:							
SouthState Corporation common shares issued							24,858,731
Purchase price per share of the Company's common stock							<u>\$ 99.48</u>
Company common stock issued							\$ 2,472,947
Cash exchanged for fractional shares							114
Fair value of total consideration transferred							<u>\$ 2,473,061</u>

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.

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- (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. The fair value for loans was subsequently adjusted by \$16.8 million due to an increase in the credit mark (ACL) related to PCL loans.
- (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. Also includes approximately \$1.8 million of net deferred tax assets related to subsequent fair value adjustments recorded during the current period.
- (m) represents a transfer of \$72.0 million of bank real estate to bank property held for sale. Subsequently, the fair value of the property, net of selling costs, was adjusted by \$6.5 million based on the terms of the executed sale agreement, closing statement and selling costs.
- (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. The Company recorded a wealth customer relationship intangible for approximately \$2.5 million in the second quarter of 2025.
- (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 and six months ended June 30, 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 \$94.9 million from the Independent acquisition were incurred during 2025 and excluded from the pro forma information presented below. Merger-related costs of \$2.5 million incurred during three and six months ended June 30, 2024 were also excluded from pro forma information below. 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:

	Pro Forma Three Months Ended June 30, 2024		Pro Forma Six Months Ended June 30, 2024	
(Dollars in thousands)				
Total revenues (<i>net interest income plus noninterest income</i>)	\$	611,428	\$	1,201,812
Net interest income	\$	522,770	\$	1,028,726
Net adjusted income available to the common shareholder	\$	80,233	\$	174,343
EPS — basic	\$	0.79	\$	1.73
EPS — diluted	\$	0.79	\$	1.72

Note 5 — Investment 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
June 30, 2025:				
U.S. Government agencies	\$ 132,910	\$ —	\$ (19,050)	\$ 113,860
Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	1,226,097	—	(209,197)	1,016,900
Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises	395,349	—	(62,090)	333,259
Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	343,953	—	(64,067)	279,886
Small Business Administration loan-backed securities	47,682	—	(9,839)	37,843
	<u>\$ 2,145,991</u>	<u>\$ —</u>	<u>\$ (364,243)</u>	<u>\$ 1,781,748</u>
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
	<u>\$ 2,254,670</u>	<u>\$ —</u>	<u>\$ (420,143)</u>	<u>\$ 1,834,527</u>

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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
June 30, 2025:				
Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	\$ 1,687,317	\$ 3,839	\$ (167,277)	\$ 1,523,879
Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises	2,336,853	15,927	(55,809)	2,296,971
Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	661,425	1,787	(81,720)	581,492
State and municipal obligations	1,108,538	92	(186,213)	922,417
Small Business Administration loan-backed securities	604,070	636	(28,192)	576,514
Corporate securities	28,499	—	(1,905)	26,594
	<u>\$ 6,426,702</u>	<u>\$ 22,281</u>	<u>\$ (521,116)</u>	<u>\$ 5,927,867</u>
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
	<u>\$ 5,129,216</u>	<u>\$ 701</u>	<u>\$ (809,324)</u>	<u>\$ 4,320,593</u>

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

(Dollars in thousands)	Carrying Value
June 30, 2025:	
Federal Home Loan Bank stock	\$ 18,090
Federal Reserve Bank stock	234,374
Investment in unconsolidated subsidiaries	5,287
Other investment securities	99,736
	<u>\$ 357,487</u>
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
	<u>\$ 223,613</u>

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 June 30, 2025, the Company has determined that there was no impairment on its other investment securities.

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The amortized cost and fair value of debt securities at June 30, 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.

(Dollars in thousands)	Securities Held to Maturity		Securities Available for Sale	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ —	\$ —	\$ 38,471	\$ 38,295
Due after one year through five years	56,126	52,172	205,691	203,072
Due after five years through ten years	397,667	348,885	694,006	640,680
Due after ten years	1,692,198	1,380,691	5,488,534	5,045,820
	<u>\$ 2,145,991</u>	<u>\$ 1,781,748</u>	<u>\$ 6,426,702</u>	<u>\$ 5,927,867</u>

During the three months ended June 30, 2025, there were no sales of securities available for sale. During the first quarter of 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, during the first quarter of 2025, 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 and six months ended June 30, 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 six months ended June 30, 2025:

(Dollars in thousands)	Six Months Ended June 30, 2025		
	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 and six months ended June 30, 2025 or June 30, 2024.

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Information pertaining to our securities with gross unrealized losses at June 30, 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		Twelve Months or More	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
June 30, 2025:				
Securities Held to Maturity				
U.S. Government agencies	\$ —	\$ —	\$ 19,050	\$ 113,860
Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	—	—	209,197	1,016,900
Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises	—	—	62,090	333,259
Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	—	—	64,067	279,886
Small Business Administration loan-backed securities	—	—	9,839	37,843
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 364,243</u>	<u>\$ 1,781,748</u>
Securities Available for Sale				
Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	\$ 1,267	\$ 96,348	\$ 166,010	\$ 838,193
Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises	1,627	398,768	54,181	308,971
Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	135	39,092	81,585	414,247
State and municipal obligations	315	6,672	185,899	881,624
Small Business Administration loan-backed securities	143	121,492	28,049	218,036
Corporate securities	—	—	1,905	26,593
	<u>\$ 3,487</u>	<u>\$ 662,372</u>	<u>\$ 517,629</u>	<u>\$ 2,687,664</u>
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
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 420,143</u>	<u>\$ 1,834,527</u>
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
	<u>\$ 2,594</u>	<u>\$ 93,830</u>	<u>\$ 806,730</u>	<u>\$ 4,113,658</u>

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 June 30, 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.

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At June 30, 2025, investment securities with a market value of \$4.9 billion and a carrying value of \$5.2 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 — Borrowings, under the “Securities Sold Under Agreements to Repurchase (“Repurchase agreements”)” section). Of the \$5.2 billion carrying value of investment securities pledged, \$5.0 billion were pledged to secure public funds deposits, \$175.8 million were pledged to secure FHLB advances, and \$87.9 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 June 30, 2025, and December 31, 2024, trading securities, at estimated fair value, were as follows:

(Dollars in thousands)	June 30, 2025	December 31, 2024
U.S. Government agencies	\$ 12,908	\$ 15,002
Residential mortgage pass-through securities issued or guaranteed by U.S. government agencies or sponsored enterprises	6,501	14,803
Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	6,967	14,419
State and municipal obligations	20,228	35,896
Small Business Administration loan-backed securities	48,702	22,571
Other debt securities	—	241
	<u>\$ 95,306</u>	<u>\$ 102,932</u>

For the three and six months ended June 30, 2025, and 2024, the net gains (losses) on trading securities were determined to be immaterial to the consolidated financial statements.

Note 6 — Loans

The following is a summary of total loans:

(Dollars in thousands)	June 30, 2025	December 31, 2024
Loans:		
Construction and land development ⁽¹⁾	\$ 3,323,923	\$ 2,184,327
Commercial non-owner-occupied	15,646,669	9,383,732
Commercial owner-occupied real estate	7,497,906	5,716,376
Consumer owner-occupied ⁽²⁾	8,330,548	7,144,885
Home equity loans	1,707,821	1,570,084
Commercial and industrial	8,445,878	6,222,876
Other income producing property	1,306,741	607,750
Consumer	1,007,251	1,062,599
Other loans	510	10,298
Total loans	47,267,247	33,902,927
Less: allowance for credit losses	(621,046)	(465,280)
Loans, net	<u>\$ 46,646,201</u>	<u>\$ 33,437,647</u>

(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.

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The above table reflects the loan portfolio at the amortized cost basis for the periods June 30, 2025, and December 31, 2024, to include net deferred costs of \$92.8 million and \$86.7 million, respectively, and unamortized discount related to loans acquired of \$392.8 million and \$36.9 million, respectively. Accrued interest receivables of \$183.7 million and \$133.0 million, respectively, are accounted for separately and reported in other assets for the periods June 30, 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	(135,441)
Non-credit discount at acquisition	(151,993)
Carrying value or book value of acquired loans at acquisition	<u>\$ 2,794,006</u>

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 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.

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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 June 30, 2025:

(Dollars in thousands)		Term Loans Amortized Cost Basis by Origination Year							
As of June 30, 2025	2025	2024	2023	2022	2021	Prior	Revolving	Total	
Construction and land development									
Risk rating:									
Pass	\$ 358,406	\$ 735,023	\$ 507,851	\$ 649,748	\$ 139,906	\$ 64,208	\$ 109,977	\$ 2,565,119	
Special mention	2	626	60,644	156,633	3,805	3,993	—	225,703	
Substandard	1,081	16,332	32,051	103,639	3,479	5,447	—	162,029	
Doubtful	—	—	—	—	—	5	—	5	
Total Construction and land development	\$ 359,489	\$ 751,981	\$ 600,546	\$ 910,020	\$ 147,190	\$ 73,653	\$ 109,977	\$ 2,952,856	
Construction and land development									
Current-period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ 16	\$ —	\$ —	\$ 16	
Commercial non-owner-occupied									
Risk rating:									
Pass	\$ 840,937	\$ 1,187,686	\$ 1,342,936	\$ 4,243,573	\$ 2,673,803	\$ 3,627,263	\$ 177,386	\$ 14,093,584	
Special mention	5,896	7,749	32,021	290,180	149,681	70,238	811	556,576	
Substandard	49,540	29,260	141,752	288,146	279,213	208,443	151	996,505	
Doubtful	—	—	—	—	1	3	—	4	
Total Commercial non-owner-occupied	\$ 896,373	\$ 1,224,695	\$ 1,516,709	\$ 4,821,899	\$ 3,102,698	\$ 3,905,947	\$ 178,348	\$ 15,646,669	
Commercial non-owner-occupied									
Current-period gross charge-offs	\$ —	\$ —	\$ 4,565	\$ 435	\$ 18,033	\$ 8,068	\$ —	\$ 31,101	
Commercial Owner-Occupied									
Risk rating:									
Pass	\$ 551,163	\$ 793,227	\$ 687,443	\$ 1,201,264	\$ 1,184,325	\$ 2,599,209	\$ 98,227	\$ 7,114,858	
Special mention	2,417	5,343	4,626	3,776	6,302	33,064	369	55,897	
Substandard	7,061	6,013	55,033	104,475	47,077	106,241	1,233	327,133	
Doubtful	7	4	3	—	—	4	—	18	
Total commercial owner-occupied	\$ 560,648	\$ 804,587	\$ 747,105	\$ 1,309,515	\$ 1,237,704	\$ 2,738,518	\$ 99,829	\$ 7,497,906	
Commercial owner-occupied									
Current-period gross charge-offs	\$ —	\$ —	\$ 423	\$ 966	\$ —	\$ 603	\$ —	\$ 1,992	
Commercial and industrial									
Risk rating:									
Pass	\$ 1,552,659	\$ 1,366,417	\$ 752,676	\$ 1,051,703	\$ 540,483	\$ 905,561	\$ 1,863,274	\$ 8,032,773	
Special mention	3,106	2,255	32,680	18,721	1,623	2,635	28,433	89,453	
Substandard	18,032	34,168	42,777	45,581	40,821	30,817	111,301	323,497	
Doubtful	—	—	29	66	48	—	12	155	
Total commercial and industrial	\$ 1,573,797	\$ 1,402,840	\$ 828,162	\$ 1,116,071	\$ 582,975	\$ 939,013	\$ 2,003,020	\$ 8,445,878	
Commercial and industrial									
Current-period gross charge-offs	\$ 467	\$ 1,774	\$ 2,376	\$ 6,558	\$ 12,409	\$ 10,518	\$ 1,356	\$ 35,458	
Other income producing property									
Risk rating:									
Pass	\$ 59,282	\$ 128,479	\$ 126,210	\$ 310,844	\$ 187,874	\$ 277,182	\$ 60,813	\$ 1,150,684	
Special mention	477	585	150	3,796	6	2,598	1,048	8,660	
Substandard	689	790	1,947	5,912	635	16,929	705	27,607	
Doubtful	—	—	—	—	—	—	—	—	
Total other income producing property	\$ 60,448	\$ 129,854	\$ 128,307	\$ 320,552	\$ 188,515	\$ 296,709	\$ 62,566	\$ 1,186,951	
Other income producing property									
Current-period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Consumer owner-occupied									
Risk rating:									
Pass	\$ 12,028	\$ 5,204	\$ 21,991	\$ 16,527	\$ 12,071	\$ 28,607	\$ 42,540	\$ 138,968	
Special mention	166	18	135	—	—	—	—	319	
Substandard	1,375	959	—	—	—	164	1,233	3,731	
Doubtful	—	—	—	—	—	1	—	1	
Total Consumer owner-occupied	\$ 13,569	\$ 6,181	\$ 22,126	\$ 16,527	\$ 12,071	\$ 28,772	\$ 43,773	\$ 143,019	
Consumer owner-occupied									
Current-period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Other loans									
Risk rating:									
Pass	\$ 510	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 510	
Special mention	—	—	—	—	—	—	—	—	
Substandard	—	—	—	—	—	—	—	—	
Doubtful	—	—	—	—	—	—	—	—	
Total other loans	\$ 510	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 510	
Other loans									
Current-period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Total Commercial Loans									
Risk rating:									
Pass	\$ 3,374,985	\$ 4,216,036	\$ 3,439,107	\$ 7,473,659	\$ 4,738,462	\$ 7,502,030	\$ 2,352,217	\$ 33,096,496	
Special mention	12,064	16,576	130,256	473,106	161,417	112,528	30,661	936,608	
Substandard	77,778	87,522	273,560	547,753	371,225	368,041	114,623	1,840,502	
Doubtful	7	4	32	66	49	13	12	183	
Total Commercial Loans	\$ 3,464,834	\$ 4,320,138	\$ 3,842,955	\$ 8,494,584	\$ 5,271,153	\$ 7,982,612	\$ 2,497,513	\$ 35,873,789	
Commercial Loans									
Current-period gross charge-offs	\$ 467	\$ 1,774	\$ 7,364	\$ 7,959	\$ 30,458	\$ 19,189	\$ 1,356	\$ 68,567	

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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	

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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 June 30, 2025:

(Dollars in thousands)		Term Loans Amortized Cost Basis by Origination Year							
As of June 30, 2025		2025	2024	2023	2022	2021	Prior	Revolving	Total
Consumer owner-occupied									
Days past due:									
Current	\$	478,691	\$ 689,206	\$ 1,086,792	\$ 2,507,152	\$ 1,697,732	\$ 1,676,169	\$ —	\$ 8,135,742
30 days past due		229	4,944	4,175	3,961	3,632	4,459	—	21,400
60 days past due		—	1,995	2,010	482	931	2,552	—	7,970
90 days past due		—	1,666	4,617	5,895	2,184	8,055	—	22,417
Total Consumer owner-occupied	\$	478,920	\$ 697,811	\$ 1,097,594	\$ 2,517,490	\$ 1,704,479	\$ 1,691,235	\$ —	\$ 8,187,529
Consumer owner-occupied									
Current-period gross charge-offs	\$	—	\$ 291	\$ 329	\$ 272	\$ 17	\$ 58	\$ —	\$ 967
Home equity loans									
Days past due:									
Current	\$	1,941	\$ 7,125	\$ 4,738	\$ 4,091	\$ 1,207	\$ 14,168	\$ 1,666,086	\$ 1,699,356
30 days past due		—	142	94	—	89	524	2,759	3,608
60 days past due		—	—	—	—	—	424	1,425	1,849
90 days past due		—	36	434	536	188	941	873	3,008
Total Home equity loans	\$	1,941	\$ 7,303	\$ 5,266	\$ 4,627	\$ 1,484	\$ 16,057	\$ 1,671,143	\$ 1,707,821
Home equity loans									
Current-period gross charge-offs	\$	—	\$ —	\$ —	\$ 64	\$ —	\$ 165	\$ —	\$ 229
Consumer									
Days past due:									
Current	\$	121,174	\$ 165,822	\$ 186,421	\$ 182,972	\$ 76,640	\$ 179,891	\$ 88,619	\$ 1,001,539
30 days past due		21	185	586	139	395	831	137	2,294
60 days past due		5	136	195	228	146	378	75	1,163
90 days past due		202	55	301	349	88	1,259	1	2,255
Total consumer	\$	121,402	\$ 166,198	\$ 187,503	\$ 183,688	\$ 77,269	\$ 182,359	\$ 88,832	\$ 1,007,251
Consumer									
Current-period gross charge-offs	\$	10	\$ 393	\$ 426	\$ 373	\$ 75	\$ 2,556	\$ 2,479	\$ 6,312
Construction and land development									
Days past due:									
Current	\$	35,790	\$ 137,110	\$ 43,788	\$ 84,568	\$ 36,678	\$ 29,802	\$ —	\$ 367,736
30 days past due		—	—	77	2,945	—	119	—	3,141
60 days past due		—	—	77	—	—	15	—	92
90 days past due		—	—	—	3	—	95	—	98
Total Construction and land development	\$	35,790	\$ 137,110	\$ 43,942	\$ 87,516	\$ 36,678	\$ 30,031	\$ —	\$ 371,067
Construction and land development									
Current-period gross charge-offs	\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Other income producing property									
Days past due:									
Current	\$	877	\$ 4,615	\$ 8,458	\$ 53,837	\$ 18,364	\$ 33,369	\$ 155	\$ 119,675
30 days past due		—	—	—	—	—	—	—	—
60 days past due		—	—	—	—	—	—	—	—
90 days past due		—	—	—	—	—	115	—	115
Total other income producing property	\$	877	\$ 4,615	\$ 8,458	\$ 53,837	\$ 18,364	\$ 33,484	\$ 155	\$ 119,790
Other income producing property									
Current-period gross charge-offs	\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total Consumer Loans									
Days past due:									
Current	\$	638,473	\$ 1,003,878	\$ 1,330,197	\$ 2,832,620	\$ 1,830,621	\$ 1,933,399	\$ 1,754,860	\$ 11,324,048
30 days past due		250	5,271	4,932	7,045	4,116	5,933	2,896	30,443
60 days past due		5	2,131	2,282	710	1,077	3,369	1,500	11,074
90 days past due		202	1,757	5,352	6,783	2,460	10,465	874	27,893
Total Consumer Loans	\$	638,930	\$ 1,013,037	\$ 1,342,763	\$ 2,847,158	\$ 1,838,274	\$ 1,953,166	\$ 1,760,130	\$ 11,393,458
Consumer Loans									
Current-period gross charge-offs	\$	10	\$ 684	\$ 755	\$ 709	\$ 92	\$ 2,779	\$ 2,479	\$ 7,508

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 June 30, 2025:

(Dollars in thousands)		Term Loans Amortized Cost Basis by Origination Year							
As of June 30, 2025		2025	2024	2023	2022	2021	Prior	Revolving	Total
Total Loans	\$	4,103,764	\$ 5,333,175	\$ 5,185,718	\$ 11,341,742	\$ 7,109,427	\$ 9,935,778	\$ 4,257,643	\$ 47,267,247
Current-period gross charge-offs	\$	477	\$ 2,458	\$ 8,119	\$ 8,668	\$ 30,550	\$ 21,968	\$ 3,835	\$ 76,075

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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:

(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
June 30, 2025							
Construction and land development	\$ 5,442	\$ 645	\$ —	\$ 6,087	\$ 3,317,080	\$ 756	\$ 3,323,923
Commercial non-owner-occupied	2,375	1,884	422	4,681	15,560,938	81,050	15,646,669
Commercial owner-occupied	8,766	1,408	477	10,651	7,447,146	40,109	7,497,906
Consumer owner-occupied	17,666	828	—	18,494	8,260,500	51,554	8,330,548
Home equity loans	2,320	1,258	—	3,578	1,693,408	10,835	1,707,821
Commercial and industrial	24,034	21,442	3,282	48,758	8,293,948	103,172	8,445,878
Other income producing property	932	1,015	213	2,160	1,302,671	1,910	1,306,741
Consumer	2,090	782	—	2,872	1,000,389	3,990	1,007,251
Other loans	—	—	—	—	510	—	510
	<u>\$ 63,625</u>	<u>\$ 29,262</u>	<u>\$ 4,394</u>	<u>\$ 97,281</u>	<u>\$ 46,876,590</u>	<u>\$ 293,376</u>	<u>\$ 47,267,247</u>
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
	<u>\$ 56,417</u>	<u>\$ 16,807</u>	<u>\$ 3,293</u>	<u>\$ 76,517</u>	<u>\$ 33,619,114</u>	<u>\$ 207,296</u>	<u>\$ 33,902,927</u>

The following table is a summary of information pertaining to nonaccrual loans by class, including loans modified for borrowers with financial difficulty as of June 30, 2025 and December 31, 2024:

(Dollars in thousands)	June 30, 2025	Greater than 90 Days Accruing ⁽¹⁾	Non-accrual with no allowance ⁽¹⁾	December 31, 2024
Construction and land development	\$ 756	\$ —	\$ —	\$ 1,458
Commercial non-owner-occupied	81,050	422	73,793	17,505
Commercial owner-occupied real estate	40,109	477	10,157	35,682
Consumer owner-occupied	51,554	—	—	43,054
Home equity loans	10,835	—	1,118	10,023
Commercial and industrial	103,172	3,282	15,214	92,020
Other income producing property	1,910	213	717	2,198
Consumer	3,990	—	—	5,356
Total loans on nonaccrual status	<u>\$ 293,376</u>	<u>\$ 4,394</u>	<u>\$ 100,999</u>	<u>\$ 207,296</u>

(1) Greater than 90 days accruing and non-accrual with no allowance loans at June 30, 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.

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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)	June 30, 2025	Collateral Coverage	%	December 31, 2024	Collateral Coverage	%
Commercial owner-occupied real estate						
Industrial	\$ —	\$ —		\$ 2,835	\$ 6,831	241%
Other	11,650	20,677	177%	11,087	20,683	187%
Commercial non-owner-occupied real estate						
Retail	3,475	5,251	151%	—	—	
Other	3,081	3,582	116%	—	—	
Office	21,548	26,858	125%	14,223	15,594	110%
Multifamily	45,956	50,003	109%			
Commercial and industrial						
Other	61,689	53,783	87%	59,171	74,549	126%
Other income producing property						
1-4 family investment property	717	545	76%	1,265	3,286	260%
Consumer owner-occupied						
1st Mtg Residential	—	—		963	954	99%
Home equity loans						
Residential 1-4 family dwelling	1,118	2,250	201%	1,173	2,250	192%
Total collateral dependent loans	<u>\$ 149,234</u>	<u>\$ 162,949</u>		<u>\$ 90,717</u>	<u>\$ 124,147</u>	

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. As a result of the acquisition of Independent on January 1, 2025, collateral dependent loans increased \$80.3 million from the date of acquisition. Overall collateral dependent loans increased \$58.5 million, net of payoffs, charge offs and loans returned to nonaccrual status during the six months ended June 30, 2025. See Note 4 — Loans of our Annual Report on Form 10-K for the year ended December 31, 2024, for more detailed descriptions of how the ACL is measured on collateral dependent, individually evaluated loans on non-accrual status.

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.

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The following tables present loans designated as modifications made to borrowers experiencing financial difficulty during the three and six months ended June 30, 2025, and 2024, respectively. The loans are segregated by type of modification and asset class, indicating the financial effect of the modifications. There were no combination interest rate reduction and payment delay modifications for the three months ended June 30, 2025.

(Dollars in thousands)	Three Months Ended June 30,					
	2025			2024		
	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 owner-occupied real estate	\$ 332	0.00%	1.55%	\$ —	—	—
Consumer owner-occupied	—	—	—	398	0.01%	1.15%
Total interest rate reductions	<u>\$ 332</u>			<u>\$ 398</u>		

(Dollars in thousands)	Six Months Ended June 30,					
	2025			2024		
	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	\$ 15,045	0.10%	0.86%	\$ —	—	—
Commercial owner-occupied real estate	332	0.00%	1.55%	1,321	0.02%	3.14%
Commercial and industrial	378	0.00%	1.75%	—	—	—
Total interest rate reductions	<u>\$ 15,755</u>			<u>\$ 1,321</u>		

(Dollars in thousands)	Three Months Ended June 30,					
	2025			2024		
	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						
Commercial owner-occupied real estate	\$ —	—	—	\$ 11,050	0.20%	32 months
Consumer owner-occupied	4,269	0.05%	4 months	1,047	0.02%	3 months
Commercial and industrial	9,245	0.11%	4 months	20,529	0.36%	37 months
Total term extensions	<u>\$ 13,514</u>			<u>\$ 32,626</u>		

(Dollars in thousands)	Six Months Ended June 30,					
	2025			2024		
	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	\$ 286	0.01%	9 months	\$ —	—	—
Commercial owner-occupied real estate	—	—	—	11,050	0.20%	32 months
Consumer owner-occupied	4,269	0.05%	4 months	1,047	0.02%	3 months
Commercial and industrial	9,245	0.11%	4 months	20,529	0.36%	37 months
Total term extensions	<u>\$ 13,800</u>			<u>\$ 32,626</u>		

	Three Months Ended June 30,					
	2025			2024		
	Amortized Cost	% of Total Asset Class	WA of Months Payments Were Deferred	Amortized Cost	% of Total Asset Class	WA of Months Payments Were Deferred
(Dollars in thousands)						
Other-than-insignificant payment delay						
Commercial owner-occupied real estate	\$ 5,404	0.07%	6 months	\$ —	—	—
Commercial and industrial	<u>1,610</u>	<u>0.02%</u>	<u>6 months</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total payment delays	<u>\$ 7,014</u>			<u>\$ —</u>		

	Six Months Ended June 30,					
	2025			2024		
	Amortized Cost	% of Total Asset Class	Number (or WA) of Months Payments Were Deferred	Amortized Cost	% of Total Asset Class	Number (or WA) of Months Payments Were Deferred
(Dollars in thousands)						
Other-than-insignificant payment delay						
Commercial owner-occupied real estate	\$ 5,713	0.08%	7 months	\$ —	—	—
Commercial and industrial	<u>1,610</u>	<u>0.02%</u>	<u>6 months</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total payment delays	<u>\$ 7,323</u>			<u>\$ —</u>	\$ —	

	Three Months Ended June 30,					
	2025			2024		
	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
(Dollars in thousands)						
Combination- Term Extension and Interest Rate Reduction						
Consumer owner-occupied	\$ 363	1.50%	18 months	\$ —	—	—
Total	<u>\$ 363</u>			<u>\$ —</u>		

	Six Months Ended June 30,					
	2025			2024		
	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
(Dollars in thousands)						
Combination- Term Extension and Interest Rate Reduction						
Consumer owner-occupied	\$ 853	3.01%	9 months	\$ —	—	—
Total	<u>\$ 853</u>			<u>\$ —</u>		

	Six Months Ended June 30,					
	2025			2024		
	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
(Dollars in thousands)						
Combination- Interest Rate Reduction and Payment Delay						
Commercial and industrial	\$ 1,177	0.75%	12 months	\$ —	—	—
Total	<u>\$ 1,177</u>			<u>\$ —</u>		

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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 June 30, 2025, the Company had \$88,000 in 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 June 30, 2025 and 2024, by type of modification. The subsequent defaults were all due to past due status greater than 60 days and loss mitigation efforts.

(Dollars in thousands)	June 30,					
	2025			2024		
	Paying Under Restructured Terms Amortized Cost	Converted to Nonaccrual Amortized Cost	Foreclosures and Defaults Amortized Cost	Paying Under Restructured Terms Amortized Cost	Converted to Nonaccrual Amortized Cost	Foreclosures and Defaults Amortized Cost
Interest rate reduction						
Commercial non-owner-occupied	\$ 15,045	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial owner-occupied real estate	332	—	—	—	—	—
Commercial and industrial	378	—	—	—	—	—
Consumer owner-occupied	—	—	482	1,320	—	—
Total interest rate reductions	\$ 15,755	\$ —	\$ 482	\$ 1,320	\$ —	\$ —
Term extension						
Construction and land development	\$ 286	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial owner-occupied real estate	—	—	—	11,050	—	—
Consumer owner-occupied	5,876	—	298	1,047	—	—
Commercial and industrial	9,245	—	—	20,529	—	—
Total term extensions	\$ 15,407	\$ —	\$ 298	\$ 32,626	\$ —	\$ —
Other-than-insignificant payment delay						
Commercial owner-occupied real estate	\$ 6,087	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial and industrial	1,610	—	—	—	—	—
Total payment delays	\$ 7,697	\$ —	\$ —	\$ —	\$ —	\$ —
Term Extension and Interest Rate Reduction						
Consumer owner-occupied	\$ 1,220	\$ —	\$ —	\$ —	\$ —	\$ —
Total term extension and interest rate combinations	\$ 1,220	\$ —	\$ —	\$ —	\$ —	\$ —
Term Extension and Payment Delay						
Commercial and industrial	\$ 1,177	\$ —	\$ —	\$ —	\$ —	\$ —
Total term extension and payment delay combinations	\$ 1,177	\$ —	\$ —	\$ —	\$ —	\$ —
	\$ 41,256	\$ —	\$ 780	\$ 33,946	\$ —	\$ —

The following table depicts the performance of loans modified within the previous twelve months to borrowers experiencing financial difficulty, as of June 30, 2025 and 2024:

(Dollars in thousands)	June 30, 2025			June 30, 2024		
	Payment Status (Amortized Cost Basis)			Payment Status (Amortized Cost Basis)		
	Current	30-89 Days Past Due	90+ Days Past Due	Current	30-89 Days Past Due	90+ Days Past Due
Construction and land development	\$ 286	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial non-owner-occupied	15,045	—	—	—	—	—
Commercial owner-occupied real estate	6,418	—	—	11,050	—	—
Consumer owner-occupied	6,740	655	482	1,445	922	—
Commercial and industrial	12,410	—	—	20,529	—	—
Total	\$ 40,899	\$ 655	\$ 482	\$ 33,024	\$ 922	\$ —

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 tables present a disaggregated analysis of activity in the allowance for credit losses for the three and six months ended June 30, 2025 and 2024:

(Dollars in thousands)	Residential Mortgage	Residential Sr.Mortgage	Residential Jr.HELOC	Residential Construction	Comm Constr. & Dev.	Consumer	Multifamily	Municipal	CRE Owner- Occupied	Non-Owner- Occupied CRE	C & I	Total
Three Months Ended June 30, 2025												
Allowance for credit losses:												
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
Allowance Adjustment - FMV for Independent merger	—	—	—	—	—	—	16,798	—	—	—	—	16,798
Independent Day 1 Loan Net Charge-offs PCD ⁽¹⁾	—	—	—	—	—	—	(18,065)	—	286	520	—	(17,259)
Charge-offs	(385)	(1)	—	—	(16)	(2,184)	—	—	(772)	—	(8,607)	(11,965)
Recoveries	194	65	125	—	315	529	—	—	67	247	3,176	4,718
Net (charge-offs) recoveries	(191)	64	125	—	299	(1,655)	(18,065)	—	(419)	767	(5,431)	(24,506)
Provision (recovery) ⁽²⁾	69	11	(1,109)	(5,405)	(2,543)	4,036	18,395	1,172	(13,014)	(7,908)	11,360	5,064
Balance at end of period June 30, 2025	\$ 54,204	\$ 868	\$ 13,884	\$ 7,150	\$ 76,297	\$ 18,685	\$ 51,088	\$ 2,279	\$ 88,223	\$ 165,193	\$ 143,175	\$ 621,046
Three Months Ended June 30, 2024												
Allowance for credit losses:												
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
Charge-offs	(36)	—	—	—	(687)	(2,198)	—	—	(393)	(176)	(5,100)	(8,590)
Recoveries	92	50	277	15	144	825	41	—	408	89	2,424	4,365
Net (charge-offs) recoveries	56	50	277	15	(543)	(1,373)	41	—	15	(87)	(2,676)	(4,225)
Provision (recovery) ⁽²⁾	(27,988)	(852)	6,928	5,458	16,902	(9,752)	2,708	903	18,811	(35,596)	29,347	6,869
Balance at end of period June 30, 2024	\$ 59,552	\$ 428	\$ 18,929	\$ 10,025	\$ 77,219	\$ 12,228	\$ 19,761	\$ 1,779	\$ 91,423	\$ 99,015	\$ 81,939	\$ 472,298

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

(2) A provision for credit losses for unfunded commitments of \$2.4 million in the second quarter of 2025, compared to a negative provision for credit losses of (\$3.0) million recorded during the second quarter of 2024 for the allowance for credit losses for unfunded commitments that is not included in the above table.

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(Dollars in thousands)	Residential Mortgage	Residential Sr. Mortgage	Residential Jr. HELOC	Residential Construction	Comm. & Dev.	Consumer	Multifamily	Municipal	CRE Owner-Occupied	Non-Owner-Occupied CRE	C & I	Total
Six Months Ended June 30, 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	20,359	—	8,075	93,820	4,773	135,441
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 Net Charge-offs PCD ⁽¹⁾	(61)	—	—	—	—	(2,323)	(18,065)	—	(1,016)	(13,036)	(22,187)	(56,688)
Charge-offs	(892)	(14)	(229)	—	(16)	(3,989)	—	—	(976)	—	(13,271)	(19,387)
Recoveries	394	89	505	—	413	1,359	—	—	117	343	4,480	7,700
Net (charge-offs) recoveries	(559)	75	276	—	397	(4,953)	(18,065)	—	(1,875)	(12,693)	(30,978)	(68,375)
Provision (recovery) ⁽²⁾	1,314	276	(1,328)	(6,848)	(7,852)	5,786	22,710	(865)	84	(59,029)	54,481	8,729
Balance at end of period June 30, 2025	\$ 54,204	\$ 868	\$13,884	\$ 7,150	\$ 76,297	\$ 18,685	\$ 51,088	\$ 2,279	\$ 88,223	\$ 165,193	\$143,175	\$621,046
Six Months Ended June 30, 2024												
Allowance for credit losses:												
Balance at end of period December 31, 2023	\$ 78,052	\$ 745	\$10,942	\$ 5,024	\$ 65,772	\$ 23,331	\$ 13,766	\$ 900	\$ 71,580	\$ 137,055	\$ 49,406	\$456,573
Charge-offs	(379)	—	(110)	(304)	(2,162)	(4,695)	—	—	(393)	(247)	(8,240)	(16,530)
Recoveries	215	89	569	22	1,151	1,950	66	—	511	99	4,954	9,626
Net recoveries (charge-offs)	(164)	89	459	(282)	(1,011)	(2,745)	66	—	118	(148)	(3,286)	(6,904)
Provision (recovery) ⁽²⁾	(18,336)	(406)	7,528	5,283	12,458	(8,358)	5,929	879	19,725	(37,892)	35,819	22,629
Balance at end of period June 30, 2024	\$ 59,552	\$ 428	\$18,929	\$ 10,025	\$ 77,219	\$ 12,228	\$ 19,761	\$ 1,779	\$ 91,423	\$ 99,015	\$ 81,939	\$472,298

(1) Day 1 loan net charge-offs for Independent loans, inclusive of measurement period adjustments, recorded to conform with the Company's charge-off policies and practices.

(2) A provision for credit losses of \$19.4 million was recorded during the first six months of 2025, including \$12.1 million for the initial provision for credit losses recorded for unfunded commitments acquired from Independent during the first quarter of 2025. This compares to a negative provision for credit losses of (\$6.1) million during the first six months of 2024 for the allowance for credit losses for unfunded commitments that is not included in the above table.

Note 8 — Leases

As of June 30, 2025, and December 31, 2024, we had operating right-of-use (“ROU”) assets of \$487.6 million and \$95.8 million, respectively, and operating lease liabilities of \$496.8 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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Lease Cost Components:				
Amortization of ROU assets – finance leases	\$ 116	\$ 117	\$ 231	\$ 233
Interest on lease liabilities – finance leases	7	8	14	18
Operating lease cost (cost resulting from lease payments)	15,914	4,356	25,283	8,633
Short-term lease cost	425	184	780	323
Variable lease cost (cost excluded from lease payments)	1,560	956	2,315	1,753
Total lease cost	\$ 18,022	\$ 5,621	\$ 28,623	\$ 10,960
Supplemental Cash Flow and Other Information Related to Leases:				
Finance lease – operating cash flows	\$ 7	\$ 8	\$ 14	\$ 18
Finance lease – financing cash flows	121	119	242	238
Operating lease – operating cash flows (fixed payments)	14,277	4,220	22,864	8,413
Operating lease – operating cash flows (net change asset/liability)	(6,437)	(3,300)	(11,422)	(6,667)
New ROU assets – operating leases	7,705	6,550	397,318	9,093
Weighted – average remaining lease term (years) – finance leases	2.95	3.93	2.95	3.93
Weighted – average remaining lease term (years) – operating leases	12.80	8.86	12.80	8.86
Weighted – average discount rate - finance leases	1.7%	1.7%	1.7%	1.7%
Weighted – average discount rate - operating leases	6.4%	3.3%	6.4%	3.3%
Operating lease payments due:				
2025 (excluding 6 months ended June 30, 2025)			\$ 28,164	
2026			57,752	
2027			56,766	
2028			56,611	
2029			55,754	
Thereafter			504,004	
Total undiscounted cash flows			759,051	
Discount on cash flows			(262,291)	
Total operating lease liabilities			\$ 496,760	

As of June 30, 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 June 30, 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 June 30, 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 June 30, 2025, and December 31, 2024:

(Dollars in thousands)	June 30, 2025	December 31, 2024
Direct financing leases:		
Lease receivables	\$ 39,321	\$ 24,584
Guaranteed residual values	2,972	1,057
Unguaranteed residual values	8,496	5,245
Initial direct costs	3,186	2,640
Less: Unearned income	(10,482)	(7,362)
Total net investment in direct financing leases	\$ 43,493	\$ 26,164

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The following table summarizes direct financing lease income recorded for the three and six months ended June 30, 2025, and remaining lease payment receivable for each of the next five years:

(Dollars in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Direct financing lease income				
Interest income	\$ 890	\$ 229	\$ 1,519	\$ 392
Remaining lease payments receivable:				
2025 (excluding 6 months ended June 30, 2025)			\$ 5,936	
2026			9,352	
2027			9,378	
2028			8,344	
2029			4,398	
Thereafter			4,885	
Total undiscounted lease receivable			42,293	
Less: unearned interest income			(10,482)	
Net lease receivables			\$ 31,811	

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 June 30, 2025 and December 31, 2024, are comprised of the following:

(Dollars in thousands)	June 30, 2025	December 31, 2024
Noninterest-bearing checking	\$ 13,719,030	\$ 10,192,116
Interest-bearing checking	12,607,205	8,232,322
Savings	2,889,670	2,414,172
Money market	16,772,596	13,056,534
Time deposits	7,708,460	4,165,722
Total deposits	\$ 53,696,961	\$ 38,060,866

At June 30, 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 \$5.6 million and \$11.1 million, respectively, for the three and six months ended June 30, 2025, and \$4.4 million and \$9.0 million, respectively, for the three and six months ended June 30, 2024, related to the employee’s 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 and six months ended June 30, 2025 and 2024:

(Dollars and shares in thousands, except for per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Basic earnings per common share:				
Net income	\$ 215,224	\$ 132,370	\$ 304,304	\$ 247,426
Weighted-average basic common shares	101,495	76,251	101,453	76,276
Basic earnings per common share	\$ 2.12	\$ 1.74	\$ 3.00	\$ 3.24
Diluted earnings per common share:				
Net income	\$ 215,224	\$ 132,370	\$ 304,304	\$ 247,426
Weighted-average basic common shares	101,495	76,251	101,453	76,276
Effect of dilutive securities	350	356	383	354
Weighted-average dilutive shares	101,845	76,607	101,836	76,630
Diluted earnings per common share	\$ 2.11	\$ 1.73	\$ 2.99	\$ 3.23

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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Number of shares	9,085	57,169	—	57,169
Range of exercise prices	\$ 91.05 to \$ 91.35	\$ 87.30 to \$ 91.35	—	\$ 87.30 to \$ 91.35

Note 12 — Share-Based Compensation

Our 2012 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 2012 plan, 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 2012 plan 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 rata 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 2012 plan after February 1, 2019, and the plan is 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	(7,047)	47.22		
Expired	(35)	39.85		
Outstanding at June 30, 2025	31,717	59.81	1.67	\$ 1,022
Exercisable at June 30, 2025	31,717	59.81	1.67	\$ 1,022

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 six 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 six months ended June 30, 2025. The intrinsic value of stock option shares exercised for the six months ended June 30, 2025, was \$377,000.

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 June 30, 2025	—	\$ —

As of June 30, 2025, all restricted stock outstanding has 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 six months ended June 30, 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. 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. Grants to non-employee directors typically vest within a 12-month period.

Outstanding RSUs for the six months ended June 30, 2025, are 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	439,078	93.61
Vested	(405,891)	74.76
Forfeited	(19,124)	88.87
Outstanding at June 30, 2025	849,371	\$ 86.10

If maximum performance is achieved pursuant to the 2023, 2024 and 2025 Long Term Incentive performance-based RSU grants, an additional 123,542 shares in total may be issued by the Company at the end of the three-year performance periods.

As of June 30, 2025, there was \$43.9 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 1.46 years as of June 30, 2025. The total fair value of RSUs vested and released during the six months ended June 30, 2025, was \$41.4 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 June 30, 2025, commitments to extend credit and standby letters of credit totaled \$12.5 billion. As of June 30, 2025, the liability recorded for expected credit losses on unfunded commitments, excluding unconditionally cancellable exposures and letters of credit, was \$64.7 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 our 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 June 30, 2025, any such liability is not expected to have a material effect on our consolidated financial statements.

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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 June 30, 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)
June 30, 2025:				
Assets				
Derivative financial instruments	\$ 214,898	\$ —	\$ 214,898	\$ —
Mortgage loans held for sale	71,038	—	71,038	—
Trading securities	95,306	—	95,306	—
Securities available for sale:				
Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	1,523,879	—	1,523,879	—
Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises	2,296,971	—	2,296,971	—
Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	581,492	—	581,492	—
State and municipal obligations	922,417	—	922,417	—
Small Business Administration loan-backed securities	576,514	—	576,514	—
Corporate securities	26,594	—	26,594	—
Total securities available for sale	5,927,867	—	5,927,867	—
Mortgage servicing rights	85,836	—	—	85,836
SBA servicing asset	5,801	—	—	5,801
	<u>\$ 6,400,746</u>	<u>\$ —</u>	<u>\$ 6,309,109</u>	<u>\$ 91,637</u>
Liabilities				
Derivative financial instruments	\$ 612,284	\$ —	\$ 612,284	\$ —
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
	<u>\$ 4,778,953</u>	<u>\$ —</u>	<u>\$ 4,683,130</u>	<u>\$ 95,823</u>
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)	June 30, 2025	December 31, 2024
Fair value	\$ 71,038	\$ 98,115
Unpaid principal balance	68,214	95,612
Fair value less aggregated unpaid principal balance	\$ 2,824	\$ 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 six months ended June 30, 2025. A reconciliation of the beginning and ending balances of the MSRs recorded at fair value on a recurring basis for the six months ended June 30, 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	4,124
Changes in fair value due to valuation inputs or assumptions	(4,770)
Changes in fair value due to decay	(3,313)
Fair value, June 30, 2025	\$ 85,836

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 period ending June 30, 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	889
Changes in fair value due to decay	(1,183)
Changes in fair value due to valuation inputs or assumptions	67
Fair value, June 30, 2025	\$ 5,801

There were no unrealized losses included in accumulated other comprehensive income related to Level 3 financial assets and liabilities at June 30, 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)
June 30, 2025:				
OREO	\$ 25,570	\$ —	\$ —	\$ 25,570
Bank properties held for sale	79,374	—	—	79,374
Individually evaluated loans	403,727	—	—	403,727
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	
			June 30, 2025	December 31, 2024
Nonrecurring measurements:				
Individually evaluated loans	Discounted appraisals and discounted cash flows	Collateral discounts	19 %	28 %
OREO and Bank properties held for sale	Discounted appraisals	Collateral discounts and estimated costs to sell	4 %	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 June 30, 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
June 30, 2025					
Financial assets:					
Cash and cash equivalents	\$ 3,464,106	\$ 3,464,106	\$ 3,464,106	\$ —	\$ —
Trading securities	95,306	95,306	—	95,306	—
Investment securities	8,431,345	8,067,102	274,869	7,709,615	82,618
Loans held for sale	318,985	319,939	—	319,939	—
Loans, net of allowance for credit losses	46,646,201	46,339,114	—	—	46,339,114
Accrued interest receivable	227,556	227,556	—	34,054	193,502
Mortgage servicing rights	85,836	85,836	—	—	85,836
SBA servicing asset	5,801	5,801	—	—	5,801
Interest rate swap – non-designated hedge	210,999	210,999	—	210,999	—
Other derivative financial instruments (mortgage banking related)	3,899	3,899	—	3,899	—
Financial liabilities:					
Deposits					
Noninterest-bearing	13,719,030	13,719,030	—	13,719,030	—
Interest-bearing other than time deposits	32,269,471	32,269,471	—	32,269,471	—
Time deposits	7,708,460	7,683,701	—	7,683,701	—
Federal funds purchased and securities sold under agreements to repurchase	630,558	630,558	—	630,558	—
Corporate and subordinated debentures	1,099,705	1,104,781	—	1,104,781	—
Other borrowings	—	—	—	—	—
Accrued interest payable	52,130	52,130	—	52,130	—
Interest rate swap – non-designated hedge	611,310	611,310	—	611,310	—
Other derivative financial instruments (mortgage banking related)	974	974	—	974	—
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 loss, net of tax, were as follows:

(Dollars in thousands)	Benefit Plans	Unrealized Losses on Securities Available for Sale	Total
Three Months Ended June 30, 2025			
Balance at March 31, 2025	\$ 578	\$ (377,245)	\$ (376,667)
Other comprehensive income before reclassifications	—	4,558	4,558
Amounts reclassified from accumulated other comprehensive loss	—	—	—
Net comprehensive income	—	4,558	4,558
Balance at June 30, 2025	\$ 578	\$ (372,687)	\$ (372,109)
Three Months Ended June 30, 2024			
Balance at March 31, 2024	\$ 627	\$ (623,621)	\$ (622,994)
Other comprehensive income before reclassifications	—	2,783	2,783
Net comprehensive income	—	2,783	2,783
Balance at June 30, 2024	\$ 627	\$ (620,838)	\$ (620,211)
Six Months Ended June 30, 2025			
Balance at December 31, 2024	\$ 578	\$ (607,499)	\$ (606,921)
Other comprehensive income before reclassifications	—	61,144	61,144
Amounts reclassified from accumulated other comprehensive loss	—	173,668	173,668
Net comprehensive income	—	234,812	234,812
Balance at June 30, 2025	\$ 578	\$ (372,687)	\$ (372,109)
Six Months Ended June 30, 2024			
Balance at December 31, 2023	\$ 627	\$ (583,163)	\$ (582,536)
Other comprehensive loss before reclassifications	—	(37,675)	(37,675)
Net comprehensive loss	—	(37,675)	(37,675)
Balance at June 30, 2024	\$ 627	\$ (620,838)	\$ (620,211)

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)				Income Statement Line Item Affected
	For the Three Months Ended June 30,		For the Six Months Ended June 30,		
Accumulated Other Comprehensive Loss Component	2025	2024	2025	2024	
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 June 30, 2025 and December 31, 2024:

(Dollars in thousands)	Balance Sheet Location	Notional Amount	June 30, 2025		Notional Amount	December 31, 2024	
			Estimated Fair Value			Estimated Fair Value	
			Gain	Loss		Gain	Loss
Fair value hedge of interest rate risk:							
Pay fixed rate swap with counterparty	Other Assets	\$ 2,835	\$ 57	\$ —	\$ 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	13,503,351	134,435	611,310	12,649,905	36,232	878,046
Matched interest rate swaps with counterparty ⁽¹⁾	Other Assets	13,314,544	76,534	—	12,559,707	124,032	—
Economic hedges of interest rate risk:							
Pay floating rate swap with counterparty	Other Assets	3,678,000	(27)	—	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	156,000	2,304	—	129,000	—	1,809
Contracts used to hedge mortgage pipeline	Other Assets and Other Liabilities	105,500	1,595	974	88,000	1,083	—
Total derivatives		\$ 30,760,230	\$ 214,898	\$ 612,284	\$ 28,513,557	\$ 161,490	\$ 879,855

(1) The fair value of the interest rate swap derivative assets was reduced by \$401.5 million and \$719.4 million at June 30, 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.

(Dollars in thousands)	Notional Amount	June 30, 2025		Notional Amount	December 31, 2024	
		Estimated Fair Value			Estimated Fair Value	
		Gain	Loss		Gain	Loss
Interest rate contracts subject to master netting agreements included in table above						
Total gross derivative instruments, before netting	\$ 1,883,134	\$ 87,546	\$ 4,272	\$ 1,858,693	\$ 133,304	\$ 708
Less: Netting adjustment	204,600	(4,272)	(4,272)	49,000	(708)	(708)
Total gross derivative instruments, after netting	1,883,134	\$ 83,274	\$ —	1,858,693	\$ 132,596	\$ —

* As of June 30, 2025 and December 31, 2024, counterparties provided \$33.9 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 \$29.1 million and \$30.4 million, respectively, as of June 30, 2025 and December 31, 2024 in investment securities to secure swap asset positions that were not centrally cleared. The Company provided \$1.7 million and \$1.9 million, respectively, to counterparties to secure swap positions that were not centrally cleared as of June 30, 2025 and December 31, 2024.

Balance Sheet Fair Value Hedge

As of June 30, 2025 and December 31, 2024, the Company maintained loan swaps, with an aggregate notional amount of \$2.8 million and \$3.9 million, respectively, accounted for as fair value hedges. The amortized cost basis of the loans being hedged were \$2.8 million and \$3.8 million, respectively, as of June 30, 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 June 30, 2025 and December 31, 2024, the interest rate swaps had an aggregate notional amount of approximately \$26.8 billion and \$25.2 billion, respectively. At June 30, 2025, the fair value of the interest rate swap derivatives is recorded in Other Assets at \$211.0 million and in Other Liabilities at \$611.3 million. The fair value of derivative assets at June 30, 2025, was reduced by \$401.5 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 million. 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 \$59,000 and \$231,000 recorded on these derivatives for the three and six months ended June 30, 2025, respectively. There was a net gain of \$273,000 and \$386,000 recorded on these derivatives for the three and six months ended June 30, 2024, respectively. As of June 30, 2025, we provided \$242.8 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 \$78.6 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 \$33.9 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 June 30, 2025 and December 31, 2024, the Company maintained an aggregate notional amount of \$3.7 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 \$13,000 and \$27,000 for these derivatives for the three and six months ended June 30, 2025. There was a net loss of \$1,000 for these derivatives for the three and six months ended June 30, 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 June 30, 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 and six months ended June 30, 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 June 30, 2025, we had derivative financial instruments outstanding with notional amounts totaling \$156.0 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 \$2.3 million at June 30, 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)	June 30, 2025	December 31, 2024
Mortgage loan pipeline	\$ 76,157	\$ 59,291
Expected closures	65,146	53,177
Fair value of mortgage loan pipeline commitments	1,595	751
Forward sales commitments	105,500	88,000
Fair value of forward commitments	(974)	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.

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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 June 30, 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.

(Dollars in thousands)	Actual		Minimum Capital Required – Basel III		Required to be Considered Well Capitalized	
	Amount	Ratio	Capital Amount	Ratio	Capital Amount	Ratio
June 30, 2025:						
Common equity Tier 1 to risk-weighted assets:						
Consolidated	\$ 5,669,247	11.21 %	\$ 3,539,232	7.00 %	\$ 3,286,429	6.50 %
SouthState Bank (the Bank)	6,252,052	12.38 %	3,535,258	7.00 %	3,282,740	6.50 %
Tier 1 capital to risk-weighted assets:						
Consolidated	5,669,247	11.21 %	4,297,638	8.50 %	4,044,836	8.00 %
SouthState Bank (the Bank)	6,252,052	12.38 %	4,292,813	8.50 %	4,040,295	8.00 %
Total capital to risk-weighted assets:						
Consolidated	7,329,555	14.50 %	5,308,847	10.50 %	5,056,045	10.00 %
SouthState Bank (the Bank)	6,851,759	13.57 %	5,302,887	10.50 %	5,050,369	10.00 %
Tier 1 capital to average assets (leverage ratio):						
Consolidated	5,669,247	9.21 %	2,462,611	4.00 %	3,078,264	5.00 %
SouthState Bank (the Bank)	6,252,052	10.16 %	2,461,627	4.00 %	3,077,034	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 June 30, 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 June 30, 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 made subsequent fair value adjustments related to the Independent acquisition in the second quarter of 2025 that increased goodwill by \$6.0 million. 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. In the second quarter of 2025, the Company recorded a client list intangible for \$2.5 million related to the wealth business acquired with the Independent acquisition. 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)	June 30, 2025	December 31, 2024
Gross carrying amount	\$ 689,708	\$ 274,829
Accumulated amortization	(256,250)	(208,371)
	<u>\$ 433,458</u>	<u>\$ 66,458</u>

Amortization expense totaled \$24.0 million and \$47.9 million, for the three and six months ended June 30, 2025, respectively, compared to \$5.7 million and \$11.7 million for the three and six months ended June 30, 2024, respectively. 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:	
September 30, 2025	\$ 23,426
December 31, 2025	23,417
March 31, 2026	21,304
June 30, 2026	21,041
September 30, 2026	20,628
Thereafter	317,841
	<u>\$ 427,657</u>

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 \$6.7 billion and \$6.7 billion, respectively, as of June 30, 2025 and December 31, 2024. 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 and six months ended June 30, 2025, and June 30, 2024, were \$4.2 million, \$8.5 million, \$4.3 million, \$8.4 million, respectively. Servicing fees are recorded in Mortgage Banking Income in our Consolidated Statements of Income.

At June 30, 2025 and December 31, 2024, MSR were \$85.8 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 and six months ended June 30, 2025, and June 30, 2024, were losses of \$1.7 million and \$4.8 million compared with gains of \$830,000 and \$3.2 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.

(Dollars in thousands)	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(Decrease)/increase in fair value of MSRs	\$ (1,689)	\$ 830	\$ (4,770)	\$ 3,214
Decay of MSRs	(2,284)	(2,566)	(3,312)	(4,007)
Gain (loss) related to derivatives	1,248	(1,424)	3,588	(4,004)
Net effect on Consolidated Statements of Income	<u>\$ (2,725)</u>	<u>\$ (3,160)</u>	<u>\$ (4,494)</u>	<u>\$ (4,797)</u>

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 MSR's are included in the following table:

(Dollars in thousands)	June 30, 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	7.66 years	7.97 years
Constant Prepayment rate (CPR)	7.6 %	7.0 %
Estimated impact on fair value of a 10% increase	\$ (965)	\$ (658)
Estimated impact on fair value of a 20% increase	(1,900)	(1,298)
Estimated impact on fair value of a 10% decrease	1,005	666
Estimated impact on fair value of a 20% decrease	2,056	1,328
Weighted average discount rate	10.7 %	10.9 %
Estimated impact on fair value of a 10% increase	\$ (3,215)	\$ (3,166)
Estimated impact on fair value of a 20% increase	(6,362)	(6,339)
Estimated impact on fair value of a 10% decrease	3,167	3,022
Estimated impact on fair value of a 20% decrease	6,075	5,738
Effect on fair value due to change in interest rates		
25 basis point increase	\$ 2,313	\$ 1,761
50 basis point increase	4,439	3,296
25 basis point decrease	(2,389)	(1,952)
50 basis point decrease	(4,803)	(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 MSR's 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 \$262.7 million and \$544 million for the three and six months ended June 30, 2025, respectively, compared to \$282.6 million and \$505.3 million for the three and six months ended June 30, 2024, respectively. For the three and six months ended June 30, 2025, \$175.4 million and \$340.2 million, or 66.8% and 62.5%, respectively, were sold with the servicing rights retained by the Company, compared to \$205.9 million and \$366.6 million, or 72.9% and 72.6%, respectively, for the three and six months ended June 30, 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 six months ended June 30, 2025, and 2024 were approximately \$1.3 million and \$1.2 million, respectively. There were approximately \$55,000 and \$52,000, respectively, in loss reimbursement and settlement claims paid in the six months ended June 30, 2025 and 2024.

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 \$71.0 million and \$98.1 million at June 30, 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 second quarter of 2025, the Company purchased approximately \$235.7 million in guaranteed portions of SBA loans. During the second quarter of 2025, the Company pooled approximately \$194.3 million of the guaranteed portions of SBA loans into securities selling approximately \$160.2 million into the secondary market. The Company also sold approximately \$43.4 million in individual loans during the quarter. During the first six months of 2025, the Company purchased approximately \$686.6 million in guaranteed portions of SBA loans. During the first six months of 2025, the Company pooled approximately \$507.1 million of the guaranteed portions of SBA loans into securities selling approximately \$481.2 million into the secondary market. The Company also sold approximately \$58.8 million in individual loans during the first half of 2025. The Company held approximately \$247.9 million in the guaranteed portion of SBA loans for sale at June 30, 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 June 30, 2025, the Company sold approximately \$20.0 million, in guaranteed portions of SBA loans originated at the Bank and recognized gains of \$1.7 million. During the six months ended June 30, 2025, the Company sold approximately \$42.6 million, in guaranteed portions of SBA loans originated at the Bank and recognized gains of \$3.8 million.

Note 21 — 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 June 30, 2025 and December 31, 2024, our repurchase agreements totaled \$266.5 million and \$254.7 million, respectively. All of our repurchase agreements were overnight or continuous (until-further-notice) agreements at June 30, 2025 and December 31, 2024. These borrowings were collateralized with government, government-sponsored enterprise, or state and political subdivision-issued securities with a market value of \$334.0 million and \$370.4 million at June 30, 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 June 30, 2025 and December 31, 2024, our federal funds purchased totaled \$364.0 million and \$260.2 million, respectively.

Federal Home Loan Bank (“FHLB”) and Federal Reserve Bank (“FRB”) Borrowing

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 June 30, 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 June 30, 2025, were approximately \$9.1 billion (collateral value of \$5.4 billion) and investment securities and cash pledged were approximately \$216.7 million (collateral value of \$150.3 million). This allows the Company a total borrowing capacity at the FHLB of approximately \$5.6 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 \$5.6 billion at June 30, 2025. The Company also has a total borrowing capacity at the FRB of \$10.2 billion at June 30, 2025, secured by a blanket lien on \$13.6 billion (collateral value of \$10.2 billion) in net eligible loans of the Company. The Company had no outstanding borrowings with the FRB at June 30, 2025, or December 31, 2024.

Corporate and Subordinated Debentures

On June 13, 2025, the Company issued \$350.0 million aggregate principal amount of fixed-to-floating rate subordinated notes due 2035. The subordinated notes initially bear interest at an initial rate of 7.00% per annum, commencing on December 13, 2025, until June 13, 2030, after which interest will be payable at a floating rate equal to SOFR plus 319 basis points. Interest is payable semi-annually during the fixed rate period and quarterly during the floating rate period, in arrears. The Company may redeem the notes at such times and at the redemption prices as provided for in the indenture governing the notes. The notes are unsecured, subordinated obligations and qualify as Tier 2 capital under applicable capital adequacy rules. The Company received net proceeds of \$346.5 million, which the Company estimates will be used to partially or fully redeem the Company's outstanding subordinated debentures and for general corporate purposes.

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 six months ended June 30, 2025, the Company did not repurchase any shares pursuant 2025 Stock Repurchase Program in 2025. The Company did not repurchase any shares pursuant to the 2022 Stock Repurchase Program during the second quarter of 2024. During the six months ended June 30, 2024, the Company repurchased a total of 100,000 shares at a weighted average price of \$79.85 per share.

The Company repurchased 110,797 and 97,363 shares at a cost of \$11.3 million and \$8.1 million, respectively, during the six months ended June 30, 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.

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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.

(Dollars in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net Income (GAAP)				
Interest income	\$ 840,504	\$ 531,124	\$ 1,649,070	\$ 1,048,379
Interest expense	262,556	180,865	526,575	354,184
Net interest income (a)	577,948	350,259	1,122,495	694,195
Provision for credit losses	7,505	3,889	108,067	16,575
Net interest income after provision for credit losses	570,443	346,370	1,014,428	677,620
Total noninterest income				
Securities losses, net	—	—	(228,811)	—
Gain on sale-leaseback, net of transaction costs	—	—	229,279	—
Other operating noninterest income	86,817	75,225	172,437	146,783
Total noninterest income	86,817	75,225	172,905	146,783
Total noninterest expense				
Employee salaries	135,895	104,725	271,623	210,140
Employee commissions	14,278	11,122	25,554	21,361
Employee incentives	33,623	26,598	62,389	48,351
Other salaries and benefits	36,353	26,131	73,318	54,208
Deferred loan costs	(19,987)	(17,141)	(36,911)	(32,172)
Salaries and employee benefits	200,162	151,435	395,973	301,888
Occupancy expense	41,507	22,453	77,000	45,030
Information services expense	30,155	23,144	61,517	45,497
Professional fees	4,658	3,906	9,367	7,021
Amortization of intangibles	24,048	5,744	47,879	11,742
Business development and staff related	7,182	5,942	13,692	11,464
FDIC assessment and other regulatory charges	11,469	7,771	22,727	16,305
Merger and branch consolidation related expense	24,379	5,785	92,385	10,298
FDIC special assessment	—	619	—	4,473
Other operating expense	31,501	21,948	63,347	44,319
Total noninterest expense	375,061	248,747	783,887	498,037
Income before income tax provision	282,199	172,848	403,446	326,366
Income tax provision	66,975	40,478	99,142	78,940
Net income (GAAP)	\$ 215,224	\$ 132,370	\$ 304,304	\$ 247,426
Net Interest Margin, Non-Tax Equivalent ("Non-TE") (GAAP)				
Average interest earning assets (b)	\$ 57,710,001	\$ 41,011,662	\$ 57,604,313	\$ 40,834,418
Net interest margin, non-TE ((a)/(b)) (GAAP)	4.02%	3.43%	3.93%	3.42%

Note 24 — Subsequent Events

On July 24, 2025, the Company announced the Board of Directors of the Company increased its quarterly cash dividend on its common stock from \$0.54 per share to \$0.60 per share. The dividend is payable on August 15, 2025, to shareholders of record as of August 8, 2025.

As of July 31, 2025, the Company repurchased 440,000 shares of the Company's common stock pursuant to the 2025 Repurchase Program at a weighted average price of \$97.29 per share after June 30, 2025. The Company may repurchase up to an additional 2,560,000 shares of common stock under the 2025 Repurchase Program.

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 and six months ended June 30, 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|DuncanWilliamsSouthState|DuncanWilliams Securities Corp. ("SouthState|DuncanWilliamsSouthState|DuncanWilliams"), 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, LLC, 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 June 30, 2025, we had approximately \$65.9 billion in assets and 6,306 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.

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 three and six months ended June 30, 2025, compared to the three and six months ended June 30, 2024, and also analyzes our financial condition as of June 30, 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

Subordinated Debenture Issuance

On June 13, 2025, the Company issued \$350.0 million aggregate principal amount of fixed-to-floating rate subordinated notes due 2035. The subordinated notes initially bear interest at an initial rate of 7.00% per annum, commencing on December 13, 2025, until June 13, 2030, after which interest will be payable at a floating rate equal to SOFR plus 319 basis points. Interest is payable semi-annually during the fixed rate period and quarterly during the floating rate period, in arrears. See accompanying Note 21 — Borrowings to our consolidated financial statements.

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. See accompanying Note 4 — Mergers and Acquisitions to our consolidated financial statements.

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, following the issuance of the rule, a lawsuit was filed to challenge the rule in court. In May 2025, the CFPB filed a motion for summary judgment in the litigation, in which the CFPB stated that it had concluded that the final rule exceeds the agency's statutory authority. As a result, the CFPB requested that the court grant the plaintiffs' motion for summary judgment and vacate the final rule. The district court has not yet ruled on the CFPB's motion.

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.

Business Combinations

We account for acquisitions under FASB ASC Topic 805, *Business Combinations*, which requires the use of the acquisition method of accounting. All identifiable assets acquired, including loans, and liabilities assumed, are recorded at fair value. ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires us to record purchased financial assets with credit deterioration (PCD assets), defined as a more-than-insignificant deterioration in credit quality since origination or issuance, at the purchase price plus the allowance for credit losses expected at the time of acquisition. Under this method, there is no provision for credit losses affecting net income on acquisition of PCD assets. Changes in estimates of expected credit losses after acquisition are recognized as provision for credit loss expense (or recovery of credit losses) in subsequent periods as they arise. Any non-credit discount or premium resulting from acquiring a pool of purchased financial assets with credit deterioration shall be allocated to each individual asset. At the acquisition date, the initial allowance for credit losses determined on a collective basis shall be allocated to individual assets to appropriately allocate any non-credit discount or premium. The non-credit discount or premium, after the adjustment for the allowance for credit losses, shall be accreted into interest income using the interest method based on the effective interest rate determined after the adjustment for credit losses at the adoption date.

A purchased financial asset that does not qualify as a PCD asset is accounted for similar to an originated financial asset. Generally, this means that an entity recognizes the allowance for credit losses for non-PCD assets through net income at the time of acquisition. In addition, both the credit discount and non-credit discount or premium resulting from acquiring a pool of purchased financial assets that do not qualify as PCD assets shall be allocated to each individual asset. This combined discount or premium shall be accreted into interest income using the effective yield method.

For further discussion of our loan accounting and acquisitions, see Note 1—Summary of Significant Accounting Policies, Note 2—Mergers and Acquisitions, Note 4—Loans and Note 5—Allowance for Credit Losses to the audited consolidated financial statements of our Annual Report on Form 10-K for the year ended December 31, 2024.

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 \$219 million. Conversely, if a 100% probability weighting was applied to the upside scenario, this would result in a decrease in the ACL by approximately \$131 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 exacerbated geopolitical and trade 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 June 30, 2025.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price over the sum of the estimated fair values of the tangible and identifiable intangible assets acquired less the estimated fair value of the liabilities assumed in a business combination. As of June 30, 2025 and December 31, 2024, the balance of goodwill was \$3.1 billion and \$1.9 billion, respectively. Goodwill has an indefinite useful life and is evaluated for impairment annually or more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount exceeds the asset's fair value.

Under the ASU Topic 350, if a reporting unit's carrying amount exceeds its fair value, an entity will record an impairment charge based on the difference. The impairment charge will be limited to the amount of goodwill allocated to the reporting unit. An entity is able to perform an optional qualitative goodwill impairment assessment before proceeding to the quantitative step of determining whether the reporting unit's carrying amount exceeds its fair value.

We evaluated the carrying value of goodwill as of October 31, 2024, our annual test date, and determined that no impairment charge was necessary as the fair value of the entity exceeded the carrying value. We will continue to monitor the impact of current economic conditions and other events on the Company's business, operating results, cash flows and financial condition. If the current economic conditions and other events were to deteriorate and our stock price falls below current levels for a prolonged period, we will have to reevaluate the impact on our financial condition and potential impairment of goodwill.

Core deposit intangibles and client list intangibles consist primarily of amortizing assets established during the acquisition of other banks. This includes whole bank acquisitions and the acquisition of certain assets and liabilities from other financial institutions. Core deposit intangibles represent the estimated value of long-term deposit relationships acquired in these transactions. Client list intangibles represent the value of long-term client relationships for the correspondent banking and wealth and trust management business. These costs are amortized over the estimated useful lives, such as deposit accounts in the case of core deposit intangible, on a method that we believe reasonably approximates the anticipated benefit stream from this intangible. The estimated useful lives are periodically reviewed for reasonableness.

Results of Operations

Overview

We reported consolidated net income of \$215.2 million, or diluted earnings per share (“EPS”) of \$2.11, for the second quarter of 2025 compared to consolidated net income of \$132.4 million, or diluted EPS of \$1.73, in the comparable period of 2024, a 62.6% increase in consolidated net income and a 22.0% increase in diluted EPS. During the six months ended June 30, 2025, we reported consolidated net income of \$304.3 million, or diluted EPS of \$2.99, compared to consolidated net income of \$247.4 million, or diluted EPS of \$3.23, in the comparable period of 2024, a 23.0% increase in consolidated net income and a 7.4% decrease in diluted EPS. The \$82.9 million increase in consolidated net income for the second quarter of 2025 compared to the same period of 2024 was the net result of the following items:

- A \$309.4 million increase in interest income, resulting from a \$268.1 million increase in interest income from loans and loans held for sale, a \$29.7 million increase in interest income from investment securities, and a \$11.6 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 \$14.3 billion increase in average balance of loans and loans held for sale along with a 51 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 \$1.3 billion increase in the average balance and a 102 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 \$1.2 billion increase in the average balance;
- An \$81.7 million increase in interest expense, which mainly resulted from a \$76.1 million increase in interest expense from deposits, a \$422,000 increase in interest expense in federal funds purchased and securities sold under agreements to repurchase, and \$5.2 million increase in interest in other borrowings. The increase in interest expense from deposits resulted from an increase in the average balance of interest-bearing deposits of \$12.6 billion. The increase in the average balance was mainly due to \$12.0 billion of interest-bearing deposits assumed from Independent in the first quarter of 2025. The average cost on interest-bearing deposits declined slightly by 4 basis points in the current quarter compared to the second quarter in 2024. The increase in interest expense from corporate and subordinated debentures and other borrowings was due to an increase in the average balance of \$106.1 million as the Company assumed \$360.5 million in corporate and subordinated debentures from the Independent acquisition along with the Company issuing \$350.0 million in new subordinated debentures in June 2025. These increases were partially offset by a reduction in the average balance of borrowings from the Federal Home Loan Bank of \$323.6 million;
- A \$3.6 million increase in the provision for credit losses, as the Company recorded a provision for credit losses of \$7.5 million in the second quarter of 2025 while recording a provision for credit losses of \$3.9 million in the second quarter of 2024;
- An \$11.6 million increase in noninterest income due primarily from an increase in correspondent banking and capital market income of \$8.9 million, in trust and investment services income of \$3.3 million, service charges on deposit accounts of \$1.8 million, in debit, prepaid, ATM and merchant card related income of \$2.2 million and in bank owned life insurance income of \$1.8 million. These increases were offset by a decline in other noninterest income of \$4.9 million and SBA income of \$1.5 million. The increases in service charge on deposit account, debit, prepaid, ATM and merchant card related income, 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 mainly attributable to \$5.2 million in income from tax refunds during the second quarter of 2024. See Noninterest Income section on page 65 for further discussion;

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- A \$126.3 million increase in noninterest expense, which resulted primarily from an increase in salaries and employee benefits of \$48.7 million, in merger, branch consolidation, severance-related, and other expense of \$18.6 million, in amortization of intangibles of \$18.3 million, in occupancy expense of \$19.1 million, in information services expense of \$7.0 million, in FDIC assessment and other regulatory charges of \$3.7 million and in other noninterest expense of \$6.7 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 67 for further discussion; and
- Higher income tax provision of \$26.5 million is mostly due to higher pretax book income between the two quarters. The Company recorded pretax book income of \$282.2 million in the second quarter of 2025 compared to pretax book income of \$172.8 million in the second quarter of 2024. Our effective tax rate was 23.73% for the three months ended June 30, 2025, compared to 23.42% for the three months ended June 30, 2024. See Income Tax Expense section on page 68 for further discussion.

Our quarterly efficiency ratio decreased to 52.7% in the second quarter of 2025 compared to 57.0% in the second quarter of 2024. The decrease in the efficiency ratio compared to the second quarter of 2024 was the result of a 56.2% increase in the total of tax-equivalent net interest income and noninterest income being greater than a 44.4% increase in noninterest expense (excluding amortization of intangibles). The overall increase in both tax-equivalent net interest income and noninterest income and noninterest expense was due to the acquisition of Independent in the first quarter of 2025. The higher increase in tax-equivalent net interest income and noninterest income was due to the \$264.3 million increase in interest income related to loans held for investment, which was mainly attributable to loans acquired in the acquisition of Independent.

Basic and diluted EPS were \$2.12 and \$2.11, respectively, for the second quarter of 2025, compared to \$1.74 and \$1.73, respectively, for the second quarter of 2024. The increase in basic and diluted EPS was due to a 62.6% increase in net income in the second quarter of 2025 compared to the same period in 2024. The effects from the increase in net income were partially offset by an increase in average basic common shares of 33.1%. The increase in net income in the second quarter of 2025 was mainly attributable to an increase in net interest income of \$227.7 million derived from the interest-earning assets and interest-bearing liabilities acquired from Independent in 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.

Selected Figures and Ratios

(Dollars in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Return on average assets (annualized)	1.34 %	1.17 %	0.95 %	1.10 %
Return on average equity (annualized)	9.93 %	9.58 %	7.17 %	8.97 %
Return on average tangible equity (annualized)*	18.17 %	15.49 %	13.73 %	14.57 %
Dividend payout ratio	25.47 %	29.93 %	36.00 %	32.02 %
Equity to assets ratio	13.36 %	12.42 %	13.36 %	12.42 %
Average shareholders' equity	\$ 8,692,582	\$ 5,554,470	\$ 8,556,105	\$ 5,545,511

* 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 June 30, 2025, the return on average assets increased compared to the same period in 2024. This increase was primarily due to the increase in net income of \$82.9 million, or 62.6%, which was mainly due to an increase in net interest income of \$227.7 million in the second quarter of 2025 attributable to the acquisition of Independent in the first quarter of 2025. The effects on the return on average assets from the increase in net income were partially offset by an increase in average assets of 42.1% for the three months ended June 30, 2025 compared to the same period in 2024. This increase was mainly due to the \$17.0 billion in assets acquired in the acquisition of Independent in the first quarter of 2025. For the six months ended June 30, 2025, the return on average assets declined as average assets increased 42.5% while net income increased by 23.0% compared to the same period in 2024. The lower increase in net income was due to costs associated with the acquisition of Independent including the initial provision for credit losses on Non-PCD loan portfolio and unfunded commitments of \$92.1 million and a \$92.3 million increase in merger, branch consolidation, severance-related, and other expense during the current year compared to the comparable period in 2024.

- For the three months ended June 30, 2025, the return on average equity and the return on average tangible equity increased compared to the same period in 2024. This increase was primarily due to higher net income of 62.6% offset by the effects from an increase in average equity of 56.5% and in average tangible equity of 45.3%. The increase in net income was mainly attributable to higher net interest income resulting from the acquisition of Independent in the first quarter of 2025. The higher average equity and average tangible equity was mainly attributable to common stock issued in the acquisition of Independent. For the six months ended June 30, 2025, the return on average equity and the return on average tangible equity decreased due to a 54.3% increase in average equity and a 41.6% increase in average tangible equity while net income increased 23.0%. The increase in net income was lower than the increase in equity for the six months ended June 30, 2025 due to the initial provision for credit losses and merger related expenses recorded during the first quarter of 2025 for the acquisition of Independent.
- The equity to assets ratio was 13.36% for the quarter ended June 30, 2025, an increase of 0.94% from June 30, 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 44.8% from June 30, 2024.
- Dividend payout ratios were 25.47% and 36.00% for the three and six month periods ending June 30, 2025, respectively, and 29.93% and 32.02% for the three- and six-month periods ending June 30, 2024, respectively. The decrease in the dividend payout ratio for the three months period ending June 30, 2025, was due to the 62.6% increase in net income being greater than the increase in dividends paid during the current quarter of 38.3% compared to the same period in 2024. The dividend payout ratio for the six months period ending June 30, 2025, increased due to a net income increase of 23.0% compared to an increase in total dividends paid of 38.3% when 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 net interest income increased \$227.7 million, or 65.0%, to \$577.9 million in the second quarter of 2025 compared to \$350.3 million in the same period in 2024. Interest-earning assets averaged \$57.7 billion during the three months period ended June 30, 2025, compared to \$41.0 billion for the same period in 2024, an increase of \$16.7 billion, or 40.7%. Interest-bearing liabilities averaged \$40.6 billion during the three months period ended June 30, 2025, compared to \$27.7 billion for the same period in 2024, an increase of \$12.9 billion, or 46.4%. Non-tax equivalent net interest income increased \$428.3 million, or 61.7%, to \$1.1 billion in the six months ended June 30, 2025, compared to \$694.2 million in the same period in 2024. Interest-earning assets averaged \$57.6 billion during the six months ended June 30, 2025, compared to \$40.8 billion during the same period in 2024. Interest-bearing liabilities averaged \$40.7 billion during the six months ended June 30, 2025, compared to \$27.6 billion for the same period in 2024, an increase of \$13.0 billion, or 47.2%.

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 June 30, 2025. As a result, the Company operated in a comparatively lower rate environment for the three and six months ended June 30, 2025 compared to the same time periods in 2024. Some key highlights are outlined below:

- The non-tax equivalent and the Tax Equivalent (“TE”) net interest margin increased by 59 basis points and 58 basis points, respectively, in the second quarter of 2025 compared to the same quarter of 2024. The increase in net interest margin was primarily attributable to a 63-basis point rise in the yield on interest earning assets, while the cost of interest-bearing liabilities remained stable.
 - Non-TE yield on interest-earning assets for the second quarter of 2025 increased 63 basis points to 5.84% from the comparable period in 2024 due to higher yields on a majority of interest-earning assets, including investments securities, loans held for investment, and loans held for sale. The yield on investment securities increased due to the full-quarter effect of the investment bond restructuring completed in the first quarter of 2025. The yield on loans increased primarily due to loan accretion recognized during the second quarter of 2025 of approximately \$63.5 million, which was mainly attributable to the loan portfolio acquired from Independent. In addition, the average balance of the higher yielding acquired loans increased by \$11.2 billion, the average balance of non-acquired loans increased by \$2.8 billion, and the average balance of investment securities increased by \$1.3 billion, mainly due to balances acquired from Independent.

- The average cost of interest-bearing liabilities for the second quarter of 2025 decreased slightly to 2.60%, compared to the same period in 2024. The average cost of corporate and subordinated debentures increased by 144 basis points, primarily driven by higher interest expense incurred resulting from a \$429.8 million increase in average balances. The increase includes the assumption of \$360.5 million in corporate and subordinated debentures from the Independent acquisition, as well as the issuance of \$350.0 million in aggregate principal amount of subordinated notes during the second quarter of 2025. Additionally, the average cost of securities sold with agreements to repurchase increased by 2 basis points, accompanied by a \$16.5 million increase in average balance. These cost increases were offset by lower costs associated with other borrowings and federal funds purchased, along with decreases across all deposit categories, reflecting the comparatively lower rate environment. The Company had no other borrowings outstanding as of the end of the second quarter 2025. Accordingly, no interest cost was recognized for other borrowings during the second quarter of 2025. This compares to a cost of 5.47% for the compared period in 2024. The average cost of federal funds purchased decreased by 100 basis points, even as the average balance increased by \$90.6 million. Additionally, the average cost of interest-bearing deposits decreased by 4 basis points, despite a \$12.6 billion increase in the average balance. Our overall cost of funds, including noninterest-bearing deposits, was 1.94% for the three months ended June 30, 2025, compared to 1.90% for the three months ended June 30, 2024.

The tables below summarize the analysis of changes in interest income and interest expense for the three and six months ended June 30, 2025, and 2024 and net interest margin on a tax equivalent basis:

(Dollars in thousands)	Three Months Ended					
	June 30, 2025			June 30, 2024		
	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	\$ 1,884,133	\$ 19,839	4.22 %	\$ 732,252	\$ 8,248	4.53 %
Investment securities (taxable) ⁽¹⁾	7,680,130	68,081	3.56 %	6,426,206	38,747	2.43 %
Investment securities (tax-exempt) ⁽¹⁾	833,309	6,136	2.95 %	800,376	5,769	2.90 %
Loans held for sale	283,017	4,829	6.84 %	63,307	1,018	6.47 %
Acquired loans, net	16,585,942	302,259	7.31 %	5,373,383	84,263	6.31 %
Non-acquired loans	30,443,470	439,360	5.79 %	27,616,138	393,079	5.72 %
Total interest-earning assets	57,710,001	840,504	5.84 %	41,011,662	531,124	5.21 %
Noninterest-Earning Assets:						
Cash and due from banks	585,975			443,686		
Other assets	6,882,510			4,440,959		
Allowance for credit losses	(627,605)			(468,573)		
Total noninterest-earning assets	6,840,880			4,416,072		
Total Assets	\$ 64,550,881			\$ 45,427,734		
Interest-Bearing Liabilities:						
Transaction and money market accounts	\$ 28,986,998	\$ 173,481	2.40 %	\$ 19,653,436	\$ 120,722	2.47 %
Savings deposits	2,921,780	2,012	0.28 %	2,504,809	1,830	0.29 %
Certificates and other time deposits	7,177,451	66,100	3.69 %	4,286,950	42,929	4.03 %
Federal funds purchased	360,588	3,943	4.39 %	270,028	3,621	5.39 %
Securities sold with agreements to repurchase	287,341	1,462	2.04 %	270,815	1,362	2.02 %
Corporate and subordinated debentures	821,542	15,558	7.60 %	391,775	5,999	6.16 %
Other borrowings	3	—	— %	323,626	4,402	5.47 %
Total interest-bearing liabilities	40,555,703	262,556	2.60 %	27,701,439	180,865	2.63 %
Noninterest-Bearing Liabilities:						
Demand deposits	13,643,265			10,566,529		
Other liabilities	1,659,331			1,605,296		
Total noninterest-bearing liabilities ("Non-IBL")	15,302,596			12,171,825		
Shareholders' equity	8,692,582			5,554,470		
Total Non-IBL and shareholders' equity	23,995,178			17,726,295		
Total Liabilities and Shareholders' Equity	\$ 64,550,881			\$ 45,427,734		
Net Interest Income and Margin (Non-Tax Equivalent)		\$ 577,948	4.02 %		\$ 350,259	3.43 %
Net Interest Margin (Tax Equivalent)			4.02 %			3.44 %
Total Deposit Cost (without debt and other borrowings)			1.84 %			1.80 %
Overall Cost of Funds (including demand deposits)			1.94 %			1.90 %

(Dollars in thousands)	Six Months Ended					
	June 30, 2025			June 30, 2024		
	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	\$ 2,041,094	\$ 42,379	4.19 %	\$ 700,301	\$ 16,502	4.74 %
Investment securities (taxable) ⁽¹⁾	7,533,730	121,951	3.26 %	6,539,593	78,492	2.41 %
Investment securities (tax-exempt) ⁽¹⁾	886,395	13,652	3.11 %	806,565	11,337	2.83 %
Loans held for sale	229,224	8,507	7.48 %	53,089	1,699	6.44 %
Acquired loans, net	16,911,413	614,318	7.33 %	5,565,904	173,826	6.28 %
Non-acquired loans	30,002,457	848,263	5.70 %	27,168,966	766,523	5.67 %
Total interest-earning assets	57,604,313	1,649,070	5.77 %	40,834,418	1,048,379	5.16 %
Noninterest-Earning Assets:						
Cash and due from banks	584,462			451,261		
Other assets	6,840,917			4,396,492		
Allowance for credit losses	(611,799)			(462,723)		
Total noninterest-earning assets	6,813,580			4,385,030		
Total Assets	\$ 64,417,893			\$ 45,219,448		
Interest-Bearing Liabilities:						
Transaction and money market accounts	\$ 29,117,282	\$ 350,430	2.43 %	\$ 19,598,727	\$ 238,013	2.44 %
Savings deposits	2,913,417	3,956	0.27 %	2,547,030	3,648	0.29 %
Certificates and other time deposits	7,171,354	133,164	3.74 %	4,284,850	83,982	3.94 %
Federal funds purchased	342,096	7,422	4.38 %	263,268	6,989	5.34 %
Securities sold with agreements to repurchase	292,793	2,892	1.99 %	275,744	2,721	1.98 %
Corporate and subordinated debentures	787,166	28,063	7.19 %	391,822	12,008	6.16 %
Other borrowings	29,701	648	4.40 %	247,802	6,823	5.54 %
Total interest-bearing liabilities	40,653,809	526,575	2.61 %	27,609,243	354,184	2.58 %
Noninterest-Bearing Liabilities:						
Demand deposits	13,568,711			10,548,563		
Other liabilities	1,639,268			1,516,131		
Total noninterest-bearing liabilities ("Non-IBL")	15,207,979			12,064,694		
Shareholders' equity	8,556,105			5,545,511		
Total Non-IBL and shareholders' equity	23,764,084			17,610,205		
Total Liabilities and Shareholders' Equity	\$ 64,417,893			\$ 45,219,448		
Net Interest Income and Margin (Non-Tax Equivalent)		\$ 1,122,495	3.93 %		\$ 694,195	3.42 %
Net Interest Margin (Tax Equivalent)			3.93 %			3.42 %
Total deposit cost (without debt and other borrowings)			1.86 %			1.77 %
Overall Cost of Funds (including demand deposits)			1.96 %			1.87 %

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

Investment Securities

The interest earned on investment securities increased by \$29.7 million and \$45.8 million, respectively, in the three and six months ended June 30, 2025, compared to the three and six months ended June 30, 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 increased \$1.3 billion and \$1.1 billion, respectively, for the three and six months ended June 30, 2025, from the comparable periods in 2024, primarily due to the Company acquiring \$1.6 billion in investment securities through the acquisition of Independent. These securities were subsequently sold during the first quarter 2025 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 investment securities increased 102 basis points and 79 basis points, respectively, during the three and six months ended June 30, 2025, compared to the same periods in 2024. The Company purchased investment securities, including the reinvestment of the Independent investment portfolio, at current market rates during the first quarter of 2025. The Company saw an improvement in the yield and risk weightings, as well as a shortened duration, of the investment portfolio for a full quarter during the current quarter as a result of the securities repositioning completed during the first quarter of 2025.

Loans

Interest earned on loans held for investment increased \$264.3 million to \$741.6 million and increased \$522.2 million to \$1.5 billion, respectively, during the three and six months ended June 30, 2025, from the comparable periods in 2024. Interest earned on loans held for investment included loan accretion income recognized during the three and six months ended June 30, 2025, and 2024 of \$63.5 million, \$125.3 million, \$4.4 million and \$8.7 million, respectively, an increase of \$59.1 million and \$116.6 million, respectively. Some key highlights for the quarter ended June 30, 2025, are outlined below:

- Our non-TE yield on total loans increased 51 basis points in the second quarter of 2025 compared to the same period in 2024 due to a 7 basis-point increase in the yield on the non-acquired loan portfolio and a 100 basis-point increase in the yield on the acquired loan portfolio.
 - The yield on the acquired loan portfolio increased slightly from 6.31% in the second quarter of 2024 to 7.31% in the same period in 2025, while interest income on the acquired loan portfolio increased by \$218.0 million during the same period.
 - The interest income on acquired loans increased by \$218 million, due to a \$11.2 billion increase in the average balance during the second quarter of 2025 compared to the same period in 2024. 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 \$61.2 million recognized for the loan portfolio acquired from Independent during the second quarter of 2025.
 - The yield on the non-acquired loan portfolio increased 7 basis points to 5.79% in the second quarter of 2025 compared to 5.72% in the same period in 2024. Interest income on the non-acquired loan portfolio increased \$46.3 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 on non-acquired loans increased as loans were priced at slightly higher interest rates during the current quarter compared to the same period in 2024.

Interest-Bearing Liabilities

The quarter-to-date average balance of interest-bearing liabilities increased by \$12.9 billion, or 46.4%, in the second quarter of 2025 compared to the same period in 2024. The cost of interest-bearing liabilities decreased slightly to 2.60% compared to the same period in 2024, while the overall cost of funds, including demand deposits, slightly increased by 4 basis points to 1.94% in the second quarter of 2025, compared to the same period in 2024. Some key highlights for the quarter ended June 30, 2025, compared to the same period in 2024 include:

- The cost of interest-bearing deposits was 2.48% for the second quarter of 2025 compared to 2.52% for the same period in 2024.
 - Interest expense on interest-bearing deposits increased by \$76.1 million in the second 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 the 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 \$52.8 million, \$182,000, and \$23.2 million, respectively.
 - The average balance of interest-bearing deposits increased by \$12.6 billion, as average balances on all interest-bearing deposit accounts increased, which drove up interest expense. The increases in the average balance of transaction and money market accounts, savings, certificates and other time deposits were \$9.3 billion, \$417.0 million and \$2.9 billion, respectively.
- The cost of federal funds purchased decreased 100 basis points. 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 \$322,000 while the average balance grew by \$90.6 million.
- The cost of repurchase agreements was 2.04% for the second quarter of 2025 compared to 2.02% for the same period in 2024, driven by the effects from the lower interest environment. While the average balance grew by \$16.5 million, interest expense only increased by \$100,000.
- The cost of corporate and subordinated debentures increased by 144 basis point to 7.60% for the three months ended June 30, 2025, also driven by the effects from the increase in the average balance of \$429.8 million. The Company assumed \$360.5 million in corporate and subordinated debentures from the Independent acquisition during the first quarter of 2025, and issued \$350.0 million in aggregate principal amount of subordinated notes during the second quarter of 2025. The increase in the average balance resulted in an increase in interest expense of \$9.6 million.

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- The Company had no other borrowings outstanding as of the end of the second quarter 2025 and no interest cost was recognized during the second quarter of 2025. The cost was 5.47% for the comparable period in 2024.

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 \$3.1 billion, or 29.1%, to \$13.6 billion in the second quarter of 2025 compared to \$10.6 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 June 30, 2025, and 2024, noninterest income comprised 13.1%, and 17.7%, respectively, of total net interest income and noninterest income. For the six months ended June 30, 2025, and 2024, noninterest income comprised 13.3%, and 17.5%, respectively, of total net interest income and noninterest income.

(Dollars in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Service charges on deposit accounts	\$ 24,667	\$ 22,889	\$ 49,619	\$ 45,559
Debit, prepaid, ATM and merchant card related income	13,202	10,953	24,183	21,428
Mortgage banking income	5,936	5,912	13,673	12,081
Trust and investment services income	14,419	11,091	29,351	21,482
Correspondent banking and capital markets income	13,767	4,860	23,312	9,171
Securities losses, net	—	—	(228,811)	—
Gain on sale-leaseback, net of transaction costs	—	—	229,279	—
SBA income	2,430	3,955	5,662	8,318
Bank owned life insurance income	9,153	7,372	19,352	14,264
Other	3,243	8,193	7,285	14,480
Total noninterest income	\$ 86,817	\$ 75,225	\$ 172,905	\$ 146,783

Noninterest income increased by \$11.6 million, or 15.4%, during the second 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 \$1.8 million, or 7.8%, during the second quarter of 2025 compared to the same period in 2024. The increase was mainly attributable to deposit accounts assumed from Independent.
- Debit, prepaid, ATM and merchant card related income was higher by \$2.2 million, or 20.5%, in the second quarter of 2025 compared to the same period in 2024. The increase in debit, ATM, prepaid and merchant card related income was mainly due to higher card and ATM related fee income of \$2.3 million.
- Trust and investment services income for the second quarter of 2025 increased by \$3.3 million, or 30.0%, from the second quarter of 2024, as assets under management have increased by \$2.2 billion, or 26.2%, in that same time frame. The trust and investment services income increased during the second 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 second quarter of 2025 increased by \$8.9 million, or 183.3%, compared to the same quarter in 2024. The increase was primarily related to the expense attributable to the variation margin payments for centrally cleared swaps where we recorded an expense of \$5.4 million related to variation margin payments in the second quarter of 2025 compared to an expense of \$11.4 million in the second quarter of 2024. The increase was also due to an increase of \$2.3 million in income generated from the sale of customer swap ARC hedges during the second quarter of 2025 compared to the second quarter of 2024, resulting from the comparatively lower interest rate environment in 2025.

- SBA income decreased by \$1.5 million, or 38.6%, during the second quarter of 2025 compared to the same period in 2024. SBA income includes changes in the fair value of the servicing asset, loan servicing fees and gains on sale of SBA loans. The decrease was attributable to lower gains on the sale of SBA loans of \$1.9 million and a decline in the change in fair value of the SBA servicing asset of \$348,000.
- Bank owned life insurance income increased by \$1.8 million, or 24.2%, in the second quarter of 2025 compared to the same period in 2024. The increase was primarily due to the acquisition of bank owned life insurance assets from Independent, which contributed approximately \$2.1 million of income. This increase was partially offset by a decrease of approximately \$318,000 in death benefit proceeds received on policies during the second quarter of 2025.
- Other income decreased by \$5.0 million, or 60.4%, in the second quarter of 2025 compared to the same quarter in 2024. During the second quarter of 2024, the Company recognized approximately \$5.2 million of income from federal tax refunds received during the second quarter of 2024 for net operating loss carrybacks filed in 2021.

Noninterest income increased by \$26.1 million, or 17.8%, during the six months ended June 30, 2025, compared to the same period in 2024. The categories and explanations for the fluctuations year-to-date, except the items discussed below, are similar to the ones noted above in the quarterly comparison.

- Mortgage banking income increased by \$1.6 million, or 13.2%, in 2025 compared to 2024, primarily from a \$1.2 million, or 14.4%, increase in secondary market mortgage income. Mortgage production increased from \$981.0 million in the first half of 2024 to \$1.1 billion in the first half of 2025 with slightly lower mortgage rates in 2025 compared to the same period in 2024. We allocated a lower percentage of mortgage production to the secondary market in 2025 compared to the same period in 2024 as the percentage allocated decreased in 2025 compared to 2024 from 57% to 45%. 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 \$1.2 million between the comparable periods resulting from a \$4.2 million increase in the gain on sale of mortgage loans, which is net of the commission expense related to mortgage production, and the change in fair value of the pipeline of \$226,000, offset by decreases in the fair value of MBS forward trades of \$2.4 million and loans held for sale of \$880,000. Mortgage commission expense was \$4.1 million in 2025 compared to \$5.5 million in 2024.
 - The mortgage servicing related income, net of the hedge, slightly increased by \$376,000 in 2025. The increase was due to a \$303,000 increase in the change in fair value of the MSR, including decay, and a \$74,000 increase in service fee income. The increase in fair value of the MSR between the comparable periods was primarily due to an increase from gains/losses on the MSR hedge of \$7.6 million and a \$695,000 increase in MSR decay, offset by a decrease in the change in fair value from interest rates of \$8.0 million.
- During the first quarter of 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.
- The Company recorded a gain on the sale of bank properties of \$229.3 million, net of transaction costs, from a sale-leaseback transaction completed in February 2025.

Noninterest Expense

(Dollars in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Salaries and employee benefits	\$ 200,162	\$ 151,435	\$ 395,973	\$ 301,888
Occupancy expense	41,507	22,453	77,000	45,030
Information services expense	30,155	23,144	61,517	45,497
OREO and loan related expense	2,295	1,307	4,079	1,913
Amortization of intangibles	24,048	5,744	47,879	11,742
Business development and staff related expense	7,182	5,942	13,692	11,464
Supplies and printing expense	3,970	2,526	7,098	5,066
Professional fees	4,658	3,906	9,367	7,021
FDIC assessment and other regulatory charges	11,469	7,771	22,727	16,305
FDIC special assessment	—	619	—	4,473
Advertising and marketing	3,010	2,594	5,300	4,578
Merger, branch consolidation, severance-related, and other expense	24,379	5,785	92,385	10,298
Other	22,226	15,521	46,870	32,762
Total noninterest expense	<u>\$ 375,061</u>	<u>\$ 248,747</u>	<u>\$ 783,887</u>	<u>\$ 498,037</u>

Noninterest expense increased by \$126.3 million, or 50.8%, in the second 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 \$48.7 million, or 32.2%, in the second 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 \$29.7 million resulting from both merit increases and an increase in the number of employees, along with higher commission and incentive expense of \$10.2 million and higher employee benefits from higher FICA tax paid and medical insurance expense of \$8.8 million.
- Occupancy expense increased \$19.1 million, or 84.9% in the second quarter of 2025 compared to the same period in 2024. The increase was primarily due to increases in lease expense and branch maintenance and repair expenses of \$16.9 million and \$4.7 million, respectively.
- Information services expense increased \$7.0 million, or 30.3%, in the second quarter of 2025 compared to the same period in 2024. The increase was due to additional costs associated with the Company updating systems and expenses associated with transferring, managing, and processing data as it grows in size and complexity.
- Amortization of intangibles increased by \$18.3 million, which is related to the Independent acquisition.
- FDIC assessment and other regulatory charges increased \$3.7 million, or 47.6%, in the second 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.
- Merger, branch consolidation, severance-related, and other expense increased \$18.6 million to \$24.4 million in the second quarter of 2025 compared to the same period in 2024. Of the \$24.4 million of expense recognized in the second quarter of 2025, approximately \$28.4 million pertains to the Independent acquisition. The expense was partially offset by an insurance reimbursement of approximately \$3.6 million received in the same period. The reimbursement pertains to costs previously incurred in connection with the cybersecurity incident in February 2024.
- Other noninterest expense increased by \$6.7 million, or 43.2%, in the second quarter of 2025 compared to the same period in 2024. The increase primarily resulted from a \$1.5 million increase in miscellaneous expense, largely due to approximately \$2.0 million Uncertain Tax Position ("UTP") adjustment recorded during the second quarter of 2024. Earnings credit expense to Homeowners Association ("HOA") customers increased by \$1.8 million. The Bank provides a credit to HOA customers based on the average deposit balances held that reduces fees for other services provided. Additional increases included approximately \$1.5 million increase in other miscellaneous expenses, which reflected new expenses associated with the Independent acquisition, such as franchise tax payments and donations. In addition, other miscellaneous operational expenses increased by \$780,000.

Noninterest expense increased by \$285.9 million, or 57.4%, during the six months ended June 30, 2025, compared to the same period in 2024. The categories and explanations for the fluctuations year-to-date, except the items discussed below, are similar to the ones noted above in the quarterly comparison.

- The FDIC's special assessment expense decreased by \$4.5 million as the FDIC announced a projected reduction in the special assessment rate in late 2024, resulting in no additional accrual recorded during 2025. The Company accrued a total of \$4.5 million during the first half 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 \$82.1 million for the six months ended June 30, 2025, compared to the six months ended June 30, 2024. The increase was primarily due to approximately \$92.3 million of costs associated with the Independent acquisition. The expense was partially offset by a decrease in cybersecurity incident costs of approximately \$11.4 million.

Income Tax Expense

Our effective tax rate was 23.73% for the three months ended June 30, 2025, compared to 23.42% for the three months ended June 30, 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 pretax book income as well as higher non-deductible executive compensation and disallowed FDIC premiums. This increase was partially offset by an increase in the cash surrender value of BOLI policies and an increase in tax-exempt income in the current quarter.

Our effective tax rate for the first six months of the year was 24.57% compared to 24.19% for the first six months of 2024. The increase in the year-to-date effective tax rate compared to the same period of 2024 is due primarily to the increase in pretax book income and higher non-deductible executive compensation and disallowed FDIC premiums. This was partially offset by an increase in the cash surrender value of BOLI policies and an increase in tax-exempt income in the first six months of the current year, compared to 2024.

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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue, Adjusted (Non-GAAP)				
Net interest income (GAAP) (a)	\$ 577,948	\$ 350,259	\$ 1,122,495	\$ 694,195
Plus:				
Noninterest income	86,817	75,225	172,905	146,783
Revenue (GAAP)	\$ 664,765	\$ 425,484	\$ 1,295,400	\$ 840,978
Less:				
Securities losses, net	—	—	(228,811)	—
Gain on sale-leaseback, net of transaction costs	—	—	229,279	—
Revenue, adjusted (Non-GAAP)	\$ 664,765	\$ 425,484	\$ 1,294,932	\$ 840,978
PPNR, Adjusted (Non-GAAP)				
Revenue, adjusted (Non-GAAP)	\$ 664,765	\$ 425,484	\$ 1,294,932	\$ 840,978
Less:				
Noninterest expense	375,061	248,747	783,887	498,037
PPNR (Non-GAAP)	\$ 289,704	\$ 176,737	\$ 511,045	\$ 342,941
Plus:				
Merger and branch consolidation related expense	24,379	5,785	92,385	10,298
FDIC special assessment	—	619	—	4,473
PPNR, adjusted (Non-GAAP)	\$ 314,083	\$ 183,141	\$ 603,430	\$ 357,712
Net Interest Margin, Tax Equivalent ("TE") (non-GAAP)				
Average interest earning assets (b)	\$ 57,710,001	\$ 41,011,662	\$ 57,604,313	\$ 40,834,418
Net interest margin, non-TE ((a)/(b)) (GAAP)	4.02%	3.43%	3.93%	3.42%
TE adjustment (c)	672	631	1,456	1,159
Net interest margin, TE (((a)+(c))/(b)) (non-GAAP)	4.02%	3.44%	3.93%	3.42%

Analysis of Financial Condition

Summary

Our total assets increased approximately \$19.5 billion, or 42.1%, from December 31, 2024, to June 30, 2025, to approximately \$65.9 billion. Within total assets, cash and cash equivalents increased by \$2.1 billion, or 148.8%, and net loans increased \$13.2 billion, or 39.5%, while investment securities increased \$1.6 billion, or 24.0%, during the period. Within total liabilities, deposits grew \$15.6 billion, or 41.1%, and federal funds purchased and securities sold under agreements to repurchase increased by \$115.6 million, or 22.5%. Total borrowings increased by \$708.2 million, or 180.9%. Total shareholder's equity increased \$2.9 billion, or 49.4%. The increases in total assets, cash and cash equivalents, investment securities, loans, deposits, other borrowings 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 assumed from Independent, of approximately \$427.4 million, an increase in federal funds purchased and securities sold under agreements to repurchase of \$115.6 million and due to the issuance of new subordinated debentures of \$350.0 million in the second quarter of 2025. The increase in deposits, excluding deposits assumed from Independent, was mainly from the increases in interest-bearing checking and time deposit accounts. Our loan to deposit ratio was 88% and 89% at June 30, 2025 and December 31, 2024, respectively, while our percentage of noninterest-bearing deposit accounts to total deposits was 26% and 27%, respectively at June 30, 2025, and December 31, 2024.

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 June 30, 2025, investment securities totaled \$8.4 billion, compared to \$6.8 billion at December 31, 2024, an increase of \$1.6 billion, or 24.0%. 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 first quarter 2025 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. The Bank purchased \$3.6 billion of investment securities during the six months ended June 30, 2025 from reinvesting funds provided by the sales of securities acquired from Independent and 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 \$3.7 billion and a reduction from the net amortization of premiums of \$5.4 million during the six months ended June 30, 2025. Of the \$3.6 billion in purchases of investment securities during the quarter, \$3.5 billion were available-for-sale securities and \$117.4 million were other investment securities. There were no purchases of held to maturity securities during the quarter. During the six months ended June 30, 2025, we purchased \$33.3 million of capital stock of the Federal Home Loan Bank of Atlanta classified as other investment securities on the Balance Sheet and sold back \$45.1 million. At June 30, 2025, approximately 70.3% of the investment portfolio was classified as available for sale, approximately 25.5% was classified as held to maturity and approximately 4.2% was classified as other investments.

At June 30, 2025, the unrealized net losses of the available for sale securities portfolio was \$498.8 million, or 7.8%, below its amortized cost basis, compared to an unrealized net loss of \$808.6 million, or 15.8%, at December 31, 2024. At June 30, 2025, the unrealized net loss of the held to maturity securities portfolio was \$364.2 million, or 17.0%, below its amortized cost basis, compared to an unrealized net loss of \$420.1 million, or 18.6%, at December 31, 2024.

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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
June 30, 2025					
U.S. Government agencies	\$ 132,910	\$ 113,860	\$ (19,050)	\$ 132,910	\$ —
Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises *	2,913,414	2,540,779	(372,635)	91	2,913,323
Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises *	2,732,202	2,630,230	(101,972)	—	2,732,202
Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises *	1,005,378	861,378	(144,000)	29,687	975,691
State and municipal obligations	1,108,538	922,417	(186,121)	1,096,277	12,261
Small Business Administration loan-backed securities	651,752	614,357	(37,395)	603,116	48,636
Corporate securities	28,499	26,594	(1,905)	—	28,499
	<u>\$ 8,572,693</u>	<u>\$ 7,709,615</u>	<u>\$ (863,078)</u>	<u>\$ 1,862,081</u>	<u>\$ 6,710,612</u>

* 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 June 30, 2025, we had 1,098 investment securities including both available for sale and held to maturity, in an unrealized loss position, which totaled \$885.4 million. 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 116 securities, while the total dollar amount of the unrealized loss decreased by \$344.1 million. The reduction in the number of securities in a loss position and level of unrealized losses was mainly due to the securities repositioning strategy completed during the first quarter of 2025 where we sold certain available-for-sale investment securities and recognized the losses and reinvested the proceeds in investment securities at current market prices. The reduction was also due to changes in interest rates during the first six months of 2025.

All investment securities in an unrealized loss position as of June 30, 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 — Investment 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. 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.

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The following table presents a summary of our investment portfolio by contractual maturity and related yield as of June 30, 2025:

(Dollars in thousands)	Due In 1 Year or Less		Due After 1 Thru 5 Years		Due After 5 Thru 10 Years		Due After 10 Years		Total	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
Held to Maturity (amortized cost)										
U.S. Government agencies	\$ —	— %	\$ 19,988	2.06 %	\$ 112,922	1.67 %	\$ —	— %	\$ 132,910	1.73 %
Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	—	—	—	—	111,315	1.96	1,114,782	1.83	1,226,097	1.84
Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises	—	—	—	—	—	—	395,349	2.53	395,349	2.53
Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	—	—	36,138	0.94	173,430	1.48	134,385	1.60	343,953	1.47
Small Business Administration loan-backed securities	—	—	—	—	—	—	47,682	1.27	47,682	1.27
Total held to maturity	\$ —	— %	\$ 56,126	1.34 %	\$ 397,667	1.67 %	\$ 1,692,198	1.96 %	\$ 2,145,991	1.89 %
Available for Sale (fair value)										
Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	\$ 2	— %	\$ 5,892	2.14 %	\$ 95,674	2.60 %	\$ 1,422,311	3.38 %	\$ 1,523,879	3.33 %
Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises	58	3.00	2,763	2.36	5,723	2.26	2,288,427	4.70	2,296,971	4.69
Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	16,395	3.10	155,197	3.88	221,314	2.74	188,586	1.81	581,492	2.69
State and municipal obligations	14,779	3.49	12,159	3.06	104,442	2.47	791,037	2.96	922,417	2.91
Small Business Administration loan-backed securities	7,061	2.55	16,797	4.73	198,084	4.86	354,572	3.59	576,514	4.04
Corporate securities	—	—	10,264	7.33	15,443	4.15	887	4.50	26,594	5.34
Total available for sale	\$ 38,295	3.15 %	\$ 203,072	4.00 %	\$ 640,680	3.36 %	\$ 5,045,820	3.87 %	\$ 5,927,867	3.81 %
Total other investments	\$ —	— %	\$ —	— %	\$ —	— %	\$ 357,487	3.03 %	\$ 357,487	3.03 %
Total investment securities	\$ 38,295	3.15 %	\$ 203,072	4.00 %	\$ 640,680	3.36 %	\$ 5,045,820	3.87 %	\$ 5,927,867	3.81 %
Percent of total	1 %		3 %		12 %		84 %			
Cumulative percent of total	1 %		4 %		16 %		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 86.7% (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 12.9% (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 June 30, 2025, the portfolio had an effective duration of 5.15 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:

(Dollars in thousands, duration in years)	June 30, 2025		December 31, 2024	
	Amount	Duration	Amount	Duration
Held to Maturity (amortized cost)				
U.S. Government agencies	\$ 132,910	5.98	\$ 147,272	5.85
Residential mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	1,226,097	6.28	1,297,543	5.94
Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises	395,349	7.05	411,721	6.76
Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	343,953	6.78	348,338	6.12
Small Business Administration loan-backed securities	47,682	5.81	49,796	9.12
Total held to maturity	\$ 2,145,991	6.48	\$ 2,254,670	6.18
Available for Sale (fair value)				
U.S. Treasuries	\$ —	—	\$ 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	1,523,879	5.03	1,377,525	5.73
Residential collateralized mortgage-obligations issued by U.S. government agencies or sponsored enterprises	2,296,971	3.13	459,095	6.00
Commercial mortgage-backed securities issued by U.S. government agencies or sponsored enterprises	581,492	5.91	1,040,555	5.35
State and municipal obligations	922,417	8.43	945,723	10.08
Small Business Administration loan-backed securities	576,514	1.93	310,112	5.09
Corporate securities	26,594	0.57	26,509	1.27
Total available for sale	\$ 5,927,867	4.70	\$ 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 June 30, 2025, we determined that there was no impairment on our other investment securities. As of June 30, 2025, other investment securities represented approximately \$357.5 million, or 0.54% of total assets, and primarily consists of FHLB and FRB stock which totals \$252.5 million, or 0.38% of total assets. There were no gains or losses on the sales of these securities for three and six months ended June 30, 2025, and 2024, respectively.

Trading Securities

We have a trading portfolio associated with our Correspondent Banking Division and the Bank's subsidiary, SouthState|DuncanWilliams. 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 \$95.3 million and \$102.9 million at June 30, 2025 and December 31, 2024.

Loans Held for Sale

The balance of loans held for sale increased \$39.6 million from December 31, 2024, to \$319.0 million on June 30, 2025. Loans held for sale at June 30, 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 \$247.9 million at June 30, 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 \$71.0 million at June 30, 2025, a decrease of \$27.1 million compared to \$98.1 million at December 31, 2024. Total mortgage production was \$672 million in the second quarter of 2025. This compares to \$459 million in the first quarter of 2025 and \$552 million in the second quarter of 2024. Mortgage production has increased as mortgage rates declined slightly during the quarter along with the seasonal nature of home sales during the spring and summer months. The percentage of mortgage production sold into the secondary market decreased in the second quarter of 2025 to 37% from 56% in the first quarter of 2025 and from 59% in the second quarter of 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)	June 30, 2025	% of Total	December 31, 2024	% of Total
Acquired loans:				
Acquired - non-purchased credit deteriorated loans:				
Construction and land development	\$ 862,431	1.8 %	\$ 37,527	0.1 %
Commercial non-owner-occupied	5,164,176	10.9 %	1,317,925	4.0 %
Commercial owner-occupied real estate	2,115,813	4.5 %	912,760	2.7 %
Consumer owner-occupied	1,242,405	2.6 %	428,753	1.3 %
Home equity loans	219,392	0.5 %	190,455	0.6 %
Commercial and industrial	2,053,807	4.3 %	579,883	1.7 %
Other income producing property	759,273	1.6 %	111,394	0.3 %
Consumer non real estate	75,050	0.2 %	56,879	0.2 %
Other	206	— %	206	— %
Total acquired - non-purchased credit deteriorated loans	12,492,553	26.4 %	3,635,782	10.7 %
Acquired - purchased credit deteriorated loans (PCD):				
Construction and land development	289,210	0.6 %	5,893	— %
Commercial non-owner-occupied	2,067,145	4.4 %	349,998	1.0 %
Commercial owner-occupied real estate	550,641	1.2 %	266,288	0.8 %
Consumer owner-occupied	199,381	0.4 %	145,290	0.4 %
Home equity loans	22,067	— %	23,447	0.1 %
Commercial and industrial	198,852	0.4 %	21,451	0.1 %
Other income producing property	57,206	0.1 %	24,013	0.1 %
Consumer non real estate	24,684	0.1 %	25,775	0.1 %
Total acquired - purchased credit deteriorated loans (PCD)	3,409,186	7.2 %	862,155	2.5 %
Total acquired loans	15,901,739	33.6 %	4,497,937	13.3 %
Non-acquired loans:				
Construction and land development	2,172,282	4.6 %	2,140,907	6.3 %
Commercial non-owner-occupied	8,415,348	17.8 %	7,715,809	22.8 %
Commercial owner-occupied real estate	4,831,452	10.2 %	4,537,328	13.4 %
Consumer owner-occupied	6,888,762	14.6 %	6,570,842	19.4 %
Home equity loans	1,466,362	3.1 %	1,356,182	4.0 %
Commercial and industrial	6,193,219	13.1 %	5,621,542	16.6 %
Other income producing property	490,262	1.1 %	472,343	1.4 %
Consumer non real estate	907,517	1.9 %	979,945	2.9 %
Other	304	— %	10,092	— %
Total non-acquired loans	31,365,508	66.4 %	29,404,990	86.7 %
Total loans (net of unearned income)	\$ 47,267,247	100.0 %	\$ 33,902,927	100.0 %

Total loans, net of deferred loan costs and fees (excluding loans held for sale), increased by \$13.4 billion, or 79.5% annualized, to \$47.3 billion at June 30, 2025. Our non-acquired loan portfolio increased by \$2.0 billion, or 13.4% annualized, mainly driven by organic growth. Commercial non-owner-occupied loans, commercial and industrial loans, consumer owner-occupied loans, commercial owner-occupied real estate, and home equity loans led the way with \$700.0 million, \$571.7 million, \$317.9 million, \$294.1 million and \$110.2 million in year-to-date loan growth, respectively, or 18.3%, 20.5%, 9.8%, 13.1% and 16.4% annualized growth, respectively. The acquired loan portfolio increased by \$11.4 billion, or 511.3% annualized. 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 \$5.6 billion, \$1.7 billion, \$1.5 billion, \$1.1 billion, \$867.7 million and \$681.1 million, respectively, year-to-date. Acquired loans as a percentage of total loans increased to 33.6% and non-acquired loans as a percentage of the overall portfolio decreased to 66.4% at June 30, 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 \$15.6 billion, approximately 33.1% of the total loans held for investment, was the largest category of the loan portfolio as of June 30, 2025. As of June 30, 2025, approximately 93% of the commercial non-owner-occupied portfolio was located within the Company's footprint. Of the \$15.6 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.

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
June 30, 2025					
Loan Type:					
Retail	\$ 4,243,114	\$ 2,169	0.11 %	1.20 %	1.21 %
Multifamily	2,518,670	3,688	1.97 %	12.95 %	10.45 %
Warehouse/Industrial	2,426,556	2,083	— %	5.08 %	1.14 %
Office	1,794,295	1,524	1.31 %	6.21 %	3.67 %
Hotel	1,364,604	5,208	0.04 %	6.03 %	2.34 %
Medical	886,980	2,082	0.18 %	2.18 %	2.68 %
Other	808,453	1,558	— %	6.98 %	6.30 %
Self Storage	599,091	3,187	— %	10.73 %	5.41 %

(1) Net book balance in each segment that represents 2% or more of commercial non-owner-occupied portfolio as of June 30, 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 and 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.

Despite numerous headwinds, 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, however, downside risks to the outlook remain. 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 June 30, 2025, management selected a baseline weighting of 40%, a 25% weighting for an upside scenario and a 35% weighting for the more severe scenario. Scenario weightings are generally expected to remain stable but are reviewed on a quarterly basis. The shift in scenario weightings reflects a mostly neutral stance but recognition of downside risks and higher levels of uncertainty in the economic forecast from persistent levels of inflation, high interest rates, lack of clarity on trade and fiscal policy impacts, 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 \$7.5 million for the second quarter of 2025. The Company recorded a provision for credit losses of \$5.1 million and \$2.4 million for funded loans and unfunded commitments, respectively, during the second 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 June 30, 2025, the balance of the ACL was \$621.0 million or 1.31% of total loans. The ACL decreased \$2.7 million from the balance of \$623.7 million recorded at March 31, 2025. The decrease during the second quarter of 2025 included \$5.1 million in provision for credit losses and \$7.2 million in net charge-offs, excluding \$16.8 million of allowance for credit losses and \$17.3 million of net charge-offs recorded during the current quarter as measurement period adjustments for PCD loans acquired from Independent to conform with the Company's charge-off policies and procedures.

At June 30, 2025, the Company had a reserve on unfunded commitments of \$64.7 million, which was recorded as a liability on the Consolidated Balance Sheet, compared to \$62.3 million at March 31, 2025, and \$45.3 million at December 31, 2024. During the three and six months ended June 30, 2025, the Company recorded an increase in the reserve for unfunded commitments of \$2.4 million and \$19.3 million, respectively. Of the \$19.3 million of provision for credit losses recorded for unfunded commitments during the six months ended June 30, 2025, \$12.1 million was related to the initial provision for unfunded commitments acquired from Independent and \$7.2 million was for all other unfunded commitments. For the prior comparative period, the Company recorded a decrease in the reserve for unfunded commitments of \$3.0 million and \$6.1 million, respectively, during the three and six months ended June 30, 2024. The Company did not have an allowance for credit losses or record a provision for credit losses on investment securities or other financial asset during the six months ended June 30, 2025.

The ACL provides 2.09 times coverage of nonperforming loans at June 30, 2025. Net charge-offs, excluding acquisition date charge-offs recorded for PCD loans acquired from Independent, to total average loans during the three and six months ended June 30, 2025, were 0.06% and 0.05%, respectively, compared to net charge-offs to total average loans of 0.05% and 0.04%, respectively, during the three and six months ended June 30, 2024. We continued to experience solid and stable asset quality numbers and ratios as of June 30, 2025.

The following table provides the allocation, by segment, for expected credit losses as of June 30, 2025:

(Dollars in thousands)	June 30, 2025	
	Amount	%*
Residential Mortgage Senior	\$ 54,204	19.8 %
Residential Mortgage Junior	868	0.1 %
Revolving Mortgage	13,884	3.8 %
Residential Construction	7,150	1.3 %
Other Construction and Development	76,297	5.6 %
Consumer	18,685	2.1 %
Multifamily	51,088	5.3 %
Municipal	2,279	1.9 %
Owner-Occupied Commercial Real Estate	88,223	15.8 %
Non-Owner-Occupied Commercial Real Estate	165,193	27.9 %
Commercial and Industrial	143,175	16.3 %
Total	\$ 621,046	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 three and six months ended June 30, 2025, and 2024:

(Dollars in thousands)	Three Months Ended					
	June 30, 2025			June 30, 2024		
	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	\$ (191)	\$ 9,276,546	(0.01)%	\$ 56	\$ 7,333,141	0.00 %
Residential Mortgage Junior	64	50,429	0.51 %	50	16,582	1.21 %
Revolving Mortgage	125	1,768,088	0.03 %	277	1,530,256	0.07 %
Residential Construction	—	680,839	— %	15	558,301	0.01 %
Other Construction and Development	299	2,714,334	0.04 %	(543)	1,921,052	(0.11)%
Consumer	(1,655)	1,034,608	(0.64)%	(1,373)	1,173,471	(0.47)%
Multifamily	(18,065)	2,488,133	(2.91)%	41	1,163,221	0.01 %
Municipal	—	844,717	— %	—	752,849	— %
Owner-Occupied Commercial Real Estate	(419)	7,445,999	(0.02)%	15	5,522,455	0.00 %
Non-Owner-Occupied Commercial Real Estate	767	13,119,321	0.02 %	(87)	8,002,132	(0.00)%
Commercial and Industrial	(5,431)	7,606,398	(0.29)%	(2,676)	5,016,061	(0.21)%
Total	\$ (24,506)	\$ 47,029,412	(0.21)%	\$ (4,225)	\$ 32,989,521	(0.05)%

(Dollars in thousands)	Six Months Ended					
	June 30, 2025			June 30, 2024		
	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	\$ (559)	\$ 9,253,756	(0.01)%	\$ (164)	\$ 7,226,647	(0.00)%
Residential Mortgage Junior	75	50,304	0.30 %	89	15,515	1.15 %
Revolving Mortgage	276	1,763,744	0.03 %	459	1,512,240	0.06 %
Residential Construction	—	679,166	— %	(282)	597,545	(0.09)%
Other Construction and Development	397	2,707,665	0.03 %	(1,011)	2,016,056	(0.10)%
Consumer	(4,953)	1,032,067	(0.97)%	(2,745)	1,186,592	(0.47)%
Multifamily	(18,065)	2,482,020	(1.47)%	66	1,069,726	0.01 %
Municipal	—	842,642	— %	—	747,058	— %
Owner-Occupied Commercial Real Estate	(1,875)	7,427,706	(0.05)%	118	5,501,020	0.00 %
Non-Owner-Occupied Commercial Real Estate	(12,693)	13,087,090	(0.20)%	(148)	7,895,020	(0.00)%
Commercial and Industrial	(30,978)	7,587,710	(0.82)%	(3,286)	4,967,451	(0.13)%
Total	\$ (68,375)	\$ 46,913,870	(0.29)%	\$ (6,904)	\$ 32,734,870	(0.04)%

The following tables present summary of ACL for the three and six months ended June 30, 2025, and 2024:

(Dollars in thousands)	Three Months Ended June 30,					
	2025			2024		
	Non-PCD Loans	PCD Loans	Total	Non-PCD Loans	PCD Loans	Total
Balance at beginning of period	\$ 526,615	\$ 97,075	\$ 623,690	\$ 439,188	\$ 30,466	\$ 469,654
Allowance adjustment - FMV for Independent acquisition	—	16,798	16,798	—	—	—
Independent Day 1 PCD loan net charge-offs	—	(17,259)	(17,259)	—	—	—
Loans charged off	(11,923)	(42)	(11,965)	(6,332)	(2,258)	(8,590)
Recoveries of loans previously charged off	2,740	1,978	4,718	3,411	954	4,365
Net (charge-offs) recoveries	(9,183)	(15,323)	(24,506)	(2,921)	(1,304)	(4,225)
Provision (recovery) for credit losses	17,582	(12,518)	5,064	11,361	(4,492)	6,869
Balance at end of period	\$ 535,014	\$ 86,032	\$ 621,046	\$ 447,628	\$ 24,670	\$ 472,298
Total loans, net of unearned income:						
At period end	\$ 47,267,247			\$ 33,234,564		
Average	47,029,412			32,989,521		
Net charge-offs as a percentage of average loans (annualized)	0.21 %			0.05 %		
Allowance for credit losses as a percentage of period end loans	1.31 %			1.42 %		
Allowance for credit losses as a percentage of period end non-performing loans ("NPLs")	208.57 %			241.19 %		

(Dollars in thousands)	Six Months Ended June 30,					
	2025			2024		
	Non-PCD Loans	PCD Loans	Total	Non-PCD Loans	PCD Loans	Total
Allowance for credit losses at January 1	\$ 444,959	\$ 20,321	\$ 465,280	\$ 423,876	\$ 32,697	\$ 456,573
Allowance adjustment - FMV for Independent acquisition	—	135,441	135,441	—	—	—
Initial Allowance for Non-PCD loans acquired during period	79,971	—	79,971	—	—	—
Independent Day 1 PCD loan net charge-offs	—	(56,688)	(56,688)	—	—	—
Loans charged-off	(18,947)	(440)	(19,387)	(14,050)	(2,480)	(16,530)
Recoveries of loans previously charged off	4,376	3,324	7,700	6,386	3,240	9,626
Net (charge-offs) recoveries	(14,571)	(53,804)	(68,375)	(7,664)	760	(6,904)
Provision (recovery) for credit losses	24,655	(15,926)	8,729	31,416	(8,787)	22,629
Balance at end of period	\$ 535,014	\$ 86,032	\$ 621,046	\$ 447,628	\$ 24,670	\$ 472,298
Total loans, net of unearned income:						
At period end	\$ 47,267,247			\$ 33,234,564		
Average	46,913,870			32,734,870		
Net charge-offs as a percentage of average loans (annualized)	0.29 %			0.04 %		
Allowance for credit losses as a percentage of period end loans	1.31 %			1.42 %		
Allowance for credit losses as a percentage of period end non-performing loans ("NPLs")	208.57 %			241.19 %		

Nonperforming Assets (“NPAs”)

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

(Dollars in thousands)	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Non-acquired:					
Nonaccrual loans	\$ 132,313	\$ 144,079	\$ 134,867	\$ 101,438	\$ 102,295
Accruing loans past due 90 days or more	3,687	3,273	3,293	6,890	5,843
Modified loans to a borrower experiencing financial difficulty - nonaccrual	9,597	7,594	7,115	9,802	8,479
Total non-acquired nonperforming loans	145,597	154,946	145,275	118,130	116,617
Other real estate owned (“OREO”) ^{(1) (6)}	16,842	1,570	648	751	2,555
Other nonperforming assets ⁽²⁾	446	720	534	466	321
Total nonperforming assets excluding acquired assets	162,885	157,236	146,457	119,347	119,493
Acquired:					
Nonaccrual loans ⁽³⁾	145,423	110,474	58,923	64,167	71,549
Accruing loans past due 90 days or more	707	537	—	389	916
Modified loans to a borrower experiencing financial difficulty - nonaccrual	6,043	6,217	6,391	6,564	6,738
Total acquired nonperforming loans	152,173	117,228	65,314	71,120	79,203
Acquired OREO ^{(1) (7)}	8,728	5,899	1,505	448	502
Other acquired nonperforming assets ⁽²⁾	55	77	78	45	96
Total acquired nonperforming assets	160,956	123,204	66,897	71,613	79,801
Total nonperforming assets	\$ 323,841	\$ 280,440	\$ 213,354	\$ 190,960	\$ 199,294
Excluding Acquired Assets					
Total nonperforming assets as a percentage of total loans and repossessed assets ⁽⁴⁾	0.52 %	0.52 %	0.50 %	0.42 %	0.43 %
Total nonperforming assets as a percentage of total assets ⁽⁵⁾	0.25 %	0.24 %	0.32 %	0.26 %	0.26 %
Nonperforming loans as a percentage of period end loans ⁽⁴⁾	0.46 %	0.52 %	0.49 %	0.41 %	0.42 %
Including Acquired Assets					
Total nonperforming assets as a percentage of total loans and repossessed assets ⁽⁴⁾	0.68 %	0.60 %	0.63 %	0.57 %	0.60 %
Total nonperforming assets as a percentage of total assets ⁽⁵⁾	0.49 %	0.43 %	0.46 %	0.41 %	0.44 %
Nonperforming loans as a percentage of period end loans ⁽⁴⁾	0.63 %	0.58 %	0.62 %	0.56 %	0.59 %

(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 premises held for sale of \$900,000, \$2.9 million, \$3.3 million, \$5.2 million and \$6.1 million as of June 30, 2025, March 31, 2025, December 31, 2024, September 30, 2024 and June 30, 2024, respectively, that is now separately disclosed on the balance sheet.

(7) Excludes acquired bank premises held for sale of \$78.5 million, \$72.0 million, \$0, \$0, and \$0 million as of June 30, 2025, March 31, 2025, December 31, 2024, September 30, 2024 and June 30, 2024, respectively, that is now separately disclosed on the balance sheet.

Total nonperforming assets were \$323.8 million, or 0.68% of total loans and repossessed assets, at June 30, 2025, an increase of \$110.5 million, or 51.8%, from December 31, 2024. Total nonperforming loans were \$297.8 million, or 0.63%, of total loans, at June 30, 2025, an increase of \$87.2 million, or 41.4%, from December 31, 2024. Non-acquired nonperforming loans increased by \$322,000 from December 31, 2024. The increase in non-acquired nonperforming loans was driven primarily by an increase in consumer nonaccrual loans of \$5.5 million, an increase in modified loans to a borrower experiencing financial difficulty of \$2.5 million, an increase in accruing loans past due 90 days or more of \$394,000, offset by a decline in commercial nonaccrual loans of \$8.1 million. Acquired nonperforming loans increased \$86.9 million from December 31, 2024. The increase in the acquired nonperforming loan balances was due primarily to an increase in commercial nonaccrual loans of \$85.3 million, an increase in consumer nonaccrual loans of \$1.2 million, an increase in accruing loans past due 90 days or more of \$707,000, offset by a decline in modified loans to a borrower experiencing financial difficulty of \$347,000. The majority of the increase in acquired commercial nonaccrual loans was due to the addition of \$87.4 million in loans acquired in the merger with Independent, offset by a \$2.0 million decline in legacy commercial nonaccrual loans. The \$87.4 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 \$12.1 billion to \$40.0 billion at June 30, 2025, from \$27.9 billion at December 31, 2024. This increase was mainly driven by interest-bearing deposits of \$9.6 billion as of June 30, 2025 acquired from Independent on January 1, 2025. Interest-bearing checking accounts increased \$4.3 billion during the first six months of 2025, which was driven by \$3.3 billion as of June 30, 2025 in interest-bearing checking accounts acquired in the Independent acquisition. The additional growth in interest-bearing checking accounts was mainly through reciprocal and brokered interest-bearing checking accounts. Savings accounts increased by \$475.5 million during the first six months of 2025, which was driven by \$459.4 million as of June 30, 2025 in savings accounts acquired in the Independent acquisition. Money market accounts increased \$3.7 billion during the first six months of 2025, which was driven by \$3.8 billion as of June 30, 2025 in money market accounts acquired in the Independent acquisition. Time deposits increased \$3.5 billion during the first six months of 2025, which was driven by \$2.1 billion as of June 30, 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 \$1.6 billion during 2025 as the Company has let some higher costing local deposits run off. Federal funds purchased related to the Correspondent Banking Division and securities sold under agreements to repurchase were \$630.6 million at June 30, 2025, a \$115.6 million increase from December 31, 2024. Corporate and subordinated debentures increased by \$708.2 million to \$1.1 billion at June 30, 2025. This increase was mainly due to \$360.5 million in corporate and subordinated debentures assumed in the Independent acquisition along with a \$350.0 million new issuance of subordinated debentures in the second quarter of 2025.

As noted above, the Company has allowed some higher costing local deposits run off in 2025 and replaced the deposits with brokered and other out of market deposits at lower interest rates. Average interest-bearing deposits increased \$12.6 billion to \$39.1 billion during the three months ended June 30, 2025 compared to the same period in 2024, mainly due to the acquisition of Independent. For the six months ended June 30, 2025 compared to the same period in 2024 the increase was similar at \$12.8 billion. 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 June 30, 2025, the period end balance of noninterest-bearing deposits was \$13.7 billion, an increase of \$3.5 billion compared to the balance at December 31, 2024 of \$10.2 billion. At June 30, 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 \$364.9 million. Average noninterest-bearing deposits were \$13.6 billion for the second quarter of 2025 compared to \$10.6 billion for the second quarter of 2024. The increase in the average noninterest bearing deposits from the comparable quarter ended March 31, 2024 was due to the deposits assumed in the Independent acquisition.

Uninsured Deposits

The Company had estimated approximately 39.6% and 38.7%, respectively, of uninsured deposits over total deposits at June 30, 2025 and December 31, 2024. Total uninsured deposits at June 30, 2025 included uninsured deposits related to the Independent deposit base acquired in the first quarter of 2025. 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 June 30, 2025, shareholders' equity was \$8.8 billion, an increase of \$2.9 billion, or 49.4%, from December 31, 2024.

The following table shows the changes in shareholders' equity during 2025:

(Dollars in thousands)	
Total shareholders' equity at December 31, 2024	\$ 5,890,415
Net income	304,304
Dividends paid on common shares (\$1.08 per share)	(109,543)
Dividends paid on restricted stock units	(1,100)
Net increase in market value of securities available for sale, net of deferred taxes	234,812
Stock options exercised	333
Employee stock purchases	1,112
Equity based compensation	18,909
Common stock repurchased - equity plans	(11,273)
Stock issued pursuant to the acquisition of Independent	2,472,947
Stock issued in lieu of cash - directors fees	218
Total shareholders' equity at June 30, 2025	\$ 8,801,134

The Company did not repurchase any shares under the 2025 Stock Repurchase Plan in the second or 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 June 30, 2025, a total of 3,000,000 authorized shares remains 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	June 30, 2025	December 31, 2024
SouthState Corporation:			
Common equity Tier 1 risk-based capital	N/A	11.21 %	12.62 %
Tier 1 risk-based capital	6.00 %	11.21 %	12.62 %
Total risk-based capital	10.00 %	14.50 %	14.96 %
Tier 1 leverage	N/A	9.21 %	10.04 %
SouthState Bank:			
Common equity Tier 1 risk-based capital	6.50 %	12.38 %	13.38 %
Tier 1 risk-based capital	8.00 %	12.38 %	13.38 %
Total risk-based capital	10.00 %	13.57 %	14.64 %
Tier 1 leverage	5.00 %	10.16 %	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 June 30, 2025 all declined compared to December 31, 2024. The capital ratios declined mainly due to the effects on capital and assets from the acquisition of Independent. Tier 1 capital increased by 24.7% and 29.8% 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 first six months of 2025. Total risk-based capital increased by 36.0% and 30.0% 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 first six months of 2025 along with the increase in the allowance for credit losses and unfunded commitments includable in Tier 2 capital. The increase at the Company was also due to the issuance of \$350.0 million in new subordinated debentures in the second quarter of 2025 that qualifies for tier 2 capital. Both regulatory risk-based assets and quarterly average assets increased in the first half of 2025 when compared to the fourth quarter with average assets for both the Company and Bank increasing by 36.0% and risk-based assets increasing by 40.3%. The increases in both average assets and risk-based assets were due to the assets acquired in the Independent acquisition during the first quarter of 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 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 June 30, 2025, the Company was operating within its liquidity policy limits.

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 six months ended June 30, 2025 by approximately \$2.0 billion, or approximately 13.4% 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 \$11.4 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 \$1.7 billion through principal paydowns, charge-offs, foreclosures and renewals of acquired loans during the first half of 2025.

Our investment securities portfolio (excluding trading securities) increased in the six months ended June 30, 2025 by \$1.6 billion compared to the balance at December 31, 2024. Increases in the investment securities portfolio came from \$1.6 billion in securities acquired in the Independent acquisition and \$3.6 billion in investment securities purchased during the first half of 2025, including securities purchased from reinvesting funds provided by the sales of securities acquired from Independent and the securities repositioning completed during the first quarter of 2025. The securities repositioning improved the yield and shortened the duration of the investment portfolio. 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 \$3.7 billion and a reduction from the net amortization of premiums of \$5.4 million. The market value of the available for sale securities also increased during the first six months of 2025 by \$309.8 million mainly through the securities repositioning and the recognition of losses in the portfolio. Of the \$3.6 billion in purchases of investment securities during the quarter, \$3.5 billion were in available-for-sale securities and \$117.4 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 \$45.0 million during 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 June 30, 2025, the bank pledged 68.1% of the market value of its available-for-sale and held-to-maturity investment portfolios. As of June 30, 2025, the Bank had unpledged securities with a market value of \$2.5 billion. These securities included Agency, Agency MBS, Municipals and Corporate securities.

Total cash and cash equivalents were \$3.5 billion at June 30, 2025 compared to \$1.4 billion at December 31, 2024. 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 assumed from Independent) of approximately \$427.4 million, an increase in federal funds purchased and securities sold under agreements to repurchase of \$115.6 million and due to the issuance of new subordinated debentures of \$350.0 million in the second quarter of 2025. The increase in deposits, excluding deposits assumed from Independent, was mainly from increases in interest-bearing checking and time deposit accounts.

At June 30, 2025, and December 31, 2024, we had \$2.2 billion and \$614.5 million of traditional, out-of-market brokered time deposits, respectively. At June 30, 2025, and December 31, 2024, we had \$4.5 billion and \$2.5 billion, respectively, of reciprocal deposits. Total deposits were \$53.7 billion at June 30, 2025, an increase of \$15.6 billion 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 June 30, 2025, were \$630.6 million, consisting of \$364.0 million in federal funds purchased and \$266.5 million in securities sold under agreements to repurchase. Total long-term borrowings, consisting of trust preferred securities and subordinated debentures, increased by \$708.2 million to \$1.1 billion at June 30, 2025. This increase was mainly due to \$360.5 in corporate and subordinated debentures assumed in the Independent acquisition along with a \$350.0 million new issuance of subordinated debentures in the second quarter of 2025. 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 \$53.7 billion in total deposits at June 30, 2025, approximately 68% were insured or collateralized. The Bank has a granular deposit base comprised of over 1.4 million accounts, with an average deposit size of \$38,000. Approximately 26% of total deposits are noninterest-bearing.

As discussed previously and presented below, the table below compares Primary Funding Sources to uninsured deposits as of June 30, 2025.

(Dollars in millions)	Available Capacity
Federal Home Loan Bank of Atlanta	\$ 5,577
Federal Reserve Bank of Atlanta Discount Window	10,159
Cash and cash equivalents	3,460
Fair value of securities that can be pledged	2,367
Total primary sources	\$ 21,563
Uninsured deposits, excluding collateralized deposits	\$ 17,004
Uninsured and collateralized deposits	\$ 21,485
Coverage ratio, uninsured deposits	100.4 %
Coverage ratio, uninsured and uncollateralized deposits	126.8 %
Ratio of uninsured and collateralized deposits to total deposits	39.6 %

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 June 30, 2025, the Bank had a total FHLB credit facility of \$5.6 billion, with no outstanding borrowings in short-term FHLB advances and \$2.3 million FHLB letters of credit outstanding at quarter-end, leaving \$5.6 billion in availability on the FHLB credit facility. At June 30, 2025, the Bank had \$10.2 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 June 30, 2025. The Bank has \$2.4 billion in market value of unpledged securities at June 30, 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 bank deposits, which would allow capacity of \$8.1 billion at June 30, 2025. The Bank had \$3.2 billion of outstanding brokered deposits at the end of the quarter-end leaving \$4.9 billion in available capacity as per the internal policy limit of 15% of total bank deposits. All of the primary sources noted in the table above and the brokered deposit remaining available capacity would provide an additional \$23.4 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 June 30, 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 June 30, 2025. The Company's tier 1 leverage ratio, CET 1 risk-based capital ratio and total risk-based capital ratio were 9.21%, 11.21% and 14.50%, respectively, at June 30, 2025. The Bank's Tier 1 leverage ratio, CET 1 risk-based capital ratio and total risk-based capital ratio were 10.16%, 12.38% and 13.57%, respectively, at June 30, 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 June 30, 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 repricing, option, basis, and yield curve risk. Repricing 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 June 30, 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 June 30, 2025, the Company was operating within its interest rate key risk indicator policy limits.

During 2024 and for the six months ended June 30, 2025, the beta assumption applied to total deposits increased to reflect changes in deposit mix. From the beginning of the upward rate cycle, our deposit costs have increased from five basis points to one hundred and ninety basis points. During this period, the federal funds rate has increased 525 basis points. Accordingly, our cycle to date beta has been approximately 35%. 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 June 30, 2025, the total deposit beta assumption was 43.2%. 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 June 30, 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 1.2% increase (up 100) and 1.5% 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 June 30, 2025, the percentage change in EVE due to a 100-basis point increase or decrease in interest rates was 2.0% decrease and 1.1% increase, respectively. The percentage changes in EVE due to a 200-basis point increase or decrease in interest rates were 4.8% decrease and 1.1% 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 June 30, 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	1.2 %
Down 100 basis points	(1.5)%
Down 200 basis points	(3.3)%
Down 300 basis points	(6.0)%
Down 400 basis points	(8.9)%

Deposit Concentrations

As of June 30, 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 6% of the Company's average total deposit balances at June 30, 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 \$1.6 billion at June 30, 2025. Based on this criteria, we had eight such credit concentrations at June 30, 2025, including loans to lessors of nonresidential buildings (except mini-warehouses) of \$10.4 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 \$2.8 billion, loans to lessors of residential buildings (investment properties and multi-family) of \$4.5 billion, loans secured by 1st mortgage 1-4 family owner-occupied residential property (including condos and home equity lines) of \$10.7 billion, loans secured by jumbo loans (original loans greater than \$548,250) of \$3.1 billion, purchased commercial and industrial syndication and participation loans of \$1.9 billion and loans secured by business assets including accounts receivable, inventory and equipment of \$3.2 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 June 30, 2025, and December 31, 2024, the Bank's CDL concentration ratio was 48.5% and 40.9%, respectively, and its CRE concentration ratio was 276.6% and 219.6%, respectively. As of June 30, 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.

(Dollars in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Return on average equity (GAAP)	9.93 %	9.58 %	7.17 %	8.97 %
Effect to adjust for intangible assets	8.24 %	5.91 %	6.56 %	5.60 %
Return on average tangible equity (non-GAAP)	18.17 %	15.49 %	13.73 %	14.57 %
Average shareholders' equity (GAAP)	\$ 8,692,582	\$ 5,554,470	\$ 8,556,105	\$ 5,545,511
Average intangible assets	(3,535,410)	(2,003,930)	(3,546,831)	(2,006,789)
Adjusted average shareholders' equity (non-GAAP)	\$ 5,157,172	\$ 3,550,540	\$ 5,009,274	\$ 3,538,722
Net income (GAAP)	\$ 215,224	\$ 132,370	\$ 304,304	\$ 247,426
Amortization of intangibles	24,048	5,744	47,879	11,742
Tax effect	(5,707)	(1,345)	(11,103)	(2,840)
Net income excluding the after-tax effect of amortization of intangibles (non-GAAP)	\$ 233,565	\$ 136,769	\$ 341,080	\$ 256,328

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, suppliers, 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;

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- 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 our 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 the Company 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, proscribed 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 June 30, 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 June 30, 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 June 30, 2025, were effective to provide reasonable assurance regarding our control objectives.

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 integrated Independent into our overall internal control over financial reporting processes during the second quarter of 2025. 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 six months ended June 30, 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 June 30, 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 June 30, 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 second quarter of 2025, the Company did not repurchase any shares pursuant to the 2025 Repurchase Program. As of June 30, 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.

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The following table reflects share repurchase activity during the second 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
April 1 - April 30	408 *	\$ 88.71	—	3,000,000
May 1 - May 31	232 *	91.29	—	3,000,000
June 1 - June 30	445 *	89.72	—	3,000,000
Total	1,085		—	3,000,000

* For the three months ended June 30, 2025, monthly totals include 408, 232, and 445 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.

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Exhibit Index

Exhibit No.	Description	Incorporated by Reference				Filed Herewith
		Form	Commission File No.	Exhibit	Filing Date	
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 June 30, 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

† Pursuant to Item 601(a)(5) of Regulation S-K, certain schedules and similar attachments have been omitted. The registrant hereby agrees to furnish supplementally a copy of any omitted schedule or similar attachment to the SEC upon request.

* Denotes a management compensatory plan or arrangement.

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
(Registrant)

Date: August 1, 2025

/s/ John C. Corbett

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

Date: August 1, 2025

/s/ William E. Matthews, V

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

Date: August 1, 2025

/s/ Sara G. Arana

Sara G. Arana
Executive Vice President and
Principal Accounting Officer

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: August 1, 2025

/s/ John C. Corbett

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

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: August 1, 2025

/s/ William E. Matthews, V

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

**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 June 30, 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: August 1, 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 June 30, 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: August 1, 2025

/s/ William E. Matthews, V

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