

SOUTH STATE Corp
Form S-4
August 19, 2016

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[TABLE OF CONTENTS](#)

[Table of Contents](#)

As filed with the Securities and Exchange Commission on August 19, 2016.

Registration No. 333-[]

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SOUTH STATE CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

South Carolina
(State or other jurisdiction of
incorporation or organization)

6022
(Primary Standard Industrial
Classification Code Number)
520 Gervais Street
Columbia, South Carolina 29201
(800) 277-2175

57-0799315
(I.R.S. Employer
Identification Number)

(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

Robert R. Hill, Jr.
Chief Executive Officer
South State Corporation
520 Gervais Street
Columbia, South Carolina 29201
(800) 277-2175

(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

With copies to:

Matthew M. Guest, Esq.
Wachtell, Lipton, Rosen & Katz

R. Daniel Blanton
Chief Executive Officer

Robert D. Klingler, Esq.
Bryan Cave LLP

Edgar Filing: SOUTH STATE Corp - Form S-4

51 West 52nd Street
New York, New York 10019
(212) 403-1000

Southeastern Bank Financial
Corporation
3530 Wheeler Road
Augusta, Georgia 30909
(706) 738-6990

One Atlantic Center,
14th Floor
1201 West Peachtree Street
NW
Atlanta, Georgia 30309
(404) 572-6810

Approximate date of commencement of the proposed sale of the securities to the public:

As soon as practicable after this registration statement becomes effective and upon completion of the merger described in the enclosed document.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
Common stock, par value \$2.50 per share	5,062,714 ⁽¹⁾	N/A	\$356,821,870.00 ⁽²⁾	\$35,931.96 ⁽³⁾

(1) Represents the estimated maximum number of shares of common stock, par value \$2.50 per share, of the registrant ("South State common stock") to be issued upon completion of the merger described in the joint proxy statement/prospectus contained herein (the "merger").

(2) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act pursuant to Rules 457(c) and 457(f)(1) of the Securities Act. The proposed maximum aggregate offering price of the registrant's common stock was calculated based upon the market value of shares of common stock, par value \$3.00 per share, of Southeastern Bank Financial Corporation, a Georgia corporation ("Southeastern common stock") in accordance with Rule 457(c) under the Securities Act as follows: (i) the product of (A) \$51.50, the average of the high and low prices of Southeastern common stock as reported on OTCQB on August 17, 2016, and (B) 6,928,580, the estimated maximum possible number of shares of Southeastern common stock which may be canceled and exchanged in the merger, including shares of Southeastern common stock issuable pursuant to equity awards.

Edgar Filing: SOUTH STATE Corp - Form S-4

(3)

Computed in accordance with Rule 457(f) under the Securities Act to be \$35,931.96, which is equal to 0.0001007 multiplied by the proposed maximum aggregate offering price of \$356,821,870.00.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the SEC, acting pursuant to said Section 8(a), may determine.

Table of Contents

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED AUGUST 19, 2016

JOINT PROXY STATEMENT/PROSPECTUS

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Shareholder:

On June 16, 2016, Southeastern Bank Financial Corporation, or "Southeastern," and South State Corporation, or "South State," entered into an Agreement and Plan of Merger (which we refer to as the "merger agreement"), pursuant to which Southeastern will merge with and into South State. Immediately following the completion of the merger, Georgia Bank & Trust Company of Augusta, or "Georgia Bank & Trust," a wholly owned bank subsidiary of Southeastern, will merge with and into South State Bank, South State's wholly owned bank subsidiary, with South State Bank continuing as the surviving bank (which we refer to as the "bank merger").

In the merger, each share of Southeastern common stock will be converted into the right to receive 0.7307 shares of South State common stock (which we refer to as the "merger consideration"). Based on South State's closing price of \$67.68 per share on June 15, 2016, the last trading day before the execution of the merger agreement, the merger consideration represented approximately \$49.45 for each share of Southeastern common stock and approximately \$335 million on an aggregate basis. Based on South State's closing price of \$[] per share on [], the last practicable trading day before the date of the enclosed joint proxy statement/prospectus, the merger consideration represented approximately \$[] for each share of Southeastern common stock and approximately \$[] million on an aggregate basis. **We encourage you to obtain current market quotations for South State and Southeastern before you vote.** South State common stock is currently quoted on the NASDAQ Global Select Market (which we refer to as the "NASDAQ") under the symbol "SSB." Southeastern common stock is currently quoted on the OTCQB market of the OTC Markets Group (which we refer to as "OTCQB") under the symbol "SBFC."

The maximum number of shares of South State common stock to be delivered to holders of shares of Southeastern common stock upon completion of the merger is approximately [] shares, based on [] shares of Southeastern common stock and [] restricted stock awards in respect of Southeastern common stock, in each case outstanding as of [], 2016.

South State and Southeastern will each hold a special meeting of their respective shareholders in connection with the merger. South State and Southeastern shareholders will respectively be asked to vote to approve the merger agreement and approve related matters, as described in the attached joint proxy statement/prospectus.

The special meeting of South State shareholders will be held on [], at [] local time, at []. The special meeting of Southeastern shareholders will be held on [], at [] local time, at [].

Your vote is important. We cannot complete the merger unless South State's shareholders approve the merger agreement and Southeastern's shareholders approve the merger agreement. Approval of the merger agreement requires (1) the affirmative vote of the holders of two-thirds of the outstanding shares of South State common stock and (2) the affirmative vote of the holders of a majority of the outstanding shares of Southeastern common stock. **Regardless of whether or not you plan to attend your special meeting, please take the time to vote your shares in accordance with the instructions contained in the enclosed joint proxy statement/prospectus.**

The South State board of directors recommends that South State shareholders vote "FOR" the adoption of the merger agreement and "FOR" the other matters to be considered at the South State special meeting.

The Southeastern board of directors recommends that Southeastern shareholders vote "FOR" the adoption of the merger agreement and "FOR" the other matters to be considered at the Southeastern special meeting.

Table of Contents

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To the Shareholders of South State Corporation:

South State Corporation will hold a special meeting of shareholders at [] local time, on [], at [] to consider and vote upon the following matters:

a proposal to approve the Agreement and Plan of Merger, dated as of June 16, 2016, by and between Southeastern Bank Financial Corporation and South State Corporation, pursuant to which Southeastern will merge with and into South State, as more fully described in the enclosed joint proxy statement/prospectus (which we refer to as the "South State merger proposal"); and

a proposal to adjourn the South State special meeting, if necessary or appropriate, to solicit additional proxies in favor of the South State merger proposal (which we refer to as the "South State adjournment proposal").

We have fixed the close of business on [] as the record date for the South State special meeting. Only South State common shareholders of record at that time are entitled to notice of, and to vote at, the South State special meeting, or any adjournment or postponement of the South State special meeting. Approval of the South State merger proposal requires the affirmative vote of holders of two-thirds of the outstanding shares of South State common stock. The South State adjournment proposal will be approved if the number of shares of South State common stock, represented in person or by proxy at the South State special meeting and entitled to vote thereon, voted in favor of the adjournment proposal exceeds the number of shares voted against such proposal.

The South State board of directors has unanimously approved the merger agreement, has determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of South State and its shareholders, and unanimously recommends that South State shareholders vote "FOR" the South State merger proposal and "FOR" the South State adjournment proposal.

Your vote is very important. We cannot complete the merger unless South State's common shareholders approve the merger agreement.

You are urged to execute and return the enclosed proxy promptly in the enclosed self-addressed envelope. In the event you decide to attend the meeting, you may, if you desire, revoke the proxy and vote the shares in person. If you hold your stock in "street name" through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.

The enclosed joint proxy statement/prospectus provides a detailed description of the special meeting, the merger, the documents related to the merger and other related matters. We urge you to read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its appendices carefully and in their entirety. If you have any questions concerning the merger or the joint proxy statement/prospectus, would like additional copies of the joint proxy statement/prospectus or need help voting your shares of South State common stock, please contact William C. Bochette III, Corporate Secretary, 520 Gervais Street, Columbia, South Carolina 29201, at (800) 277-2175.

BY ORDER OF THE BOARD OF DIRECTORS

Robert R. Horgler
Chairman of the Board of Directors

Table of Contents

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To the Shareholders of Southeastern Bank Financial Corporation:

Southeastern Bank Financial Corporation ("Southeastern") will hold a special meeting of shareholders at [] local time, on [], at [] to consider and vote upon the following matters:

a proposal to approve the Agreement and Plan of Merger, dated as of June 16, 2016, by and between Southeastern and South State Corporation ("South State"), pursuant to which Southeastern will merge with and into South State, as more fully described in the enclosed joint proxy statement/prospectus (which we refer to as the "Southeastern merger proposal");

a proposal to adjourn the Southeastern special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Southeastern merger proposal (which we refer to as the "Southeastern adjournment proposal"); and

a proposal to approve, on an advisory (non-binding) basis, the compensation that certain executive officers of Southeastern may receive in connection with the merger pursuant to existing agreements or arrangements with Southeastern (which we refer to as the "compensation proposal").

We have fixed the close of business on [] as the record date for the Southeastern special meeting. Only Southeastern common shareholders of record at that time are entitled to notice of, and to vote at, the Southeastern special meeting, or any adjournment or postponement of the Southeastern special meeting. Approval of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Southeastern common stock. Approval of each of the Southeastern adjournment proposal and the compensation proposal requires the affirmative vote of a majority of the votes cast by shareholders of Southeastern at the Southeastern special meeting.

The Southeastern board of directors has unanimously approved the merger agreement and unanimously recommends that Southeastern shareholders vote "FOR" the Southeastern merger proposal, "FOR" the Southeastern adjournment proposal and "FOR" the compensation proposal.

Your vote is very important. We cannot complete the merger unless Southeastern's common shareholders approve the merger agreement.

You are urged to execute and return the enclosed proxy promptly in the enclosed self-addressed envelope. In the event you decide to attend the meeting, you may, if you desire, revoke the proxy and vote the shares in person. If you hold your stock in "street name" through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.

The enclosed joint proxy statement/prospectus provides a detailed description of the special meeting, the merger, the documents related to the merger and other related matters. We urge you to read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its appendices carefully and in their entirety.

Holders of Southeastern common stock have the right to dissent from the merger and obtain payment in cash of the appraised fair value of their Southeastern shares under applicable provisions of the Georgia Business Corporation Code, or the "GBCC." In order for a holder of Southeastern common stock to perfect his or her right to dissent, such holder must carefully follow the procedures set forth in the GBCC. A copy of the applicable statutory provisions of the GBCC is included as **Annex F** to the enclosed joint proxy statement/prospectus, and a summary of these provisions can be

Edgar Filing: SOUTH STATE Corp - Form S-4

Table of Contents

found under the section of the joint proxy statement/prospectus entitled "*The Merger Dissenters' Rights in the Merger.*" Any Southeastern shareholder who wishes to assert dissenters' rights should read the statute carefully and consult legal counsel before attempting to assert dissenters' rights.

If you have any questions concerning the merger or the joint proxy statement/prospectus, would like additional copies of the joint proxy statement/prospectus or need help voting your shares of Southeastern common stock, please contact Darrell R. Rains, Executive Vice President and Chief Financial Officer, 4487 Columbia Road, Martinez, Georgia 30907, (706) 738-1378.

BY ORDER OF THE BOARD OF DIRECTORS

Robert W. Pollard
Chairman of the Board of Directors

Table of Contents

REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about South State and Southeastern from documents filed with the Securities and Exchange Commission, or the "SEC," that are not included in or delivered with this joint proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by South State and/or Southeastern at no cost from the SEC's website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference in this joint proxy statement/prospectus, at no cost by contacting the appropriate company at the following address:

South State Corporation
520 Gervais Street
Columbia, South Carolina 29201
Attention: William C. Bochette III,
Corporate Secretary
Telephone: (800) 277-2175

Southeastern Bank Financial Corporation
4487 Columbia Road
Martinez, Georgia 30907
Attention: Executive Vice President and
Chief Financial Officer
Telephone: (706) 738-1378

You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of your special meeting. This means that South State shareholders requesting documents must do so by [], in order to receive them before the South State special meeting, and Southeastern shareholders requesting documents must do so by [], in order to receive them before the Southeastern special meeting.

You should rely only on the information contained in or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated [], 2016, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this document is accurate as of the date of such document. Neither the mailing of this document to Southeastern shareholders or South State shareholders nor the issuance by South State of shares of South State common stock in connection with the merger will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding Southeastern has been provided by Southeastern, and information contained in this document regarding South State has been provided by South State.

See "*Where You Can Find More Information*" for more details.

Table of Contents

TABLE OF CONTENTS

	Page
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SOUTH STATE SPECIAL MEETING AND THE SOUTHEASTERN SPECIAL MEETING</u>	<u>1</u>
<u>SUMMARY</u>	<u>9</u>
<u>SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF SOUTH STATE</u>	<u>18</u>
<u>SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF SOUTHEASTERN</u>	<u>20</u>
<u>COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA (Unaudited)</u>	<u>22</u>
<u>COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION</u>	<u>23</u>
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	<u>24</u>
<u>RISK FACTORS</u>	<u>26</u>
<u>THE SOUTH STATE SPECIAL MEETING</u>	<u>32</u>
<u>THE SOUTHEASTERN SPECIAL MEETING</u>	<u>36</u>
<u>INFORMATION ABOUT SOUTH STATE</u>	<u>40</u>
<u>INFORMATION ABOUT SOUTHEASTERN</u>	<u>41</u>
<u>THE MERGER</u>	<u>42</u>
<u>THE MERGER AGREEMENT</u>	<u>89</u>
<u>ACCOUNTING TREATMENT</u>	<u>107</u>
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER</u>	<u>108</u>
<u>UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS</u>	<u>111</u>
<u>DESCRIPTION OF CAPITAL STOCK OF SOUTH STATE</u>	<u>123</u>
<u>COMPARISON OF SHAREHOLDERS' RIGHTS</u>	<u>125</u>
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF SOUTHEASTERN</u>	<u>136</u>
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT OF SOUTH STATE</u>	<u>139</u>
<u>LEGAL MATTERS</u>	<u>141</u>
<u>EXPERTS</u>	<u>142</u>
<u>OTHER MATTERS</u>	<u>143</u>
<u>HOUSEHOLDING OF PROXY MATERIALS</u>	<u>144</u>
<u>DEADLINES FOR SUBMITTING SHAREHOLDER PROPOSALS</u>	<u>145</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>146</u>
<u>ANNEX A: AGREEMENT AND PLAN OF MERGER</u>	
<u>ANNEX B: OPINION OF KEEFE, BRUYETTE & WOODS, INC.</u>	
<u>ANNEX C: OPINION OF SANDLER O'NEILL & PARTNERS, L.P.</u>	
<u>ANNEX D: FORM OF ADVISORY BOARD MEMBER AGREEMENT</u>	
<u>ANNEX E: FORM OF VOTING AND SUPPORT AGREEMENT</u>	
<u>ANNEX F: APPRAISAL RIGHTS UNDER THE GEORGIA BUSINESS CORPORATION CODE</u>	
<u>ANNEX G: CONDENSED CONSOLIDATED FINANCIAL INFORMATION OF SOUTH STATE CORPORATION AND SOUTHEASTERN BANK FINANCIAL CORPORATION</u>	

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SOUTH STATE SPECIAL MEETING AND THE SOUTHEASTERN SPECIAL MEETING

The following are some questions that you may have about the merger and the South State special meeting or the Southeastern special meeting, and brief answers to those questions. We urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the merger and the South State special meeting or the Southeastern special meeting. Additional important information is also contained in the documents incorporated by reference into this joint proxy statement/prospectus. See "*Where You Can Find More Information.*"

Q: Why am I receiving this joint proxy statement/prospectus?

A: South State has entered into an Agreement and Plan of Merger, dated as of June 16, 2016, with Southeastern (which we refer to as the "merger agreement"). Under the merger agreement, Southeastern will be merged with and into South State, with South State continuing as the surviving corporation (which we refer to as the "surviving corporation"). Immediately following the merger, Georgia Bank & Trust Company of Augusta (which we refer to as "Georgia Bank & Trust"), a wholly owned bank subsidiary of Southeastern, will merge with and into South State Bank, South State's wholly owned bank subsidiary, with South State Bank continuing as the surviving bank (which we refer to as the "bank merger"). A copy of the merger agreement is included in this joint proxy statement/prospectus as **Annex A**.

The merger cannot be completed unless, among other things, both South State shareholders and Southeastern shareholders approve the respective proposals to approve the merger agreement (which we refer to as the "South State merger proposal" and the "Southeastern merger proposal," respectively).

In addition, South State is soliciting proxies from its shareholders with respect to the following additional proposal, approval of which is not a condition to the completion of the merger:

a proposal to adjourn the South State special meeting, if necessary or appropriate, to solicit additional proxies in favor of the South State merger proposal (which we refer to as the "South State adjournment proposal").

Furthermore, Southeastern is soliciting proxies from its shareholders with respect to two additional proposals, approvals of which are not conditions to the completion of the merger:

a proposal to adjourn the Southeastern special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Southeastern merger proposal (which we refer to as the "Southeastern adjournment proposal"); and

a proposal to approve, on an advisory (non-binding) basis, the compensation that certain executive officers of Southeastern may receive in connection with the merger pursuant to agreements or arrangements with Southeastern (which we refer to as the "compensation proposal").

Each of South State and Southeastern will hold separate special meetings to obtain these approvals (which we refer to as the "South State special meeting" and the "Southeastern special meeting," respectively). This joint proxy statement/prospectus contains important information about the merger and the other proposals being voted on at the special meetings. You should read it carefully and in its entirety. The enclosed materials allow you to have your shares voted by proxy without attending your special meeting. Your vote is important. We encourage you to submit your proxy as soon as possible.

Table of Contents

Q: What will I receive in the merger?

A: *South State shareholders:* If the merger is completed, you will not receive any merger consideration and will continue to hold the shares of South State common stock that you currently hold. Following the merger, shares of South State common stock will continue to be traded on the NASDAQ.

Southeastern shareholders: If the merger is completed, you will receive 0.7307 shares of South State common stock for each share of Southeastern common stock that you hold immediately prior to the merger (which we refer to as the "merger consideration"). South State will not issue any fractional shares of South State common stock in the merger. Southeastern shareholders who otherwise would be entitled to a fraction of a share of South State common stock will receive an amount in cash (rounded to the nearest whole cent) equal to the product of (x) the fraction of a share of South State common stock to which the holder would otherwise be entitled and (y) the average, rounded to the nearest cent, of the closing price per share of South State common stock on the NASDAQ for the consecutive ten full trading days immediately preceding the closing date of the merger (which we refer to as the "South State share value").

As a result of the merger, based on the number of shares of South State and Southeastern common stock outstanding as of [], the last practicable trading day before the date of this joint proxy statement/prospectus, on a fully diluted basis, approximately []% of outstanding South State common stock following the merger will be held by shareholders that were holders of South State common stock immediately prior to the effectiveness of the merger, and approximately []% of outstanding South State common stock will be held by shareholders that were holders of Southeastern common stock immediately prior to the effectiveness of the merger.

Based on South State's closing price of \$67.68 per share on June 15, 2016, the last trading day before the execution of the merger agreement, the merger consideration represented approximately \$49.45 for each share of Southeastern common stock and approximately \$335 million on an aggregate basis. Based on South State's closing price of \$[] per share on [], the last practicable trading day before the date of this joint proxy statement/prospectus, the merger consideration represented approximately \$[] for each share of Southeastern common stock and approximately \$[] million on an aggregate basis.

Q: Will the value of the merger consideration change between the date of this joint proxy statement/prospectus and the time the merger is completed?

A: **The value of the merger consideration may fluctuate between the date of this joint proxy statement/prospectus and the completion of the merger based upon the market value for South State common stock.** In the merger, Southeastern shareholders will receive 0.7307 shares (which we refer to as the "exchange ratio") of South State common stock for each share of Southeastern common stock they hold. Any fluctuation in the market price of South State common stock after the date of this joint proxy statement/prospectus will change the value of the shares of South State common stock that Southeastern shareholders will receive.

Q: How will the merger affect the Southeastern equity awards?

A: *Stock Options.* Each outstanding option to acquire shares of Southeastern common stock, whether or not vested, that is not exercised prior to the effective time will be cancelled by virtue of the merger and converted into a right to receive a cash payment (without interest and less applicable withholding taxes) equal to the product of (i) the number of shares of Southeastern common stock subject to such Southeastern stock option and (ii) the excess, if any, of (A) the product of the exchange ratio and the South State share value over (B) the per-share exercise price of such

Table of Contents

Southeastern stock option. In the event that the product obtained by the prior sentence is zero or a negative number, then the Southeastern stock option will be cancelled for no consideration.

Restricted Stock. Each restricted stock award in respect of Southeastern common stock will be cancelled by virtue of the merger and converted into a right to receive the merger consideration with respect to each share subject to the award.

Q: How does South State's board of directors recommend that I vote at the South State special meeting?

A: South State's board of directors (which we refer to as the "South State board of directors") unanimously recommends that South State's shareholders vote "FOR" the South State merger proposal and "FOR" the South State adjournment proposal.

Q: How does Southeastern's board of directors recommend that I vote at the Southeastern special meeting?

A: Southeastern's board of directors (which we refer to as the "Southeastern board of directors") unanimously recommends that Southeastern's shareholders vote "FOR" the Southeastern merger proposal, "FOR" the Southeastern adjournment proposal and "FOR" the compensation proposal.

Q: When and where are the special meetings?

A: The South State special meeting will be held on [], at [] local time, at [].

The Southeastern special meeting will be held on [], at [] local time, at [].

Q: What do I need to do now?

A: After you have carefully read this joint proxy statement/prospectus and have decided how you wish to vote your shares, please vote your shares promptly so that your shares are represented and voted at your special meeting. If you hold your shares in your name as a shareholder of record, you must complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. If you hold your shares in "street name" through a bank or broker, you must direct your bank or broker how to vote in accordance with the instructions you have received from your bank or broker. "Street name" shareholders who wish to vote in person at the special meeting will need to obtain a legal proxy from the institution that holds their shares.

Q: What constitutes a quorum for the South State special meeting?

A: The presence at the South State special meeting, in person or by proxy, of holders of a majority of the outstanding shares of South State common stock entitled to vote at the South State special meeting will constitute a quorum for the transaction of business. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

Q: What constitutes a quorum for the Southeastern special meeting?

A: The presence at the Southeastern special meeting, in person or by proxy, of holders of more than one-half of the shares of Southeastern common stock outstanding and entitled to vote at the Southeastern special meeting will constitute a quorum for the transaction of business. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

Table of Contents

Q: What is the vote required to approve each proposal?

A: *South State special meeting:* Approval of the South State merger proposal requires the affirmative vote of the holders of at least two-thirds of the outstanding shares of South State common stock entitled to vote on the proposal. **If you fail to vote, mark "ABSTAIN" on your proxy or fail to instruct your bank or broker with respect to the South State merger proposal, it will have the same effect as a vote "AGAINST" the proposal.** Approval of the South State adjournment proposal requires the affirmative vote of a majority of the votes cast by shareholders of South State at the South State special meeting.

Southeastern special meeting: Approval of the Southeastern merger proposal requires the affirmative vote of at least a majority of the outstanding shares of Southeastern common stock entitled to vote on the proposal. **If you fail to vote, mark "ABSTAIN" on your proxy or fail to instruct your bank or broker with respect to the Southeastern merger proposal, it will have the same effect as a vote "AGAINST" the proposal.** Approval of each of the Southeastern adjournment proposal and the compensation proposal requires the affirmative vote of a majority of the votes cast by shareholders of Southeastern at the Southeastern special meeting.

Q: What impact will my vote have on the amounts that certain executive officers of Southeastern may receive in connection with the merger?

A: Certain of Southeastern's executive officers are entitled, pursuant to the terms of their existing compensation arrangements with Southeastern, to receive certain payments in connection with the merger. If the merger is completed, South State, as successor to Southeastern, is contractually obligated to make these payments to these executives under certain circumstances. Accordingly, even if the Southeastern shareholders vote not to approve these payments, the compensation will be payable, subject to the terms and conditions of the arrangements. Southeastern is seeking your approval of these payments on an advisory (non-binding) basis in order to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and related SEC rules.

Q: Why is my vote important?

A: If you do not return your proxy, it will be more difficult for South State or Southeastern to obtain the necessary quorum to hold their special meetings. In addition, your failure to submit a proxy or vote in person, or failure to instruct your bank or broker how to vote, or abstention will have the same effect as a vote "AGAINST" approval of the merger agreement, as applicable. The merger agreement must be approved by the affirmative vote of at least a majority of the outstanding shares of Southeastern common stock entitled to vote on the merger agreement and approved by the affirmative vote of at least two-thirds of the outstanding shares of South State common stock entitled to vote on the merger agreement. The South State board of directors and the Southeastern board of directors unanimously recommend that you vote "FOR" the merger proposals.

Q: If my shares of common stock are held in "street name" by my bank or broker, will my bank or broker automatically vote my shares for me?

A: *South State shareholders:* No. Under stock exchange rules, banks, brokers and other nominees who hold shares of South State common stock in "street name" for a beneficial owner of those shares typically have the authority to vote in their discretion on "routine" proposals when they have not received instructions from beneficial owners. However, banks, brokers and other nominees are not allowed to exercise their voting discretion with respect to the approval of matters determined to be "non-routine," without specific instructions from the beneficial owner. Broker non-votes are shares held by a bank, broker or other nominee that are represented at the South

Table of Contents

State special meeting, but with respect to which the bank, broker or other nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on such proposal. If your bank, broker or other nominee holds your shares of South State common stock in "street name," your bank, broker or other nominee will vote your shares of South State common stock only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your bank, broker or other nominee with this joint proxy statement/prospectus. We believe that the South State merger proposal and the South State adjournment proposal are "non-routine" proposals and your bank, broker or other nominee can vote your shares of South State common stock only with your specific voting instructions.

Southeastern shareholders: No. Under stock exchange rules, banks, brokers and other nominees who hold shares of Southeastern common stock in "street name" for a beneficial owner of those shares typically have the authority to vote in their discretion on "routine" proposals when they have not received instructions from beneficial owners. However, banks, brokers and other nominees are not allowed to exercise their voting discretion with respect to the approval of matters determined to be "non-routine," without specific instructions from the beneficial owner. Broker non-votes are shares held by a bank, broker or other nominee that are represented at the Southeastern special meeting, but with respect to which the bank, broker or other nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on such proposal. If your bank, broker or other nominee holds your shares of Southeastern common stock in "street name," your bank, broker or other nominee will vote your shares of Southeastern common stock only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your bank, broker or other nominee with this joint proxy statement/prospectus. We believe that the Southeastern merger proposal, the Southeastern adjournment proposal and the compensation proposal are "non-routine" proposals and your bank, broker or other nominee can vote your shares of Southeastern common stock only with your specific voting instructions.

Q:
Can I attend the special meeting and vote my shares in person?

A:
Yes. All shareholders of each of South State and Southeastern, including shareholders of record and shareholders who hold their shares through banks, brokers or other nominees, are invited to attend their respective special meetings. If you are not a shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meetings. If you plan to attend your special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. South State and Southeastern reserve the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the South State or Southeastern special meeting is prohibited without South State's or Southeastern's express written consent, respectively.

Q:
Can I change my vote?

A:
South State shareholders: Yes. If you are a holder of record of South State common stock, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to William C. Bochette III, South State's corporate secretary or (3) attending the South State special meeting in person, notifying the corporate secretary and voting by ballot at the South State special meeting. Attendance at the South State special meeting will not automatically revoke your proxy. A revocation or later-dated

Table of Contents

proxy received by South State after the vote will not affect the vote. The mailing address of Mr. Bochette, South State's corporate secretary is: William C. Bochette III, Corporate Secretary, South State Corporation, 520 Gervais Street, Columbia, South Carolina 29201. If you hold your shares in "street name" through a bank, broker or other nominee, you should contact your bank, broker or other nominee to revoke your proxy or change your vote.

Southeastern shareholders: Yes. If you are a holder of record of Southeastern common stock, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Southeastern's corporate secretary or (3) attending the Southeastern special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting. Attendance at the Southeastern special meeting by itself will not automatically revoke your proxy or change your vote. A revocation or later-dated proxy received by Southeastern after the vote will not affect the vote. The mailing address of Southeastern's corporate secretary is: 3530 Wheeler Road, Augusta, Georgia 30909, Attention: Corporate Secretary. If you hold your shares in "street name" through a bank or broker, you should contact your bank, broker or other nominee to revoke your proxy or change your vote.

Q: Will South State be required to submit the proposal to approve the merger agreement to its shareholders even if the South State board of directors has withdrawn, modified or qualified its recommendation?

A: Yes. Unless the merger agreement is terminated before the South State special meeting, South State is required to submit the proposal to approve the merger agreement to its shareholders even if the South State board of directors has withdrawn or modified its recommendation.

Q: Will Southeastern be required to submit the proposal to approve the merger agreement to its shareholders even if the Southeastern board of directors has withdrawn, modified or qualified its recommendation?

A: Yes. Unless the merger agreement is terminated before the Southeastern special meeting, Southeastern is required to submit the proposal to approve the merger agreement to its shareholders even if the Southeastern board of directors has withdrawn or modified its recommendation.

Q: What are the U.S. federal income tax consequences of the merger to Southeastern shareholders?

A: The merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (which we refer to as the "Code"), and it is a condition to the respective obligations of South State and Southeastern to complete the merger that each of South State and Southeastern receives a legal opinion to that effect. Accordingly, holders of Southeastern common stock are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Southeastern common stock for shares of South State common stock in the merger, except with respect to any cash received instead of fractional shares of South State common stock. For further information, see "*Material U.S. Federal Income Tax Consequences of the Merger.*"

The U.S. federal income tax consequences described above may not apply to all holders of Southeastern common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

Table of Contents

Q: Are Southeastern shareholders entitled to dissenters' rights?

A: Yes. Under Georgia law, Southeastern shareholders are or may be entitled to assert dissenters' rights with respect to the proposed merger and to seek judicial appraisal of the fair value of their shares upon compliance with the requirements of Georgia law. We have described dissenters' rights under Georgia law in this joint proxy statement/prospectus and have also included a copy of Sections 14-2-1301 through 14-2-1332 of the Georgia Business Corporation Code (which we refer to as "GBCC") as **Annex F** to this joint proxy statement/prospectus. For further information, see "*The Merger Dissenters' Rights in the Merger.*" Any Southeastern shareholder who wishes to assert dissenters' rights should read the statute carefully and consult legal counsel before attempting to assert dissenters' rights.

Q: If I am a Southeastern shareholder, should I send in my Southeastern stock certificates now?

A: No. Please do not send in your Southeastern stock certificates with your proxy. After the completion of the merger, an exchange agent designated by South State will send you instructions for exchanging Southeastern stock certificates for the merger consideration. See "*The Merger Agreement Conversion of Shares; Exchange of Certificates.*"

Q: What should I do if I hold my shares of Southeastern common stock in book-entry form?

A: You are not required to take any special additional actions if your shares of Southeastern common stock are held in book-entry form. After the completion of the merger, shares of Southeastern common stock held in book-entry form automatically will be exchanged for the merger consideration, including shares of South State common stock in book-entry form and any cash to be paid instead of fractional shares in the merger.

Q: What should I do if I receive more than one set of voting materials?

A: South State and Southeastern shareholders may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold shares of South State and/or Southeastern common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold such shares. If you are a holder of record of South State common stock or Southeastern common stock and your shares are registered in more than one name, you will receive more than one proxy card. In addition, if you are a holder of both South State common stock and Southeastern common stock, you will receive one or more separate proxy cards or voting instruction cards for each company. Please complete, sign, date, and return each proxy card and voting instruction card that you receive or otherwise follow the voting instructions set forth in this joint proxy statement/prospectus to ensure that you vote every share of South State common stock and/or Southeastern common stock that you own.

Q: Whom may I contact if I cannot locate my Southeastern stock certificate(s)?

A: If you are unable to locate your original Southeastern stock certificate(s), you should contact Darrell R. Rains, Executive Vice President and Chief Financial Officer, at 4487 Columbia Road, Martinez, Georgia 30907, (706) 738-1378.

Q: When do you expect to complete the merger?

A: South State and Southeastern expect to complete the merger in the first quarter of 2017. However, neither South State nor Southeastern can assure you of when or if the merger will be completed. South State and Southeastern must first obtain the approval of South State shareholders and

Table of Contents

Southeastern shareholders for the merger, as well as obtain necessary regulatory approvals and satisfy certain other closing conditions.

Q: What happens if the merger is not completed?

A: If the merger is not completed, Southeastern common shareholders will not receive any consideration for their shares of Southeastern common stock in connection with the merger. Instead, Southeastern will remain an independent, public company and Southeastern common stock will continue to be traded on OTCQB. In addition, if the merger agreement is terminated in certain circumstances, Southeastern may be required to pay a termination fee. See "*The Merger Agreement Termination Fee*" for a complete discussion of the circumstances under which a termination fee will be required to be paid.

Q: Where can I find the voting results of the special meetings?

A: The preliminary voting results will be announced at each of the special meetings. In addition, within four business days following certification of the final voting results, South State and Southeastern will each file the final voting results of their respective special meetings with the SEC on a Current Report on Form 8-K.

Q: Are there any risks that I should consider in deciding whether to vote for the approval of the merger agreement?

A: Yes. You should read and carefully consider the risk factors set forth in the "*Risk Factors*" section beginning on page [] of this joint proxy statement/prospectus. You also should read and carefully consider the risk factors of South State contained in the documents that are incorporated by reference into this joint proxy statement/prospectus. See "*Where You Can Find More Information.*"

Q: Whom should I call with questions?

A: *South State shareholders:* If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of South State common stock, you should contact James C. Mabry IV, Executive Vice President, Investor Relations and Mergers & Acquisitions, at 520 Gervais Street, Columbia, South Carolina 29201, (800) 277-2175.

Southeastern shareholders: If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of Southeastern common stock, you should contact Darrell R. Rains, Executive Vice President and Chief Financial Officer, at 4487 Columbia Road, Martinez, Georgia 30907, (706) 738-1378.

Table of Contents

SUMMARY

This summary highlights selected information from this joint proxy statement/prospectus. It may not contain all of the information that is important to you. We urge you to read carefully the entire joint proxy statement/prospectus, including the annexes, and the other documents to which we refer in order to fully understand the merger. See "*Where You Can Find More Information.*" Each item in this summary refers to the page of this joint proxy statement/prospectus on which that subject is discussed in more detail.

The Merger and the Merger Agreement (Page [])

The terms and conditions of the merger are contained in the merger agreement, a copy of which is attached as **Annex A** to this joint proxy statement/prospectus. We encourage you to read the merger agreement carefully and in its entirety, as it is the legal document that governs the merger.

Pursuant to the merger agreement, Southeastern will merge with and into South State, with South State continuing as the surviving corporation. Immediately thereafter, Georgia Bank & Trust Company of Augusta, Southeastern's wholly owned banking subsidiary, will merge with and into South State's banking subsidiary, South State Bank, with South State Bank continuing as the surviving bank.

The Merger Consideration (Page [])

If the merger is completed, Southeastern common shareholders will receive 0.7307 shares of South State common stock for each share of Southeastern common stock they hold immediately prior to the merger. South State will not issue any fractional shares of South State common stock in the merger. Southeastern shareholders who otherwise would be entitled to a fraction of a share of South State common stock will receive an amount in cash (rounded to the nearest whole cent) equal to the product of (x) the fraction of a share of South State common stock to which the holder would otherwise be entitled and (y) the average, rounded to the nearest cent, of the closing price per share of South State common stock on the NASDAQ for the consecutive ten (10) full trading days immediately preceding the closing date of the merger.

For example, if you hold 100 shares of Southeastern common stock, you will receive 73 shares of South State common stock and a cash payment instead of the 0.07 shares of South State common stock that you otherwise would have received (100 shares × 0.7307 = 73.07 shares).

The market value of the merger consideration will fluctuate with the market price of South State common stock and will not be known at the time Southeastern shareholders vote on the merger. Any fluctuation in the market price of South State common stock after the date of this joint proxy statement/prospectus will change the value of the shares of South State common stock that Southeastern shareholders will receive.

South State's Board of Directors Unanimously Recommends that South State Shareholders Vote "FOR" the Approval of the Merger Agreement (Page [])

The South State board of directors has determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger and the issuance of South State common stock, are advisable and in the best interests of South State and its shareholders and has unanimously approved the merger agreement. **The South State board of directors unanimously recommends that South State shareholders vote "FOR" the approval of the merger agreement.** For the factors considered by the South State board of directors in reaching its decision to approve the merger agreement, see "*The Merger - South State's Reasons for the Merger; Recommendation of the South State Board of Directors.*"

Table of Contents

Southeastern's Board of Directors Unanimously Recommends that Southeastern Shareholders Vote "FOR" the Approval of the Merger Agreement (Page [])

The Southeastern board of directors has determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and in the best interests of Southeastern and its shareholders and has unanimously approved the merger agreement. **The Southeastern board of directors unanimously recommends that Southeastern shareholders vote "FOR" the approval of the merger agreement.** For the factors considered by the Southeastern board of directors in reaching its decision to approve the merger agreement, see "*The Merger Southeastern's Reasons for the Merger; Recommendation of the Southeastern Board of Directors.*"

Opinion of Keefe, Bruyette & Woods, Inc. (Page [] and Annex B)

In connection with the merger, South State's financial advisor, Keefe, Bruyette & Woods, Inc. (which we refer to as "KBW") delivered a written opinion, dated June 16, 2016, to the South State board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to South State of the exchange ratio in the proposed merger. The full text of KBW's opinion, which describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion, is attached as **Annex B** to this joint proxy statement/prospectus. The opinion was for the information of, and was directed to, the South State board of directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion did not address the underlying business decision of South State to engage in the merger or enter into the merger agreement or constitute a recommendation to the South State board of directors in connection with the merger, and it does not constitute a recommendation to any holder of South State common stock or any shareholder of any other entity as to how to vote in connection with the merger or any other matter.

Opinion of Sandler O'Neill & Partners, L.P. (Page [] and Annex C)

In connection with the merger, Southeastern's financial advisor, Sandler O'Neill & Partners, L.P. (which we refer to as "Sandler O'Neill") delivered a written opinion, dated June 16, 2016, to the Southeastern board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to common shareholders of Southeastern of the merger consideration in the proposed merger. The full text of Sandler O'Neill's opinion, which describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Sandler O'Neill in preparing the opinion, is attached as **Annex C** to this joint proxy statement/prospectus. The opinion was for the information of, and was directed to, the Southeastern board of directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion did not address the underlying business decision of Southeastern to engage in the merger or enter into the merger agreement or constitute a recommendation to the Southeastern board of directors in connection with the merger, and it does not constitute a recommendation to any holder of Southeastern common stock or any shareholder of any other entity as to how to vote in connection with the merger or any other matter.

Treatment of Southeastern Equity Awards (Page [])

Options. At the effective time, each outstanding option to acquire shares of Southeastern common stock, whether or not vested, that is not exercised prior to the effective time will be cancelled by virtue of the merger and converted into a right to receive a cash payment (without interest and less applicable withholding taxes) equal to the product of (i) the number of shares of Southeastern common stock subject to such Southeastern stock option and (ii) the excess, if any, of (A) the product of the exchange ratio and the South State share value over (B) the per-share exercise price of such

Table of Contents

Southeastern stock option. In the event that the product obtained by the prior sentence is zero or a negative number, then the Southeastern stock option will be cancelled for no consideration.

Restricted Stock Awards. At the effective time, each restricted stock award in respect of Southeastern common stock will be cancelled by virtue of the merger and converted into a right to receive the merger consideration with respect to each share subject to the award.

Information about the South State Special Meeting (Page [])

The special meeting of South State shareholders to consider and vote upon the approval of the merger agreement (which we refer to as the "South State special meeting") will be held on [], at [] local time, at []. At the South State special meeting, South State shareholders will be asked to:

approve the South State merger proposal; and

approve the South State adjournment proposal.

Only holders of record at the close of business on [] will be entitled to vote at the South State special meeting. Each share of South State common stock is entitled to one vote on each proposal to be considered at the South State special meeting. As of the record date, there were [] shares of South State common stock entitled to vote at the South State special meeting. As of the record date, Southeastern and its subsidiaries held [] shares of South State common stock (other than shares held as fiduciary, custodian or agent), and its directors and executive officers or their affiliates held [] shares of South State common stock.

As of the record date, the directors and executive officers of South State and their affiliates beneficially owned and were entitled to vote approximately [] shares of South State common stock representing approximately [] % of the shares of South State common stock outstanding on that date.

To approve the South State merger proposal, two-thirds of the shares of South State common stock outstanding and entitled to vote thereon must be voted in favor of such proposals. **Therefore, if you mark "ABSTAIN" on your proxy, fail to submit a proxy or vote in person at the South State special meeting or fail to instruct your bank, broker or other nominee how to vote with respect to the South State merger proposal, it will have the same effect as a vote against the South State merger proposal.**

Approval of the South State adjournment proposal requires the affirmative vote of a majority of the votes cast by shareholders of South State at the South State special meeting. Therefore, if you mark "ABSTAIN" on your proxy, fail to submit a proxy or vote in person at the South State special meeting or fail to instruct your bank, broker or other nominee how to vote with respect to the South State adjournment proposal, it will have no effect on the South State adjournment proposal.

Information about the Southeastern Special Meeting (Page [])

The special meeting of Southeastern shareholders to consider and vote upon the approval of the merger agreement (which we refer to as the "Southeastern special meeting") will be held on [], at [] local time, at []. At the Southeastern special meeting, Southeastern shareholders will be asked to:

approve the Southeastern merger proposal;

approve the Southeastern adjournment proposal; and

approve the compensation proposal.

Table of Contents

Only holders of record at the close of business on [] will be entitled to vote at the Southeastern special meeting. Each share of Southeastern common stock is entitled to one vote on each proposal to be considered at the Southeastern special meeting. As of the record date, there were [] shares of Southeastern common stock entitled to vote at the Southeastern special meeting. As of the record date, South State and its subsidiaries held [] shares of Southeastern common stock (other than shares held as fiduciary, custodian or agent), and its directors and executive officers or their affiliates held [] shares of Southeastern common stock.

As of the record date, the directors and executive officers of Southeastern and their affiliates beneficially owned and were entitled to vote approximately [] shares of Southeastern common stock representing approximately []% of the shares of Southeastern common stock outstanding on that date.

To approve the Southeastern merger proposal, at least a majority of the shares of Southeastern common stock outstanding and entitled to vote on the merger agreement must be voted in favor of the proposal. **Therefore, if you mark "ABSTAIN" on your proxy, fail to submit a proxy or vote in person at the Southeastern special meeting or fail to instruct your bank, broker or other nominee how to vote with respect to the Southeastern merger proposal, it will have the same effect as a vote against the Southeastern merger proposal.**

To approve the Southeastern adjournment proposal or the compensation proposal, a majority of the votes cast by shareholders of Southeastern common stock at the Southeastern special meeting must be voted in favor of such proposals. **Therefore, if you mark "ABSTAIN" on your proxy, fail to submit a proxy or vote in person at the Southeastern special meeting or fail to instruct your bank, broker or other nominee how to vote with respect to the Southeastern compensation proposal or the Southeastern adjournment proposal, it will have no effect on such proposals.**

Parties to the Merger (Page [])

South State Corporation

South State Corporation is a South Carolina corporation that is a bank holding company (which we refer to as a "BHC") registered with the Board of Governors of the Federal Reserve System (which we refer to as the "Federal Reserve Board") under the Bank Holding Company Act of 1956, as amended (which we refer to as the "BHC Act"). South State provides a wide range of banking services and products to its customers through its wholly owned bank subsidiary, South State Bank, a South Carolina banking corporation (which we refer to as "South State Bank"). South State does not engage in any significant operations other than the ownership of its banking subsidiary.

South State Bank provides a full range of retail and commercial banking services, mortgage lending services, trust and investment services, and consumer finance loans through financial centers in South Carolina, North Carolina, northeast Georgia, and coastal Georgia. South State coordinates the financial resources of the consolidated enterprise and thereby maintains financial, operational and administrative systems that allow centralized evaluation of subsidiary operations and coordination of selected policies and activities. South State's operating revenues and net income are derived primarily from cash dividends received from South State Bank.

The principal executive offices of South State are located at 520 Gervais Street, Columbia, South Carolina 29201, and its telephone number is (800) 277-2175. South State's website can be accessed at <http://www.southstatebank.com>. Information contained in South State's website does not constitute part of, and is not incorporated into, this joint proxy statement/prospectus. South State common stock is quoted on the NASDAQ under the symbol "SSB."

Edgar Filing: SOUTH STATE Corp - Form S-4

Table of Contents

Additional information about South State and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See "*Where You Can Find More Information.*"

Southeastern Bank Financial Corporation

Southeastern is a Georgia corporation that is a BHC registered with the Federal Reserve Board under the BHC Act. Southeastern's wholly-owned subsidiary, Georgia Bank & Trust Company of Augusta (which we refer to as "Georgia Bank & Trust"), primarily does business in the Augusta-Richmond County, GA-SC metropolitan area. Georgia Bank & Trust operates its main office and eight full service branches in Augusta, Martinez, and Evans, Georgia, with mortgage origination offices located in Augusta and Savannah, Georgia. Georgia Bank & Trust also operates three full service branches in North Augusta and Aiken, South Carolina under the name "Southern Bank & Trust, a division of Georgia Bank & Trust Company of Augusta."

Georgia Bank & Trust is community oriented and focuses primarily on offering real estate, commercial and consumer loans and various deposit and other services to individuals, small to medium sized businesses and professionals in its market area. Georgia Bank & Trust is the largest locally owned and operated financial institution headquartered in Richmond and Columbia Counties of Georgia. Each member of Southeastern's management team is a banking professional with many years of experience in the Augusta or Aiken market with this and other banking organizations. A large percentage of Southeastern's management has worked together for many years. Georgia Bank & Trust competes against the larger regional and super-regional banks operating in its market by emphasizing the stability and accessibility of its management, management's long-term familiarity with the market, immediate local decision making and the pride of local ownership.

The principal executive offices of Southeastern are located at 3530 Wheeler Road, Augusta, Georgia 30909, and its telephone number is (706) 738-6990. Southeastern's website can be accessed at <http://www.georgiabankandtrust.com>. Information contained in Southeastern's website does not constitute part of, and is not incorporated into, this joint proxy statement/prospectus. Southeastern common stock is quoted on OTCQB under the symbol "SBFC."

Additional information about Southeastern and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See "*Where You Can Find More Information.*"

Interests of Southeastern's Directors and Executive Officers in the Merger (Page [])

In considering the recommendation of the Southeastern board of directors that you vote to adopt the merger agreement, you should be aware that some of Southeastern's executive officers and directors have financial interests in the merger that are different from, or in addition to, those of Southeastern shareholders generally. These interests may create potential conflicts of interest. The Southeastern board of directors was aware of these interests and considered the interests, among other matters, when making its decision to approve the merger agreement and its recommendation that Southeastern's shareholders vote in favor of the merger proposal.

These interests include:

the potential continuation of employee benefits;

the acceleration of vesting of outstanding options and restricted stock;

the service on the South State board of directors of one current member of the board of directors of either Southeastern or Georgia Bank & Trust; and

Table of Contents

the service of certain members of Georgia Bank & Trust's board of directors on a regional advisory board to be established by South State.

For a more complete description of these interests, see "*The Merger Interests of Southeastern's Directors and Executive Officers in the Merger*" and "*The Merger Treatment of Southeastern Equity Awards*."

Southeastern Shareholders Are Expected to Be Entitled to Assert Dissenters' Rights (Page [])

Under Georgia law, Southeastern shareholders are or may be entitled to assert dissenters' rights with respect to the proposed merger and to seek judicial appraisal of the fair value of their shares upon compliance with the requirements of Georgia law. We have described dissenters' rights under Georgia law in this joint proxy statement/prospectus and have also included a copy of Sections 14-2-1301 through 14-2-1332 of the GBCC as **Annex F** to this joint proxy statement/prospectus. For further information, see "*The Merger Dissenters' Rights in the Merger*." Any Southeastern shareholder who wishes to assert dissenters' rights should read the statute carefully and consult legal counsel before attempting to assert dissenters' rights.

Regulatory Approvals Required for the Merger (Page [])

Subject to the terms of the merger agreement, both South State and Southeastern have agreed to use their reasonable best efforts to obtain all regulatory approvals required or advisable to complete the transactions contemplated by the merger agreement, including the merger and the bank merger. These approvals include, among others, approval from the Federal Reserve Board, the Federal Deposit Insurance Corporation (which we refer to as the "FDIC"), the Georgia Department of Banking and Finance and the South Carolina State Board of Financial Institutions. South State and Southeastern will file applications and notifications to obtain the required regulatory approvals.

Although South State and Southeastern currently believe that we should be able to obtain all required regulatory approvals in a timely manner, we cannot be certain when or if we will obtain them or, if obtained, whether they will contain terms, conditions or restrictions not currently contemplated that will be detrimental to South State after the completion of the merger or will contain a materially burdensome regulatory condition. The regulatory approvals to which completion of the merger is subject are described in more detail in "*The Merger Regulatory Approvals Required for the Merger*."

Governance Matters (Page [])

Board of Directors

At or prior to the effective time, the South State board of directors will be comprised of 14 directors. At the effective time, the initial board of directors of the surviving corporation will include one current member of the board of directors of either Southeastern or Georgia Bank & Trust to be designated by South State prior to closing and 13 current members of the South State board of directors. Following the closing, Mr. Robert R. Horger will continue to serve as Chairman of the board of directors of South State.

Executive Officers

The executive officers of South State in office immediately prior to the effective time, together with such additional persons as may thereafter be elected or appointed, shall serve as the officers of the surviving corporation from and after the effective time of the merger in accordance with the bylaws of South State.

Table of Contents

Advisory Board

South State has agreed to establish a regional advisory board for the Augusta, Georgia and Aiken, South Carolina regions, which will consist of the current directors of Georgia Bank & Trust (other than certain specified individuals) who wish to serve on such advisory board. The regional advisory board will monitor the performance and operations of the surviving corporation in certain markets currently served by Southeastern. Such Georgia Bank & Trust directors will be invited to serve for two years following the completion of the merger. In connection with their service on the advisory board, each member will enter into an advisory board member agreement.

No Solicitation (Page [])

As more fully described in this joint proxy statement/prospectus and in the merger agreement, and subject to certain exceptions summarized below, Southeastern has agreed not to initiate, solicit, knowingly encourage or knowingly facilitate any inquiries or proposals with respect to, or engage or participate in any negotiations concerning, or provide confidential or nonpublic information or data to, or have or participate in any discussions with, any person relating to an alternative acquisition proposal. Notwithstanding these restrictions, the merger agreement provides that Southeastern may participate in discussions or negotiations regarding an acquisition proposal or furnish nonpublic information regarding Southeastern in response to an unsolicited bona fide written acquisition proposal if the Southeastern board of directors concludes in good faith (in accordance with the merger agreement and after consultation with Southeastern's outside legal counsel and financial advisors) that the failure to take such actions would be reasonably likely to violate the directors' fiduciary duties under applicable law. For a more complete summary of Southeastern's non-solicitation obligations, see "*The Merger Agreement Agreement Not to Solicit Other Offers.*"

Conditions to Completion of the Merger (Page [])

Currently, South State and Southeastern expect to complete the merger in the first quarter of 2017. As more fully described in this joint proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, approval of the merger agreement by the shareholders of each of South State and Southeastern, effectiveness of the registration statement containing this proxy statement/prospectus, approval of the listing on the NASDAQ of the South State common stock to be issued in the merger, the absence of any applicable law or order prohibiting the merger, the accuracy of the representations and warranties of the other party under the merger agreement (subject to the materiality standards set forth in the merger agreement), the performance by the other party of its respective obligations under the merger agreement in all material respects, receipt of certain required regulatory approvals and receipt of legal opinions by each company regarding the U.S. federal income tax treatment of the merger.

Neither South State nor Southeastern can be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed. For a more complete summary of the conditions that must be satisfied or waived prior to completion of the merger, see "*The Merger Agreement Conditions to Completion of the Merger.*"

Termination of the Merger Agreement (Page [])

The merger agreement can be terminated at any time prior to completion of the merger by mutual consent, or by either party in the following circumstances:

the merger has not been completed by June 16, 2017 (which we refer to as the "end date"), if the failure to complete the merger by the end date is not caused by the terminating party's breach of the merger agreement;

Table of Contents

any required regulatory approval has been denied by the relevant regulatory authority and this denial has become final and non-appealable, or a regulatory authority has issued a final, non-appealable injunction permanently enjoining or otherwise prohibiting the completion of the merger or the other transactions contemplated by the merger agreement;

there is a breach by the other party that would cause the failure of the closing conditions described above, and the breach is not cured prior to the earlier of the end date and 30 business days following written notice of the breach; or

Southeastern shareholders or South State shareholders do not approve the merger agreement and the transactions contemplated thereby at their respective special meeting called for such purpose, or any adjournment thereof.

In addition, South State may terminate the merger agreement in the following circumstances:

the Southeastern board of directors (1) fails to recommend to the Southeastern shareholders that they approve the merger agreement or (2) effects a change in company recommendation with respect to the merger agreement or the transactions contemplated thereby; or

the Southeastern board of directors fails to comply in all material respects with its non-solicitation obligations described in " *Agreement Not to Solicit Other Offers*" or its obligations with respect to calling shareholder meetings described in " *Southeastern Shareholder Meeting and Recommendation of the Southeastern Board of Directors*."

Termination Fee (Page [])

If the merger agreement is terminated under certain circumstances, including circumstances involving a change in company recommendation by the Southeastern board of directors, Southeastern may be required to pay to South State a termination fee of \$14 million. The termination fee could discourage other companies from seeking to acquire or merge with Southeastern.

For a more complete summary of the circumstances in which Southeastern may be required to pay to South State a termination fee, see "*The Merger Agreement Termination Fee*."

Voting Agreements (Page [])

Each of the directors and certain other individual shareholders of Southeastern have entered into a voting and support agreement with South State and Southeastern, solely in their capacities as shareholders of Southeastern, pursuant to which they have agreed, among other things, to vote in favor of the Southeastern merger proposal and the other proposals presented at the Southeastern special meeting and against any alternative acquisition proposal. For more information regarding the voting and support agreements, see "*The Merger Agreement Voting and Support Agreements*." As of the record date, Southeastern shareholders who are parties to the voting and support agreements beneficially owned and were entitled to vote approximately [] shares of Southeastern common stock representing approximately []% of the shares of Southeastern common stock outstanding on that date.

Accounting Treatment (Page [])

South State prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (which we refer to as "GAAP"). The merger will be accounted for using the acquisition method of accounting. South State will be treated as the acquirer for accounting purposes.

Table of Contents

Material U.S. Federal Income Tax Consequences (Page [])

The merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and it is a condition to the respective obligations of South State and Southeastern to complete the merger that each of South State and Southeastern receives a legal opinion to that effect. Accordingly, holders of Southeastern common stock are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Southeastern common stock for shares of South State common stock in the merger, except with respect to any cash received instead of fractional shares of South State common stock.

For further information, see "*Material U.S. Federal Income Tax Consequences of the Merger.*"

The U.S. federal income tax consequences described above may not apply to all holders of Southeastern common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

The Rights of Southeastern Shareholders Will Change as a Result of the Merger (Page [])

The rights of Southeastern shareholders will change as a result of the merger due to differences in South State's and Southeastern's governing documents and states of incorporation. The rights of Southeastern shareholders are governed by Georgia law and by Southeastern's articles of incorporation and bylaws, each as amended to date. Upon the completion of the merger, Southeastern shareholders will become shareholders of South State, as the continuing legal entity in the merger, and the rights of Southeastern shareholders will therefore be governed by South Carolina law and South State's articles of incorporation and bylaws, each as amended to date. For more detailed information regarding a comparison of your rights as a shareholder of South State and Southeastern, see "*Comparison of Shareholders' Rights.*"

Risk Factors (Page [])

You should consider all the information contained in or incorporated by reference into this joint proxy statement/prospectus in deciding how to vote for the proposals presented in this joint proxy statement/prospectus. In particular, you should consider the factors described under the "*Risk Factors*" section beginning on page 26 of this joint proxy statement/prospectus.

Edgar Filing: SOUTH STATE Corp - Form S-4

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF SOUTH STATE

The following table summarizes selected historical consolidated financial data of South State for the periods and as of the dates indicated. This information has been derived from South State's consolidated financial statements filed with the SEC. Historical financial data as of and for the six months ended June 30, 2016 and June 30, 2015 are unaudited and include, in management's opinion, all normal recurring adjustments considered necessary to present fairly the results of operations and financial condition of South State. You should not assume the results of operations for past periods and for the six months ended June 30, 2016 and June 30, 2015 indicate results for any future period.

You should read this information in conjunction with South State's consolidated financial statements and related notes thereto included in South State's Annual Report on Form 10-K as of and for the year ended December 31, 2015, and in South State's Quarterly Report on Form 10-Q as of June 30, 2016 and for the six months ended June 30, 2016, which are incorporated by reference into this proxy statement/prospectus. See "*Where You Can Find More Information.*"

(Dollars in thousands, except per share data)	As of or for the Six Months Ended June 30,		As of or for the Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
Summary of Operations							
Interest income	\$ 167,194	\$ 168,763	\$ 338,101	\$ 342,022	\$ 286,348	\$ 187,488	\$ 171,718
Interest expense	4,194	5,438	10,328	15,662	12,987	11,094	20,266
Net interest income	163,000	163,325	327,773	326,360	273,361	176,394	151,452
Provision for loan losses	5,286	3,963	5,864	6,590	1,886	13,619	30,236
Noninterest income	62,160	56,588	115,555	94,696	53,720	41,283	55,119
Noninterest expenses	145,883	142,014	287,089	303,038	250,621	158,898	142,978
Net income before provision for income taxes	73,991	73,936	150,375	111,428	74,574	45,160	33,357
Provision for income taxes	24,981	25,138	50,902	35,991	25,355	15,128	10,762
Net income	\$ 49,010	\$ 48,798	\$ 99,473	\$ 75,437	\$ 49,219	\$ 30,032	\$ 22,595
Preferred stock dividends				1,073	1,354		
Net income available to common shareholders	\$ 49,010	\$ 48,798	\$ 99,473	\$ 74,364	\$ 47,865	\$ 30,032	\$ 22,595
Per Common Share Information:							
Earnings per share Basic	\$ 2.04	\$ 2.04	\$ 4.15	\$ 3.11	\$ 2.41	\$ 2.04	\$ 1.65
Earnings per share Diluted	\$ 2.02	\$ 2.02	\$ 4.11	\$ 3.08	\$ 2.38	\$ 2.03	\$ 1.63
Cash dividends declared	\$ 0.58	\$ 0.47	\$ 0.98	\$ 0.82	\$ 0.74	\$ 0.69	\$ 0.68
Weighted-Average number of common shares:							
Basic	23,977	23,947	23,966	23,897	19,866	14,698	13,677
Diluted	24,205	24,214	24,224	24,154	20,077	14,796	13,751
Balance sheet data period end							
Assets	\$ 8,723,993	\$ 8,084,984	\$ 8,557,348	\$ 7,826,227	\$ 7,931,498	\$ 5,136,446	\$ 3,896,557
Acquired credit impaired loans, net of acquired allowance for loan losses	658,835	823,981	733,870	919,402	1,220,638	969,395	370,581
Acquired noncredit impaired loans	941,886	1,171,672	1,049,538	1,327,999	1,600,935	73,215	
Non-acquired loans	4,816,875	3,788,399	4,220,726	3,467,826	2,865,216	2,571,003	2,470,565
Loans, net of unearned income(1)	6,417,596	5,784,052	6,004,134	5,715,227	5,686,789	3,613,613	2,841,146
Investment securities	1,007,060	860,351	1,027,748	826,943	812,603	560,091	324,056
FDIC indemnification asset from loss share agreements		11,035	4,401	22,161	86,447	146,171	262,651
Goodwill and other intangible assets	381,969	362,948	385,765	366,927	377,596	128,491	74,426

Edgar Filing: SOUTH STATE Corp - Form S-4

Deposits	7,163,926	6,667,528	7,100,428	6,461,045	6,554,144	4,298,443	3,254,472
Nondeposit borrowings	396,318	342,958	343,389	322,751	313,461	293,518	227,119
Shareholders' equity	1,104,343	1,023,779	1,059,384	984,920	981,469	507,549	381,780
Number of common shares outstanding	24,195,226	24,197,531	24,162,657	24,150,702	24,104,124	16,937,464	14,039,422
Book value per common share	\$ 45.64	\$ 42.31	\$ 43.84	\$ 40.78	\$ 40.72	\$ 29.97	\$ 27.19
Tangible book value per common share(3)	\$ 29.86	\$ 27.31	\$ 27.88	\$ 25.59	\$ 22.36	\$ 22.54	\$ 21.89
Balance sheet data averages							
Assets	\$ 8,624,347	\$ 7,966,186	\$ 8,202,681	\$ 7,938,437	\$ 6,354,973	\$ 4,276,263	\$ 3,904,363
Investment securities	998,077	821,398	862,686	813,733	610,252	451,563	277,192
Acquired loans, net of acquired allowance for loan losses	1,690,437	2,123,275	1,998,104	2,500,882	1,813,425	481,754	379,678
Non-acquired loans	4,477,109	3,586,745	3,785,243	3,151,482	2,677,450	2,484,751	2,397,821
Non-acquired allowance for loan losses	(35,284)	(34,371)	(34,602)	(35,034)	(40,192)	(47,762)	(48,005)
Deposits	5,091,352	4,820,678	4,933,236	4,938,845	4,037,194	2,758,670	2,631,559
Nondeposit borrowings	377,374	349,417	347,245	355,143	350,501	275,722	257,337
Shareholders' equity	\$ 1,083,403	\$ 1,008,934	\$ 1,028,623	\$ 968,163	\$ 712,890	\$ 419,849	\$ 370,116
Annualized Performance Ratios							
Return on average assets	1.14%	1.24%	1.21%	0.95%	0.77%	0.70%	0.58%
Return on average equity	9.10%	9.75%	9.67%	7.79%	6.90%	7.15%	6.10%
Return on average tangible equity(3)	14.81%	16.10%	15.97%	13.77%	11.54%	9.27%	8.10%
Net interest margin (taxable equivalent)	4.32%	4.76%	4.58%	4.80%	4.99%	4.83%	4.66%
Efficiency ratio	64.30%	64.10%	64.19%	71.41%	75.85%	72.20%	68.77%
Dividend payout ratio	28.63%	23.29%	23.84%	26.61%	31.91%	34.11%	42.11%

Table of Contents

(Dollars in thousands, except per share data)	As of or for the Six Months Ended June 30,		As of or for the Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
Asset Quality Ratios							
Allowance for loan losses to period end non-acquired loans(2)	0.77%	0.92%	0.81%	1.00%	1.20%	1.73%	2.00%
Allowance for loan losses to period nonperforming loans(2)	201.06%	141.04%	181.84%	121.12%	81.20%	71.53%	64.19%
Net charge-offs to average non-acquired loans(2)	0.07%	0.06%	0.09%	0.16%	0.41%	0.73%	1.12%
Net charge-offs to average acquired noncredit impaired loans(2)	0.08%	0.37%	0.20%	0.06%			
Excluding acquired loans:							
Nonperforming assets to period end loans and repossessed assets	0.52%	0.80%	0.65%	1.05%	1.94%	3.13%	3.82%
Nonperforming assets to period end total loans	0.29%	0.38%	0.32%	0.47%	0.70%	1.58%	2.44%
Including acquired assets:							
Nonperforming assets to period end loans and repossessed assets	0.71%	1.12%	0.89%	1.38%	1.88%	3.46%	5.45%
Nonperforming assets to period end total loans	0.53%	0.81%	0.63%	1.02%	1.36%	2.50%	4.13%
Capital Ratios							
Equity to assets	12.66%	12.66%	12.38%	12.58%	11.55%	9.88%	9.80%
Tangible equity to tangible assets	8.66%	8.56%	8.24%	8.28%	7.13%	7.62%	8.04%

Edgar Filing: SOUTH STATE Corp - Form S-4

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF SOUTHEASTERN

The following table summarizes selected historical consolidated financial data of Southeastern for the periods and as of the dates indicated. This information has been derived from Southeastern's consolidated financial statements filed with the SEC. Historical financial data as of and for the six months ended June 30, 2016 and June 30, 2015 are unaudited and include, in management's opinion, all normal recurring adjustments considered necessary to present fairly the results of operations and financial condition of Southeastern. You should not assume the results of operations for past periods and for the six months ended June 30, 2016 and June 30, 2015 indicate results for any future period.

You should read this information in conjunction with Southeastern's consolidated financial statements and related notes thereto included in Southeastern's Annual Report on Form 10-K as of and for the year ended December 31, 2015, and in Southeastern's Quarterly Report on Form 10-Q as of June 30, 2016 and for the six months ended June 30, 2016, which are incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information."

(Dollars in thousands, except per share data)	As of or for the Six Months Ended June 30,		As of or for the Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
Summary of Operations							
Interest income	\$ 31,627	\$ 31,191	\$ 62,484	\$ 60,950	\$ 62,314	\$ 63,670	\$ 67,640
Interest expense	4,028	4,180	8,227	8,886	9,514	12,034	17,078
Net interest income	27,599	27,011	54,257	52,064	52,800	51,636	50,562
Provision (Credit) for loan losses	468	(2,143)	(1,628)	3,492	7,438	8,141	12,584
Noninterest income	11,127	8,738	18,688	19,030	18,497	21,494	19,671
Noninterest expense	24,647	23,276	46,040	43,488	40,366	44,068	42,041
Net income before provision for income taxes	13,611	14,616	28,533	24,114	23,493	20,921	15,608
Provision for income taxes	4,415	4,720	9,138	7,482	7,147	6,486	4,563
Net income	\$ 9,196	\$ 9,896	\$ 19,395	\$ 16,632	\$ 16,346	\$ 14,435	\$ 11,045
Per Common Share Information:							
Earnings per share Basic	\$ 1.37	\$ 1.48	\$ 2.89	\$ 2.49	\$ 2.45	\$ 2.16	\$ 1.65
Earnings per share Diluted	\$ 1.37	\$ 1.47	\$ 2.89	\$ 2.49	\$ 2.45	\$ 2.16	\$ 1.65
Cash dividends declared	\$ 0.32	\$ 0.30	\$ 0.60	\$ 0.52	\$ 0.39	\$	\$
Weighted-Average number of common shares:							
Basic	6,722	6,699	6,701	6,681	6,679	6,678	6,677
Diluted	6,735	6,710	6,716	6,690	6,679	6,678	6,677
Balance sheet data period end							
Assets	\$ 1,901,628	\$ 1,794,964	\$ 1,840,365	\$ 1,732,781	\$ 1,689,326	\$ 1,662,502	\$ 1,614,773
Acquired credit impaired loans, net of acquired allowance for loan losses							
Acquired noncredit impaired loans							
Non-acquired loans	1,027,047	942,537	1,009,149	966,356	905,713	871,447	846,010
Loans, net of unearned income(1)	1,027,047	942,537	1,009,149	966,356	905,713	871,447	846,010
Investment securities	696,257	677,063	691,563	644,465	649,979	654,739	603,759
FDIC indemnification asset from loss share agreements							
Goodwill and other intangible assets	140	140	140	140	140	140	140
Deposits	1,584,453	1,534,335	1,529,080	1,463,864	1,454,803	1,421,272	1,419,222
Nondeposit borrowings	110,631	76,649	120,684	94,678	86,355	86,523	62,648
Shareholders' equity	185,036	161,999	169,913	155,286	131,569	135,783	117,029
Number of common shares outstanding	6,747	6,745	6,746	6,744	6,680	6,675	6,678

Edgar Filing: SOUTH STATE Corp - Form S-4

Book value per common share	\$ 27.43	\$ 24.02	\$ 25.19	\$ 23.03	\$ 19.70	\$ 20.34	\$ 17.53
Tangible book value per common share(3)	\$ 27.40	\$ 24.00	\$ 25.17	\$ 23.01	\$ 19.68	\$ 20.32	\$ 17.50
Balance sheet data averages							
Assets	\$ 1,859,318	\$ 1,774,409	\$ 1,803,835	\$ 1,741,271	\$ 1,693,257	\$ 1,652,251	\$ 1,605,489
Investment securities	669,889	657,500	676,078	647,191	661,843	648,863	579,760
Acquired loans, net of acquired allowance for loan losses							
Non-acquired loans	1,020,583	964,699	966,651	942,636	880,565	847,872	860,936
Non-acquired allowance for loan losses	(21,537)	(25,825)	(24,256)	(26,854)	(28,123)	(29,743)	(28,525)
Deposits	1,549,605	1,508,938	1,531,827	1,493,413	1,451,693	1,426,282	1,406,494
Nondeposit borrowings	112,082	85,852	87,623	85,776	87,972	82,077	77,397
Shareholders' equity	\$ 176,849	\$ 159,454	\$ 163,415	\$ 144,740	\$ 135,219	\$ 126,605	\$ 107,980
Annualized Performance Ratios							
Return on average assets	0.99%	1.12%	1.08%	0.96%	0.97%	0.87%	0.69%
Return on average equity	10.43%	12.51%	11.87%	11.49%	12.09%	11.40%	10.23%
Return on average tangible equity(3)	10.44%	12.53%	11.88%	11.50%	12.10%	11.41%	10.24%
Net interest margin (taxable equivalent)	3.18%	3.27%	3.24%	3.20%	3.35%	3.37%	3.41%
Efficiency ratio	64.30%	63.68%	62.29%	61.78%	55.52%	59.53%	59.65%
Dividend payout ratio	23.48%	20.45%	20.87%	21.04%	15.94%		

Edgar Filing: SOUTH STATE Corp - Form S-4

Table of Contents

(Dollars in thousands, except per share data)	As of or for the Six Months Ended June 30,		As of or for the Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
Asset Quality Ratios							
Allowance for loan losses to period end non-acquired loans(2)	2.08%	2.48%	2.12%	2.64%	2.92%	3.31%	3.43%
Allowance for loan losses to period nonperforming loans(2)	172.57%	286.49%	152.14%	174.65%	135.94%	95.53%	67.71%
Net charge-offs to average non-acquired loans(2)	0.09%	0.00%	0.26%	0.47%	1.12%	0.98%	1.18%
Net charge-offs to average acquired noncredit impaired loans(2)							
Excluding acquired loans:							
Nonperforming assets to period end loans and repossessed assets	1.34%	1.63%	1.76%	2.26%	2.94%	3.95%	6.04%
Nonperforming assets to period end total loans	1.34%	1.63%	1.76%	2.27%	2.95%	3.97%	6.08%
Including acquired assets:							
Nonperforming assets to period end loans and repossessed assets	1.34%	1.63%	1.76%	2.26%	2.94%	3.95%	6.04%
Nonperforming assets to period end total loans	1.34%	1.63%	1.76%	2.27%	2.95%	3.97%	6.08%
Capital Ratios							
Equity to assets	9.51%	8.99%	9.06%	8.31%	7.99%	7.66%	6.73%
Tangible equity to tangible assets	9.50%	8.98%	9.05%	8.30%	7.98%	7.65%	6.72%

Table of Contents

COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA
(Unaudited)

Presented below for South State and Southeastern is historical, unaudited pro forma combined and pro forma equivalent per share financial data as of and for the year ended December 31, 2015. The information presented below should be read together with the historical consolidated financial statements of South State and Southeastern, including the related notes, filed with the SEC and, with respect to South State, incorporated by reference into this joint proxy statement/prospectus. See "*Where You Can Find More Information.*"

The unaudited pro forma and pro forma equivalent per share information gives effect to the merger as if the merger had been effective on December 31, 2015 or June 30, 2016, in the case of the book value data, and as if the merger had been effective as of January 1, 2015, in the case of the earnings per share and the cash dividends data. The unaudited pro forma data combines the historical results of Southeastern into South State's consolidated statement of income. While certain adjustments were made for the estimated impact of fair value adjustments and other acquisition-related activity, they are not indicative of what could have occurred had the acquisition taken place on January 1, 2015.

In addition, the unaudited pro forma data includes adjustments, which are preliminary and may be revised. The unaudited pro forma data, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of factors that may result as a consequence of the merger or consider any potential impacts of current market conditions or the merger on revenues, expense efficiencies, asset dispositions and share repurchases, among other factors, nor the impact of possible business model changes. As a result, unaudited pro forma data is presented for illustrative purposes only and does not represent an attempt to predict or suggest future results.

	Historical		South State Pro Forma Combined		Per Equivalent Southeastern Share ⁽¹⁾	
	South State	Southeastern				
Basic Income from Continuing Operations						
For the year ended December 31, 2015	\$ 4.15	\$ 2.89	\$ 4.15	\$ 4.15	\$ 3.03	
For the six months ended June 30, 2016	\$ 2.04	\$ 1.37	\$ 2.03	\$ 2.03	\$ 1.48	
Diluted Income from Continuing Operations						
For the year ended December 31, 2015	\$ 4.11	\$ 2.89	\$ 4.11	\$ 4.11	\$ 3.00	
For the six months ended June 30, 2016	\$ 2.02	\$ 1.37	\$ 2.02	\$ 2.02	\$ 1.48	
Cash Dividends						
For the year ended December 31, 2015	\$ 0.98	\$ 0.60	\$ 0.98	\$ 0.98	\$ 0.72	
For the six months ended June 30, 2016	\$ 0.58	\$ 0.32	\$ 0.58	\$ 0.58	\$ 0.42	
Book Value per common share						
For the year ended December 31, 2015	\$ 43.84	\$ 25.19	\$ 46.75	\$ 46.75	\$ 34.16	
For the six months ended June 30, 2016	\$ 45.64	\$ 27.43	\$ 50.08	\$ 50.08	\$ 36.59	
Market Value						
As of June 15, 2016 ⁽²⁾	\$ 67.68	\$ 34.30	N/A	N/A	\$ 49.45	
As of August 17, 2016 ⁽³⁾	\$ 72.71	\$ 51.50	N/A	N/A	\$ 53.13	

(1) Reflects Southeastern shares at the exchange ratio of 0.7307.

(2) Business date immediately prior to the execution of the merger agreement.

(3) A recent date before the date of this joint proxy statement/prospectus.

Table of Contents**COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION**

South State common stock is listed on the NASDAQ Global Select Market under the symbol "SSB," and Southeastern common stock is quoted on OTCQB under the symbol "SBFC." The following table sets forth the high and low reported intra-day sales prices per share of South State common stock and Southeastern common stock, and the cash dividends declared per share for the periods indicated.

	South State Common Stock			Southeastern Common Stock		
	High	Low	Dividend	High	Low	Dividend
2014						
First Quarter	\$ 66.76	\$ 56.88	\$ 0.19	\$ 22.50	\$ 20.35	\$ 0.13
Second Quarter	64.39	54.03	0.20	23.75	21.55	0.13
Third Quarter	64.60	55.90	0.21	24.75	23.10	0.13
Fourth Quarter	68.50	53.87	0.22	26.76	24.30	0.13
2015						
First Quarter	69.46	58.84	0.23	29.00	26.00	0.15
Second Quarter	77.09	66.53	0.24	33.50	27.80	0.15
Third Quarter	80.85	71.21	0.25	33.00	29.75	0.15
Fourth Quarter	81.80	69.54	0.26	33.25	32.00	0.15
2016						
First Quarter	71.69	59.19	0.28	33.25	32.55	0.16
Second Quarter	74.62	61.83	0.30	48.60	32.60	0.16
Third Quarter (through August 17, 2016)	75.72	65.69	0.31	53.82	46.90	0.16

On June 15, 2016, the last full trading day before the execution of the merger agreement, the high and low sales prices of shares of South State common stock as reported on the NASDAQ were \$68.80 and \$67.18, respectively. On [], 2016, the last practicable trading day before the date of this joint proxy statement/prospectus, the high and low sales prices of shares of South State common stock as reported on the NASDAQ were \$[] and \$ [], respectively.

On June 15, 2016, the last full trading day before the execution of the merger agreement, the high and low bid prices of shares of Southeastern common stock as reported on OTCQB were \$34.45 and \$34.30, respectively. On [], 2016, the last practicable trading day before the date of this joint proxy statement/prospectus, the high and low bid prices of shares of Southeastern common stock as reported on OTCQB were \$[] and \$[], respectively.

As of [], the last date prior to printing this joint proxy statement/prospectus for which it was practicable to obtain this information for South State and Southeastern, respectively, there were approximately [] registered holders of South State common stock and approximately [] registered holders of Southeastern common stock.

Each South State and Southeastern shareholder is advised to obtain current market quotations for South State common stock and Southeastern common stock. The market price of South State common stock and Southeastern common stock will fluctuate between the date of this joint proxy statement/prospectus and the date of completion of the merger. No assurance can be given concerning the market price of South State common stock or Southeastern common stock before or after the effective date of the merger. Changes in the market price of South State common stock prior to the completion of the merger will affect the market value of the merger consideration that Southeastern shareholders will receive upon completion of the merger.

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained or incorporated by reference in this joint proxy statement/prospectus contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements about the financial condition, results of operations, earnings outlook and prospects of South State, Southeastern and the combined company following the proposed transaction and statements for the period following the completion of the merger. Words such as "anticipate," "believe," "feel," "expect," "estimate," "indicate," "seek," "strive," "plan," "intend," "outlook," "forecast," "project," "position," "target," "mission," "contemplate," "assume," "achievable," "potential," "strategy," "goal," "aspiration," "outcome," "continue," "remain," "maintain," "trend," "objective" and variations of such words and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "might," "can," "may" or similar expressions, as they relate to South State, Southeastern, the proposed transaction or the combined company following the transaction often identify forward-looking statements.

These forward-looking statements are predicated on the beliefs and assumptions of management based on information known to management as of the date of this joint proxy statement/prospectus and do not purport to speak as of any other date. Forward-looking statements may include descriptions of the expected benefits and costs of the transaction; forecasts of revenue, earnings or other measures of economic performance, including statements of profitability, business segments and subsidiaries; management plans relating to the transaction; the expected timing of the completion of the transaction; the ability to complete the transaction; the ability to obtain any required regulatory, shareholder or other approvals; any statements of the plans and objectives of management for future or past operations, products or services, including the execution of integration plans; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing.

The forward-looking statements contained or incorporated by reference in this joint proxy statement/prospectus reflect the view of management as of this date with respect to future events and are subject to risks and uncertainties. Should one or more of these risks materialize or should underlying beliefs or assumptions prove incorrect, actual results could differ materially from those anticipated by the forward-looking statements or historical results. Such risks and uncertainties include, among others, the following possibilities: (1) the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the definitive merger agreement between South State and Southeastern; (2) the outcome of any legal proceedings that may be instituted against South State or Southeastern; (3) the failure to obtain necessary regulatory approvals (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the transaction) and shareholder approvals or to satisfy any of the other conditions to the transaction on a timely basis or at all; (4) the possibility that the anticipated benefits of the transaction are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy and competitive factors in the areas where South State and Southeastern do business; (5) the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; (6) diversion of management's attention from ongoing business operations and opportunities; (7) potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the transaction; (8) South State's ability to complete the acquisition and integration of Southeastern successfully; (9) credit risk associated with an obligor's failure to meet the terms of any contract with the bank or otherwise fail to perform as agreed; (10) interest risk involving the effect of a change in interest rates on both the bank's earnings and the market value of the portfolio equity; (11) liquidity risk affecting the bank's ability to meet its obligations when they come due; (12) price risk focusing on changes in market factors that may affect the value of traded instruments in "mark-to-market" portfolios; (13) transaction risk arising from

Table of Contents

problems with service or product delivery; (14) compliance risk involving risk to earnings or capital resulting from violations of or nonconformance with laws, rules, regulations, prescribed practices, or ethical standards; (15) strategic risk resulting from adverse business decisions or improper implementation of business decisions; (16) reputation risk that adversely affects earnings or capital arising from negative public opinion; (17) terrorist activities risk that results in loss of consumer confidence and economic disruptions; (18) cybersecurity risk related to South State's dependence on internal computer systems and the technology of outside service providers, as well as the potential impacts of third-party security breaches, subjecting the company to potential business disruptions or financial losses resulting from deliberate attacks or unintentional events; (19) economic downturn risk resulting from changes in the credit markets, greater than expected noninterest expenses, excessive loan losses and other factors and the implementation of federal spending cuts currently scheduled to go into effect; and (20) other factors that may affect future results of South State and Southeastern.

For any forward-looking statements made in this joint proxy statement/prospectus or in any documents incorporated by reference into this joint proxy statement/prospectus, South State and Southeastern claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this joint proxy statement/prospectus or the date of any document incorporated by reference in this joint proxy statement/prospectus. South State and Southeastern do not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made. All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this joint proxy statement/prospectus and attributable to South State, Southeastern or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this joint proxy statement/prospectus.

Table of Contents

RISK FACTORS

In addition to the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the caption "*Cautionary Statement Regarding Forward-Looking Statements*," you should consider the following risk factors carefully in deciding whether to vote to approve the merger agreement. Additional risks and uncertainties not presently known to South State or Southeastern, if they materialize, also may adversely affect the merger and South State as the surviving corporation in the merger.

In addition, South State's and Southeastern's respective businesses are subject to numerous risks and uncertainties, including the risks and uncertainties described in this section and their respective Annual Reports on Form 10-K for the year ended December 31, 2015 and subsequent Quarterly Reports on Form 10-Q, each of which are incorporated by reference into this proxy statement/prospectus. See "*Where You Can Find More Information*."

Because the market price of South State common stock will fluctuate, Southeastern shareholders cannot be certain of the market value of the merger consideration they will receive.

Upon completion of the merger, each share of Southeastern common stock will be converted into 0.7307 shares of South State common stock. The market value of the merger consideration may vary from the closing price of South State common stock on the date the parties announced the merger, on the date that this joint proxy statement/prospectus is mailed to Southeastern shareholders, on the date of the special meeting of the Southeastern shareholders and on the date the merger is completed. Any change in the market price of South State common stock prior to the completion of the merger will affect the market value of the merger consideration that Southeastern shareholders will receive upon completion of the merger, and there will be no adjustment to the merger consideration for changes in the market price of either shares of South State common stock or shares of Southeastern common stock.

Stock price changes may result from a variety of factors that are beyond the control of South State and Southeastern, including but not limited to general market and economic conditions, changes in our respective businesses, operations and prospects and regulatory considerations. Therefore, at the time of the Southeastern special meeting, holders of Southeastern common stock will not know the precise market value of the consideration they will receive at the effective time of the merger. Shareholders should obtain current market quotations for shares of South State common stock and for shares of Southeastern common stock.

The market price of South State common stock after the merger may be affected by factors different from those affecting the shares of Southeastern or South State currently.

Upon completion of the merger, holders of Southeastern common stock will become holders of South State common stock. South State's business differs in important respects from that of Southeastern, and, accordingly, the results of operations of the combined company and the market price of South State common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of South State and Southeastern.

Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated or that could have an adverse effect on the combined company following the merger.

Before the merger and the bank merger may be completed, South State and Southeastern must obtain approvals from the Federal Reserve Board, the FDIC, the Georgia Department of Banking and Finance and the South Carolina State Board of Financial Institutions. Other approvals, waivers or consents from regulators may also be required. These regulators may impose conditions on the

Table of Contents

completion of the merger or require changes to the terms of the merger. Such conditions or changes could have the effect of delaying or preventing completion of the merger or imposing additional costs on or limiting the revenues of the combined company following the merger, any of which might have an adverse effect on the combined company following the merger. See "*The Merger Regulatory Approvals Required for the Merger.*"

Combining the two companies may be more difficult, costly or time consuming than expected and the anticipated benefits and cost savings of the merger may not be realized.

South State and Southeastern have operated and, until the completion of the merger, will continue to operate, independently. The success of the merger, including anticipated benefits and cost savings, will depend, in part, on South State's ability to successfully combine the businesses of South State and Southeastern. To realize these anticipated benefits and cost savings, after the completion of the merger, South State expects to integrate Southeastern's business into its own.

It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits and cost savings of the merger. The loss of key employees could adversely affect South State's ability to successfully conduct its business in the markets in which Southeastern now operates, which could have an adverse effect on South State's financial results and the value of its common stock. If South State experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all, or may take longer to realize than expected.

As with any merger of financial institutions, there also may be business disruptions that cause South State and/or Southeastern to lose customers or cause customers to remove their accounts from South State and/or Southeastern and move their business to competing financial institutions. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of South State and Southeastern during this transition period and for an undetermined period after completion of the merger on the combined company. In addition, the actual cost savings of the merger could be less than anticipated.

The unaudited pro forma condensed combined financial statements included in this document are preliminary and the actual financial condition and results of operations after the merger may differ materially.

The unaudited pro forma condensed combined financial statements in this document are presented for illustrative purposes only and are not necessarily indicative of what South State's actual financial condition or results of operations would have been had the merger been completed on the dates indicated. The unaudited pro forma condensed combined financial statements reflect adjustments to illustrate the effect of the merger had it been completed on the dates indicated, which are based upon preliminary estimates, to record the Southeastern identifiable assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The purchase price allocation for the merger reflected in this document is preliminary, and final allocation of the purchase price will be based upon the actual purchase price and the fair value of the assets and liabilities of Southeastern as of the date of the completion of the merger. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this document. For more information, see "*Unaudited Pro Forma Condensed Combined Financial Statements.*"

Table of Contents

The fairness opinions received by each of the South State board of directors and the Southeastern board of directors from the parties' respective financial advisors will not reflect changes in circumstances between the date of the signing of the merger agreement and the completion of the merger.

The South State board of directors received a fairness opinion dated June 16, 2016 from KBW and the Southeastern board of directors received a fairness opinion dated June 16, 2016 from Sandler O'Neill, and such opinions have not been updated as of the date of this joint proxy statement/prospectus and will not be updated at the time of the completion of the merger. Changes in the operations and prospects of Southeastern or South State, general market and economic conditions and other factors that may be beyond the control of South State and Southeastern, may alter the value of South State or Southeastern or the prices of shares of South State common stock or Southeastern common stock by the time the merger is completed.

The fairness opinions do not address the fairness of the merger consideration, from a financial point of view, at the time the merger is completed or as of any other date than the date of the opinions. The fairness opinions that the South State board of directors and the Southeastern board of directors received from the parties' respective financial advisors are attached as **Annex B** and **Annex C** to this joint proxy statement/prospectus.

For a description of the opinions, see "*The Merger Opinion of Keefe, Bruyette & Woods, Inc.*" and "*The Merger Opinion of Sandler O'Neill & Partners, L.P.*" For a description of the other factors considered by the South State board of directors in determining to approve the merger, see "*The Merger South State's Reasons for the Merger; Recommendation of the South State Board of Directors.*" For a description of the other factors considered by the Southeastern board of directors in determining to approve the merger, see "*The Merger Southeastern's Reasons for the Merger; Recommendation of the Southeastern Board of Directors.*"

Certain of Southeastern's directors and executive officers have interests in the merger that may differ from the interests of Southeastern's shareholders including, if the merger is completed, the receipt of financial and other benefits.

Southeastern shareholders should be aware that some of Southeastern's directors and executive officers have interests in the merger and have arrangements that are different from, or in addition to, those of Southeastern shareholders generally. These interests and arrangements may create potential conflicts of interest. The Southeastern board of directors was aware of these interests and considered these interests, among other matters, when making its decision to approve the merger agreement, and in recommending that Southeastern's shareholders vote in favor of approving the merger agreement.

These interests include:

each of the named executive officers of Southeastern is party to various agreements with Southeastern and its affiliates that entitle such officers to certain benefits in connection with a change in control of Southeastern (such as the merger) or in the event that such named executive officer experiences a qualifying termination of employment following a change in control of Southeastern;

South State has entered into an Employment and Noncompetition Agreement with each of Mr. Blanton and Mr. Thigpen providing for their continued employment with South State following the closing of the merger;

at the effective time, each outstanding option to acquire shares of Southeastern common stock, whether or not vested, that is not exercised prior to the effective time will be cancelled by virtue of the merger and converted into a right to receive the product of (i) the number of shares of Southeastern common stock subject to such Southeastern stock option and (ii) the excess, if any,

Table of Contents

of (A) the product of the exchange ratio and the South State share value over (B) the per-share exercise price of such Southeastern stock option;

at the effective time, each restricted stock award in respect of Southeastern common stock will be cancelled by virtue of the merger and converted into a right to receive the merger consideration with respect to each share subject to the award;

South State has agreed to appoint one current member of the board of directors of either Southeastern or Georgia Bank & Trust to the South State board of directors; and

South State has agreed to invite certain members of Georgia Bank & Trust's board of directors to serve on a regional advisory board, and each such director shall receive compensation for such service.

For a more complete description of these interests, see "*The Merger Interests of Southeastern's Directors and Executive Officers in the Merger*" and "*The Merger Agreement Treatment of Southeastern Equity Awards*."

Each of the directors and certain other individual shareholders of Southeastern has entered into a voting and support agreement with South State and Southeastern, solely in their capacities as shareholders of Southeastern, pursuant to which they have agreed, among other things, to vote in favor of the Southeastern merger proposal and the other proposals presented at the Southeastern special meeting and against any alternative acquisition proposal. For more information regarding the voting and support agreements, see "*The Merger Agreement Voting and Support Agreements*." As of the record date, Southeastern shareholders who are parties to the voting and support agreements beneficially owned and were entitled to vote approximately [] shares of Southeastern common stock representing approximately []% of the shares of Southeastern common stock outstanding on that date.

Termination of the merger agreement could negatively impact Southeastern or South State.

There may be various negative consequences if the merger agreement is terminated. For example, Southeastern's or South State's businesses may have been impacted adversely by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger. Additionally, if the merger agreement is terminated, the market price of Southeastern's or South State's common stock could decline to the extent that the current market prices reflect a market assumption that the merger will be completed. If the merger agreement is terminated under certain circumstances, including circumstances involving a change in company recommendation by the Southeastern board of directors, Southeastern may be required to pay to South State a termination fee of \$14 million.

Failure to complete the merger could negatively impact the stock price and the future business and financial results of South State or Southeastern.

If the merger is not completed for any reason, including as a result of South State or Southeastern shareholders declining to approve the merger agreement, the ongoing business of South State or Southeastern may be adversely affected and, without realizing any of the benefits of having completed the merger, South State or Southeastern would be subject to a number of risks, including the following:

South State or Southeastern may experience negative reactions from the financial markets, including negative impacts on its stock price;

South State or Southeastern may experience negative reactions from its customers, vendors and employees;

Table of Contents

the merger agreement places certain restrictions on the conduct of South State's and Southeastern's respective businesses prior to completion of the merger. Such restrictions, the waiver of which is subject to the consent of the other party (not to be unreasonably withheld or delayed), may prevent each company from undertaking certain business combinations or taking certain other specified actions during the pendency of the merger (see "*The Merger Agreement - Conduct of Businesses of Prior to the Completion of the Merger*"); and

matters relating to the merger (including integration planning) will require substantial commitments of time and resources by South State and Southeastern management, which would otherwise have been devoted to other opportunities that may have been beneficial to South State and Southeastern as an independent company.

Southeastern will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Southeastern. These uncertainties may impair Southeastern's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with Southeastern to seek to change existing business relationships with Southeastern. Retention of certain employees by Southeastern may be challenging while the merger is pending, as certain employees may experience uncertainty about their future roles with Southeastern or South State. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with Southeastern or South State, Southeastern's business or Southeastern's business assumed by South State following the merger could be harmed. In addition, subject to certain exceptions, Southeastern has agreed to operate its business in the ordinary course prior to closing. See "*The Merger Agreement - Conduct of Businesses of Prior to the Completion of the Merger*" for a description of the restrictive covenants applicable to Southeastern.

If the merger is not completed, South State and Southeastern will have incurred substantial expenses without realizing the expected benefits of the merger.

Each of South State and Southeastern has incurred and will incur substantial expenses in connection with the negotiation and completion of the transactions contemplated by the merger agreement, as well as the costs and expenses of filing, printing and mailing this joint proxy statement/prospectus and all filing and other fees paid to the SEC and fees to other regulators in connection with the merger. If the merger is not completed, South State and Southeastern would have to recognize these and other expenses without realizing the expected benefits of the merger.

The merger agreement limits Southeastern's ability to pursue an alternative acquisition proposal and requires it to pay a termination fee of \$14 million under certain circumstances.

The merger agreement prohibits Southeastern from initiating, soliciting, knowingly encouraging or knowingly facilitating certain alternative acquisition proposals with any third party, subject to exceptions set forth in the merger agreement. See "*The Merger Agreement - Agreement Not to Solicit Other Offers*." The merger agreement also provides that Southeastern must pay a termination fee in the amount of \$14 million in the event that the merger agreement is terminated for certain reasons, including circumstances involving a change in company recommendation by the Southeastern board of directors. These provisions might discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of Southeastern from considering or proposing such an acquisition. See "*The Merger Agreement - Termination Fee*."

Table of Contents

The shares of South State common stock to be received by Southeastern shareholders as a result of the merger will have different rights from the shares of Southeastern common stock.

Upon completion of the merger, Southeastern shareholders will become South State shareholders and their rights as shareholders will be governed by South Carolina law and South State's articles of incorporation and bylaws, each as amended to date. The rights associated with Southeastern common stock are different from the rights associated with South State common stock. Please see "*Comparison of Shareholders' Rights*" beginning on page [] for a discussion of the different rights associated with South State common stock.

Southeastern's shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

Currently, Southeastern's shareholders have the right to vote in the election of the Southeastern board of directors and the power to approve or reject any matters requiring shareholder approval under Georgia law and Southeastern's articles of incorporation and bylaws, each as amended to date. Upon the completion of the merger, each Southeastern shareholder will become a shareholder of South State with a percentage ownership of South State that is smaller than the shareholder's current percentage ownership of Southeastern.

After the merger, Southeastern shareholders in the aggregate are expected to become owners of approximately []% of the outstanding shares of South State common stock (without giving effect to any shares of South State common stock held by Southeastern shareholders prior to the merger). Even if all former Southeastern shareholders voted together on all matters presented from time to time to South State's shareholders, the former Southeastern shareholders would exercise significantly less influence over South State after the merger relative to their influence over Southeastern prior to the merger, and thus would have a less significant impact on the approval or rejection of future proposals submitted to a shareholder vote. Additionally, at the effective time, the initial board of directors of the surviving corporation, which will be comprised of 14 directors, will include one current member of the board of directors of either Southeastern or Georgia Bank & Trust to be designated by South State prior to closing and 13 current members of the South State board of directors.

Table of Contents

THE SOUTH STATE SPECIAL MEETING

This section contains information for South State shareholders about the special meeting that South State has called to allow its shareholders to consider and vote on the merger agreement. South State is mailing this joint proxy statement/prospectus to you, as a South State shareholder, on or about [], 2016. Together with this joint proxy statement/prospectus, South State is also sending to you a notice of the special meeting of South State shareholders and a form of proxy card that the South State board of directors is soliciting for use at the special meeting and at any adjournments or postponements of the special meeting.

Date, Time and Place of Meeting

The special meeting will be held on [], at [] local time, at [].

Matters to Be Considered

At the special meeting of shareholders, you will be asked to consider and vote upon the following matters:

the South State merger proposal; and

the South State adjournment proposal.

Recommendation of the South State Board of Directors

The South State board of directors has determined that the merger agreement and the transactions contemplated thereby, including the merger and the issuance of South State common stock, are advisable and in the best interests of South State and its shareholders and has unanimously approved the merger agreement. **The South State board of directors unanimously recommends that South State shareholders vote "FOR" the South State merger proposal and "FOR" the South State adjournment proposal.** See "*The Merger - South State's Reasons for the Merger; Recommendation of the South State Board of Directors*" for a more detailed discussion of the recommendation of the South State board of directors.

Record Date and Quorum

The South State board of directors has fixed the close of business on [] as the record date for determining the holders of South State common stock entitled to receive notice of and to vote at the South State special meeting.

As of the record date, there were [] shares of South State common stock outstanding and entitled to vote at the South State special meeting held by approximately [] holders of record. Each share of South State common stock entitles the holder to one vote at the South State special meeting on each proposal to be considered at the South State special meeting.

The presence at the special meeting, in person or by proxy, of holders of a majority of the outstanding shares of South State common stock entitled to vote at the special meeting will constitute a quorum for the transaction of business. All shares of South State common stock present in person or represented by proxy, including abstentions and broker non-votes, if any, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the South State special meeting.

Vote Required; Treatment of Abstentions and Failure to Vote

Approval of each of the South State merger proposal requires the affirmative vote of holders of at least two-thirds of the outstanding shares of South State common stock entitled to vote on each such

Table of Contents

proposal. **If you fail to vote, mark "ABSTAIN" on your proxy or fail to instruct your bank, broker or other nominee with respect to the South State merger proposal, it will have the same effect as a vote "AGAINST" such proposal.**

Approval of the South State adjournment proposal requires the affirmative vote of a majority of the votes cast by shareholders of South State at the South State special meeting. If you mark "ABSTAIN" on your proxy, fail to submit a proxy or vote in person at the South State special meeting or fail to instruct your bank, broker or other nominee how to vote with respect to the South State adjournment proposal, it will have no effect on the proposal.

Shares Held by South State Officers and Directors

As of the record date, there were [] shares of South State common stock entitled to vote at the special meeting. As of the record date, Southeastern and its subsidiaries held [] shares of South State common stock (other than shares held as fiduciary, custodian or agent), and its directors and executive officers or their affiliates held [] shares of South State common stock.

As of the record date, the directors and executive officers of South State and their affiliates beneficially owned and were entitled to vote approximately [] shares of South State common stock representing approximately []% of the shares of South State common stock outstanding on that date. We currently expect that South State's directors and executive officers will vote their shares in favor of the South State merger proposal and South State adjournment proposal, although they have no obligation to do so.

Voting of Proxies; Incomplete Proxies

Each copy of this joint proxy statement/prospectus mailed to holders of South State common stock is accompanied by a form of proxy with instructions for voting. If you hold stock in your name as a shareholder of record, you should complete and return the proxy card accompanying this joint proxy statement/prospectus, regardless of whether you plan to attend the special meeting.

If you hold your stock in "street name" through a bank, broker or other nominee, you must direct your bank or broker how to vote in accordance with the instructions you have received from your bank, broker or other nominee.

All shares represented by valid proxies that South State receives through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted "FOR" the South State merger proposal and "FOR" the South State adjournment proposal. No matters other than the matters described in this joint proxy statement/prospectus are anticipated to be presented for action at the special meeting or at any adjournment or postponement of the special meeting. However, if other business properly comes before the special meeting, the proxy agents will, in their discretion, vote upon such matters in their best judgment.

Shares Held in "Street Name"; Broker Non-Votes

Under stock exchange rules, banks, brokers and other nominees who hold shares of South State common stock in "street name" for a beneficial owner of those shares typically have the authority to vote in their discretion on "routine" proposals when they have not received instructions from beneficial owners. However, banks, brokers and other nominees are not allowed to exercise their voting discretion with respect to the approval of matters determined to be "non-routine," without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker, bank or other nominee that are represented at the South State special meeting, but with respect to which the broker or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker

Table of Contents

does not have discretionary voting power on such proposal. If your broker, bank or other nominee holds your shares of South State common stock in "street name," your broker, bank or other nominee will vote your shares of South State common stock only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker, bank or other nominee with this joint proxy statement/prospectus. We believe that the South State merger proposal and the South State adjournment proposal are "non-routine" proposals and your bank, broker or other nominee can vote your shares of South State common stock only with your specific voting instructions.

Revocability of Proxies and Changes to a South State Shareholder's Vote

If you hold stock in your name as a shareholder of record, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to William C. Bochette III, South State's corporate secretary or (3) attending the special meeting in person, notifying Mr. Bochette and voting by ballot at the special meeting.

Any shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence (without notifying Mr. Bochette, South State's corporate secretary) of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

Written notices of revocation and other communications about revoking your proxy should be addressed to:

South State Corporation
520 Gervais Street
Columbia, South Carolina 29201
Attention: William C. Bochette III, Corporate Secretary

If your shares are held in "street name" by a bank or broker, you should follow the instructions of your bank or broker regarding the revocation of proxies.

Solicitation of Proxies

South State is soliciting your proxy in conjunction with the merger. South State will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, South State will request that banks, brokers and other record holders send proxies and proxy material to the beneficial owners of South State common stock and secure their voting instructions. South State will reimburse the record holders for their reasonable expenses in taking those actions. If necessary, South State may use its directors and several of its regular employees, who will not be specially compensated, to solicit proxies from the South State shareholders, either personally or by telephone, facsimile, letter or electronic means.

Attending the Meeting

All holders of South State common stock, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Shareholders of record can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy executed in your favor from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. South State reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo

Table of Contents

identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the special meeting is prohibited without South State's express written consent.

Assistance

If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of South State common stock, please contact William C. Bochette III, South State's corporate secretary, at the following address or telephone number:

520 Gervais Street
Columbia, South Carolina 29201
(800) 277-2175

Table of Contents

THE SOUTHEASTERN SPECIAL MEETING

This section contains information for Southeastern shareholders about the special meeting that Southeastern has called to allow its shareholders to consider and vote on the merger agreement. Southeastern is mailing this joint proxy statement/prospectus to you, as a Southeastern shareholder, on or about [], 2016. Together with this joint proxy statement/prospectus, Southeastern is also sending to you a notice of the special meeting of Southeastern shareholders and a form of proxy card that the Southeastern board of directors is soliciting for use at the special meeting and at any adjournments or postponements of the special meeting.

This joint proxy statement/prospectus is also being furnished by South State to Southeastern shareholders as a prospectus in connection with the issuance of shares of South State common stock as merger consideration upon the consummation of the merger.

Date, Time and Place of Meeting

The special meeting will be held on [], at [] local time, at [].

Matters to Be Considered

At the special meeting of shareholders, you will be asked to consider and vote upon the following matters:

the Southeastern merger proposal;

the Southeastern adjournment proposal; and

the compensation proposal.

Recommendation of the Southeastern Board of Directors

The Southeastern board of directors has determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and in the best interests of Southeastern and its shareholders and has unanimously approved the merger agreement. **The Southeastern board of directors unanimously recommends that Southeastern shareholders vote "FOR" the Southeastern merger proposal, "FOR" the Southeastern adjournment proposal and "FOR" the compensation proposal.** See "*The Merger Southeastern's Reasons for the Merger; Recommendation of the Southeastern Board of Directors*" for a more detailed discussion of the recommendation of the Southeastern board of directors.

Record Date and Quorum

The Southeastern board of directors has fixed the close of business on [] as the record date for determining the holders of shares of Southeastern common stock entitled to receive notice of and to vote at the Southeastern special meeting.

As of the record date, there were [] shares of Southeastern common stock outstanding and entitled to vote at the Southeastern special meeting held by approximately [] holders of record. Each share of Southeastern common stock entitles the holder to one vote at the Southeastern special meeting on each proposal to be considered at the Southeastern special meeting.

The presence at the special meeting, in person or by proxy, of holders of a majority of the outstanding shares of Southeastern common stock will constitute a quorum for the transaction of business. All shares of Southeastern common stock present in person or represented by proxy, including abstentions and broker non-votes, if any, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the Southeastern special meeting.

Table of Contents

Vote Required; Treatment of Abstentions and Failure to Vote

Approval of the Southeastern merger proposal requires the affirmative vote of at least a majority of the outstanding shares of Southeastern common stock entitled to vote on the proposal. **If you fail to vote, mark "ABSTAIN" on your proxy or fail to instruct your bank, broker or other nominee with respect to the proposal to approve the merger agreement, it will have the same effect as a vote "AGAINST" the proposal.**

Approval of each of the Southeastern adjournment proposal and the compensation proposal requires the affirmative vote of a majority of the votes cast by shareholders of Southeastern common stock at the Southeastern special meeting. If you mark "ABSTAIN" on your proxy, fail to submit a proxy or vote in person at the Southeastern special meeting or fail to instruct your bank, broker or other nominee how to vote with respect to the Southeastern adjournment proposal or the compensation proposal, it will have no effect on such proposals.

Shares Held by Southeastern Officers and Directors

As of the record date, there were [] shares of Southeastern common stock entitled to vote at the special meeting.

As of the record date, South State and its subsidiaries held [] shares of Southeastern common stock (other than shares held as fiduciary, custodian or agent), and its directors and executive officers or their affiliates held [] shares of Southeastern common stock.

As of the record date, the directors and executive officers of Southeastern and their affiliates beneficially owned and were entitled to vote approximately [] shares of Southeastern common stock representing approximately []% of the shares of Southeastern common stock outstanding on that date. See "*The Merger Interests of Southeastern's Directors and Executive Officers in the Merger.*"

Each of the directors and certain other individual shareholders of Southeastern have entered into a voting and support agreement with South State and Southeastern, solely in their capacities as shareholders of Southeastern, pursuant to which they have agreed, among other things, to vote in favor of the Southeastern merger proposal and the other proposals presented at the Southeastern special meeting and against any alternative acquisition proposal. For more information regarding the voting and support agreements, see "*The Merger Agreement Voting and Support Agreements.*" As of the record date, Southeastern shareholders who are parties to the voting and support agreements beneficially owned and were entitled to vote approximately [] shares of Southeastern common stock representing approximately []% of the shares of Southeastern common stock outstanding on that date.

Voting of Proxies; Incomplete Proxies

Each copy of this joint proxy statement/prospectus mailed to holders of Southeastern common stock is accompanied by a form of proxy with instructions for voting. If you hold stock in your name as a shareholder of record, you should complete and return the proxy card accompanying this joint proxy statement/prospectus, regardless of whether you plan to attend the special meeting.

If you hold your stock in "street name" through a bank, broker or other nominee, you must direct your bank or broker how to vote in accordance with the instructions you have received from your bank, broker or other nominee.

Do not send your Southeastern stock certificates with your proxy card. After the merger is completed, you will be mailed a transmittal form with instructions on how to exchange your Southeastern stock certificates for the merger consideration.

Table of Contents

All shares represented by valid proxies that Southeastern receives through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted "FOR" the Southeastern merger proposal, "FOR" the Southeastern adjournment proposal and "FOR" the compensation proposal. No matters other than the matters described in this joint proxy statement/prospectus are anticipated to be presented for action at the special meeting or at any adjournment or postponement of the special meeting. However, if other business properly comes before the special meeting, the proxy agents will, in their discretion, vote upon such matters in their best judgment.

Shares Held in "Street Name"; Broker Non-Votes

Under stock exchange rules, banks, brokers and other nominees who hold shares of Southeastern common stock in "street name" for a beneficial owner of those shares typically have the authority to vote in their discretion on "routine" proposals when they have not received instructions from beneficial owners. However, banks, brokers and other nominees are not allowed to exercise their voting discretion with respect to the approval of matters determined to be "non-routine," without specific instructions from the beneficial owner. Broker non-votes are shares held by a bank, broker or other nominee that are represented at the Southeastern special meeting, but with respect to which the bank, broker or other nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on such proposal. If your bank, broker or other nominee holds your shares of Southeastern common stock in "street name," your bank, broker or other nominee will vote your shares of Southeastern common stock only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your bank, broker or other nominee with this joint proxy statement/prospectus. We believe that the Southeastern merger proposal, the Southeastern adjournment proposal and the compensation proposal are "non-routine" proposals and your bank, broker or other nominee can vote your shares of Southeastern common stock only with your specific voting instructions.

Revocability of Proxies and Changes to a Southeastern Shareholder's Vote

If you hold stock in your name as a shareholder of record, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Southeastern's corporate secretary or (3) attending the special meeting in person, notifying the corporate secretary and voting by ballot at the special meeting.

Any shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence (without notifying Southeastern's corporate secretary) of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

Written notices of revocation and other communications about revoking your proxy should be addressed to:

Southeastern Bank Financial Corporation
3530 Wheeler Road
Augusta, Georgia 30909
Attention: Secretary

If your shares are held in "street name" by a bank, broker or nominee, you should follow the instructions of your bank, broker or nominee regarding the revocation of proxies.

Table of Contents

Solicitation of Proxies

Southeastern is soliciting your proxy in conjunction with the merger. Southeastern will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, Southeastern will request that banks, brokers and other nominees send proxies and proxy material to the beneficial owners of Southeastern common stock and secure their voting instructions. Southeastern will reimburse the record holders for their reasonable expenses in taking those actions. If necessary, Southeastern may use its directors and employees, who will not be specially compensated, to solicit proxies from the Southeastern shareholders, either personally or by telephone, facsimile, letter or electronic means.

Attending the Meeting

All holders of Southeastern common stock, including shareholders of record and shareholders who hold their shares through banks, brokers or nominees, are invited to attend the special meeting. Shareholders of record can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy executed in your favor from the record holder of your shares, such as a bank, broker or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. Southeastern reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the special meeting is prohibited without Southeastern's express written consent.

Assistance

If you have any questions concerning the merger or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of Southeastern common stock, please contact Darrell R. Rains, Executive Vice President and Chief Financial Officer, 4487 Columbia Road, Martinez, Georgia 30907, (706) 738-1378.

Table of Contents

INFORMATION ABOUT SOUTH STATE

South State Corporation is a South Carolina corporation that is a BHC registered with the Federal Reserve Board under the BHC Act. South State provides a wide range of banking services and products to its customers through its wholly owned bank subsidiary, South State Bank, a South Carolina banking corporation (which we refer to as "South State Bank"). South State does not engage in any significant operations other than the ownership of its banking subsidiary.

South State Bank provides a full range of retail and commercial banking services, mortgage lending services, trust and investment services, and consumer finance loans through financial centers in South Carolina, North Carolina, northeast Georgia, and coastal Georgia. South State coordinates the financial resources of the consolidated enterprise and thereby maintains financial, operational and administrative systems that allow centralized evaluation of subsidiary operations and coordination of selected policies and activities. South State's operating revenues and net income are derived primarily from cash dividends received from South State Bank. As of June 30, 2016, South State had approximately \$8.8 billion in assets, \$6.4 billion in loans, \$7.2 billion in deposits, \$1.1 billion in shareholders' equity, and a market capitalization of approximately \$1.8 billion.

South State Bank began operating in 1934 and has maintained its ability to provide superior customer service while also leveraging its size to offer many products more common to super-regional banks. South State has pursued a growth strategy that relies primarily on organic growth, supplemented by the acquisition of select financial institutions or branches in certain market areas. In recent years, South State has continued to grow its business in South Carolina, and has expanded into North Carolina and Georgia through, among other things, the following acquisitions:

Community Bank & Trust January 29, 2010 FDIC purchase and assumption agreement

Habersham Bank February 18, 2011 FDIC purchase and assumption agreement

BankMeridian, N.A. July 29, 2011 FDIC purchase and assumption agreement

Peoples Bancorporation, Inc. April 24, 2012 Whole bank acquisition

The Savannah Bancorp, Inc. December 13, 2012 Whole bank acquisition

First Financial Holdings, Inc. July 26, 2013 Whole bank acquisition with FDIC purchase and assumption agreements of Cape Fear Bank and Plantation Federal Bank

Bank of America, N.A. ("BOA") August 21, 2015 Branch acquisition, which resulted in the purchase of 12 South Carolina branch locations and one Georgia branch location from BOA.

The principal executive offices of South State are located at 520 Gervais Street, Columbia, South Carolina 29201, and its telephone number is (800) 277-2175. South State's website can be accessed at <http://www.southstatebank.com>. Information contained in South State's website does not constitute part of, and is not incorporated into, this joint proxy statement/prospectus. South State common stock is quoted on the NASDAQ under the symbol "SSB."

Additional information about South State and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See "*Where You Can Find More Information.*"

Table of Contents

INFORMATION ABOUT SOUTHEASTERN

Southeastern is a Georgia corporation that is a BHC registered with the Federal Reserve Board under the BHC Act. Southeastern's wholly-owned subsidiary, Georgia Bank & Trust Company of Augusta, primarily does business in the Augusta-Richmond County, GA-SC metropolitan area. Georgia Bank & Trust operates its main office and eight full service branches in Augusta, Martinez, and Evans, Georgia, with mortgage origination offices located in Augusta and Savannah, Georgia. Georgia Bank & Trust also operates three full service branches in North Augusta and Aiken, South Carolina under the name "Southern Bank & Trust, a division of Georgia Bank & Trust Company of Augusta."

Georgia Bank & Trust is community oriented and focuses primarily on offering real estate, commercial and consumer loans and various deposit and other services to individuals, small to medium sized businesses and professionals in its market area. Georgia Bank & Trust is the largest locally owned and operated financial institution headquartered in Richmond and Columbia Counties of Georgia. Each member of Southeastern's management team is a banking professional with many years of experience in the Augusta or Aiken market with this and other banking organizations. A large percentage of Southeastern's management has worked together for many years. Georgia Bank & Trust competes against the larger regional and super-regional banks operating in its market by emphasizing the stability and accessibility of its management, management's long-term familiarity with the market, immediate local decision making and the pride of local ownership.

The principal executive offices of Southeastern are located at 3530 Wheeler Road, Augusta, Georgia 30909, and its telephone number is (706) 738-6990. Southeastern's website can be accessed at <http://www.georgiabankandtrust.com>. Information contained in Southeastern's website does not constitute part of, and is not incorporated into, this joint proxy statement/prospectus. Southeastern common stock is quoted on OTCQB under the symbol "SBFC."

Additional information about Southeastern and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See "*Where You Can Find More Information.*"

Table of Contents

THE MERGER

The following discussion contains certain information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement attached as **Annex A** to this joint proxy statement/prospectus. We urge you to read carefully this entire joint proxy statement/prospectus, including the merger agreement attached as **Annex A**, for a more complete understanding of the merger.

Terms of the Merger

Each of the South State board of directors and the Southeastern board of directors has unanimously approved the merger agreement. The merger agreement provides for the merger of Southeastern with and into South State, with South State continuing as the surviving entity. In the merger, each share of Southeastern common stock, par value \$3.00 per share, issued and outstanding immediately prior to the completion of the merger, except for specified shares of Southeastern common stock held by Southeastern or South State and dissenting shares, will be converted into the right to receive 0.7307 shares of South State common stock, par value \$2.50 per share. Immediately following the merger, Georgia Bank & Trust, a wholly owned bank subsidiary of Southeastern, will merge with and into South State Bank, with South State Bank continuing as the surviving bank. No fractional shares of South State common stock will be issued in connection with the merger, and holders of Southeastern common stock will be entitled to receive, in lieu thereof, an amount in cash, rounded to the nearest whole cent, equal to (x) the fraction of a share of South State common stock to which the holder would otherwise be entitled multiplied by (y) the South State share value. For a discussion of the treatment of awards outstanding under Southeastern's equity plans outstanding as of the effective time, see "*The Merger Agreement Treatment of Southeastern Equity Awards.*"

Southeastern shareholders and South State shareholders are being asked to approve the merger agreement. See "*The Merger Agreement*" for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to the completion of the merger and the provisions for terminating or amending the merger agreement.

Background of the Merger

Each of the South State board of directors and the Southeastern board of directors and the companies' respective senior management have from time to time separately engaged in reviews and discussions of long-term strategies and objectives and have considered ways to enhance their respective companies' performance and prospects in light of competitive and other relevant developments, all with the goal of enhancing shareholder value. For each company, these reviews have included periodic discussions with respect to potential transactions that would further its strategic objectives and the potential benefits and risks of any such transactions.

In October 2015, the Southeastern board of directors directed senior management to explore means of obtaining greater liquidity for shareholders of Southeastern that may be looking to sell their shares at prices which were representative of Southeastern's market, operations and prospects. Thereafter, in November 2015, senior management held preliminary discussions with Sandler O'Neill regarding Southeastern's financial position and strategic alternatives, including analysis of Southeastern's stand-alone financial projections, potential acquisition opportunities, minority liquidity options and a potential sale of Southeastern.

In October 2015, South State's Chief Executive Officer, Robert R. Hill, Jr., reached out to Southeastern's Chief Executive Officer, R. Daniel Blanton, to request a meeting. During the meeting, which was held on October 28, 2015, Messrs. Hill and Blanton reviewed the opportunities available to, and challenges faced by, their respective companies and, on an informal basis, discussed, in general terms, the possibility of a strategic transaction involving South State and Southeastern.

Table of Contents

On December 2, 2015, the Southeastern board of directors held a special meeting to review senior management's exploration of potential liquidity options. Representatives of Bryan Cave LLP ("Bryan Cave"), Southeastern's legal advisors, met with the Southeastern board of directors to discuss Southeastern's strategic alternatives. Following significant discussion amongst the Southeastern board of directors, the Southeastern board of directors unanimously authorized senior management to engage Sandler O'Neill to assist Southeastern in its exploration of strategic alternatives.

In December 2015, Messrs. Hill and Blanton had a series of phone conversations in which they discussed, on an informal basis, the general terms of a potential transaction involving South State and Southeastern.

In early January 2016, Southeastern formally engaged Sandler O'Neill as its financial advisor.

On March 23, 2016, representatives of Sandler O'Neill delivered a presentation to the Southeastern board of directors regarding strategic alternatives for Southeastern, including a review of Southeastern's prospects remaining independent and an analysis of the merger market for commercial banks in the southeastern United States, which included identifying a universe of 28 potential merger partners. Sandler O'Neill's presentation included a review of Southeastern's strategic position in the Augusta, Georgia, market, Southeastern's market valuation as a public company with limited trading liquidity, and the landscape for community bank merger activity in the southeastern United States. Representatives of Sandler O'Neill reviewed with the Southeastern board of directors some of the challenges that Southeastern could expect to face if it remained independent, including challenges related to providing liquidity to shareholders, replacing senior management over time, board succession planning, and increasing regulatory burdens.

Sandler O'Neill's representatives also reviewed a list of potential buyers, identifying seven institutions, including South State, which Sandler O'Neill identified as having the financial capacity and geographic and strategic fit to maximize the consideration that would be delivered in a potential transaction with Southeastern. Sandler O'Neill's presentation included further analysis of these seven institutions, including analysis regarding the capacity and fit of each institution for a transaction with Southeastern. Various senior officers and directors of Southeastern had known senior officers and directors of each of the seven identified potential counterparties over many years through their prior employment, trade group involvement and civic activities.

At the same meeting, representatives of Bryan Cave reviewed the directors' fiduciary duties under Georgia law in the context of a potential merger transaction. Representatives of Sandler O'Neill and Bryan Cave also discussed with the Southeastern board of directors various potential processes for engaging in strategic alternatives, ranging from a purely negotiated sale with one counterparty to an auction with broad participation, including the possible benefits and risks of each approach. The Southeastern board of directors discussed with its representatives its desire to maximize the confidentiality of the process, feeling that a broad auction approach would be more likely to result in harmful leaks of information, which could reduce the value of Southeastern. Following significant discussions of the capacity and fit of the seven identified potential counterparties, the culture of each, and the desire of the Southeastern board of directors to preserve the confidentiality of a potential transaction, the Southeastern board of directors selected two of the seven potential parties as having the best mix of capacity, fit and culture: South State and another publicly traded bank holding company headquartered in the southeastern United States referred to as "Party A." Accordingly, the Southeastern board of directors instructed representatives of Sandler O'Neill to conduct parallel preliminary discussions with both South State and Party A.

In April 2016, representatives of Sandler O'Neill distributed non-disclosure agreements to the two parties previously selected by the Southeastern board of directors. After each party executed a non-disclosure agreement, representatives of Sandler O'Neill distributed confidential preliminary due diligence materials and provided access to a virtual data room to both parties. At the end of April,

Edgar Filing: SOUTH STATE Corp - Form S-4

Table of Contents

South State contacted KBW to serve as its outside financial advisor in connection with the potential strategic transaction with Southeastern.

In early May, Southeastern's senior management and representatives of Sandler O'Neill separately met with both parties for preliminary due diligence meetings and provided responses to their respective requests for additional information.

On May 16, 2016, Southeastern received non-binding indications of interests from both parties.

South State's non-binding indication of interest proposed merger consideration consisting of 100% stock at a price equal to \$52.00 per share, for an aggregate implied purchase price of approximately \$352 million. Based upon South State's closing stock price on May 13, 2016, the \$52.00 per share offer represented an exchange ratio of 0.757 shares of South State common stock for each outstanding share of Southeastern common stock.

Party A submitted a non-binding indication of interest proposing merger consideration consisting of 60% stock and 40% cash at a price range between \$45.00 and \$50.00 per share, which represented an aggregate implied purchase price of between \$304 million and \$339 million.

The Southeastern board of directors held a special meeting on May 18, 2016 to discuss the two non-binding indications of interest previously received. Representatives of Sandler O'Neill and Bryan Cave were also present at the meeting and advised the Southeastern board of directors on the terms of the respective indications of interest. Following discussion, the Southeastern board of directors directed representatives of Sandler O'Neill and Bryan Cave to seek a few clarifications from South State regarding the non-binding indication of interest it had submitted, and assuming satisfactory resolution of such clarifications, to pursue negotiation and entry into a definitive merger agreement with South State.

On May 23, 2016, South State and Southeastern executed a non-binding indication of interest (the "May 23 Letter"), which provided for an all-stock transaction based on an implied offer price of \$52.00 per share with a fixed exchange ratio to be based on the 20 trading-day volume weighted average price for South State prior to the execution of a definitive agreement, provided that the exchange ratio would not be less than 0.7206:1 or above 0.7964:1. Pursuant to the terms of the May 23 Letter, Southeastern agreed to work exclusively with South State from the date of the May 23 Letter until July 1, 2016, with respect to any potential transaction, including any potential merger, business combination or sale of all or substantially all of the stock or assets of Southeastern or any of its subsidiaries.

Following execution of the May 23 Letter, confirmatory due diligence between the parties continued. Members of senior management of each party held periodic discussions regarding the terms of a potential strategic transaction, and each party exchanged materials and information and scheduled meetings to facilitate mutual due diligence.

On June 7, 2016, South State and Southeastern, accompanied by their respective advisors, including representatives from KBW, Wachtell, Lipton, Rosen & Katz ("Wachtell Lipton"), Sandler O'Neill and Bryan Cave, attended a series of on-site due diligence and management meetings at South State's corporate headquarters in Columbia, South Carolina. Throughout the day, members of management of each of the companies and their advisors engaged in a series of comprehensive discussions about South State's and Southeastern's respective businesses, prospects and financial condition.

On June 8, 2016, representatives of Wachtell Lipton provided Bryan Cave a draft merger agreement and draft form of voting and support agreement. Over the next several days, representatives of Wachtell Lipton and Bryan Cave discussed and negotiated the terms and conditions set forth in the draft merger agreement, including, among other things, provisions related to the conditions to closing

Table of Contents

under and termination of the merger agreement, as well as certain provisions set forth in the draft form of voting and support agreement. During this time, representatives of South State and Southeastern also continued to engage in a number of additional due diligence conversations.

On June 15, 2016, the Southeastern board of directors held a special meeting to review the terms of proposed merger agreement with South State. Representatives of Bryan Cave and Sandler O'Neill were also present. Representatives of Bryan Cave again reviewed the fiduciary duties of the directors under Georgia law in the context of the strategic transaction, circulated copies of the most recent draft of the merger agreement and of the other draft transaction documents, as well as a summary of the terms thereof and discussed the material terms and conditions set forth in the draft merger agreement.

On the morning of June 16, 2016, the Southeastern board of directors met and heard an updated presentation by representatives of Sandler O'Neill, which discussed the basis for Sandler O'Neill's opinion that the proposed merger consideration was fair from a financial point of view to Southeastern's common shareholders. Sandler O'Neill then rendered its oral opinion (which was subsequently confirmed in writing) to the Southeastern board of directors to the effect that, as of June 16, 2016 and subject to the factors and assumptions set forth in such opinion, the merger consideration was fair to the holders of Southeastern common stock from a financial point of view. Representatives of Bryan Cave reviewed resolutions to approve and authorize the signing of the merger agreement and the submission of the merger agreement to Southeastern's shareholders for approval with the Southeastern board of directors' recommendation that the shareholders vote for approval of the merger agreement. After considering the proposed terms of the merger agreement and the various presentations of its financial and legal advisors, and taking into consideration the matters discussed during the meeting, including factors described under " *Southeastern's Reasons for the Merger; Recommendation of the Southeastern Board of Directors*," the Southeastern board of directors unanimously voted to adopt the resolutions and approve the signing of the merger agreement.

On the morning of June 16, 2016, the South State board of directors held a special meeting to review the terms of the proposed merger agreement with Southeastern. Representatives of Wachtell Lipton and KBW were also present. Prior to the meeting, the directors received copies of the most recent draft of the merger agreement and of the other draft transaction documents as well as a summary of the terms thereof and draft resolutions of the South State board of directors from Wachtell Lipton, and materials prepared by KBW. Representatives of Wachtell Lipton reviewed the fiduciary duties of the directors under South Carolina law in the context of the strategic transaction, and summarized and discussed the material terms and conditions set forth in the draft merger agreement. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered to the South State board of directors an oral opinion (which was subsequently confirmed in writing) to the effect that, as of that date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to South State. Representatives of Wachtell Lipton then reviewed resolutions to approve and authorize the signing of the merger agreement and the submission of the merger agreement to South State's shareholders for approval with the recommendation of the South State board of directors that the shareholders vote for approval of the merger agreement. After considering the proposed terms of the merger agreement and the various presentations of its financial and legal advisors, and taking into consideration the matters discussed during the meeting, including factors described under " *South State's Reasons for the Merger; Recommendation of the South State Board of Directors*," the South State board of directors unanimously voted to adopt the resolutions and approve the signing of the merger agreement.

Thereafter, on the evening of June 16, 2016, the merger agreement and the voting and support agreements were executed by South State and Southeastern, and certain shareholders party thereto.

Table of Contents

Before market open on June 17, 2016, South State and Southeastern issued a joint press release announcing the execution of the merger agreement and the terms of the merger.

South State's Reasons for the Merger; Recommendation of the South State Board of Directors

After careful consideration, the South State board of directors, at a meeting held on June 16, 2016, unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger and the issuance of South State common stock, are advisable and in the best interests of South State and its shareholders.

Accordingly, the South State board of directors unanimously adopted and approved the merger agreement and unanimously recommends that South State shareholders vote (1) "FOR" the proposal to approve the merger agreement and (2) "FOR" the proposal to adjourn the South State special meeting, if necessary or appropriate, to solicit additional proxies in favor of the South State merger proposal.

In reaching its decision to adopt and approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, and to recommend that South State shareholders approve the merger, the South State board of directors evaluated the merger agreement and the merger in consultation with South State management, as well as with its outside financial and legal advisors, and considered a number of factors, including the following material factors:

each of South State's, Southeastern's and the combined company's businesses, operations, financial condition, asset quality, earnings and prospects. In reviewing these factors, the South State board of directors considered its view that Southeastern's financial condition and asset quality are sound, that Southeastern's business and operations complement those of South State, and that the merger and the other transactions contemplated by the merger agreement would result in a combined company with a larger market presence and more diversified loan portfolio as well as a more attractive funding base, than South State on a stand-alone basis. The South State board of directors further considered that Southeastern's earnings and prospects, and the synergies potentially available in the proposed merger, create the opportunity for the combined company to have superior future earnings and prospects compared to South State's earnings and prospects on a stand-alone basis. In particular, the South State board of directors considered the following:

the strategic rationale for the merger, given its potential of enhancing South State's Georgia-South Carolina border franchise and the close proximity of Southeastern to South State's existing franchise;

potential growth opportunities through South State's expansion into the desirable Augusta, Georgia market, in which Southeastern currently is second in deposit share and expanded branch network through South Carolina, Georgia and North Carolina;

the complementary nature of the cultures of the two companies, which management believes should facilitate integration and implementation of the transaction;

no branch overlap, which would lead to superior employee retention; and

Southeastern's proven organic growth capabilities without material strategic transformations;

the anticipated pro forma impact of the merger on the combined company, including the expected positive impact on certain financial metrics;

its understanding of the current and prospective environment in which South State and Southeastern operate, including national, regional and local economic conditions, the

Edgar Filing: SOUTH STATE Corp - Form S-4

Table of Contents

competitive environment for financial institutions generally and the likely effect of these factors on South State both with and without the merger;

its review and discussions with South State's management concerning the due diligence examination of Southeastern's business;

South State management's expectation that South State will retain its strong capital position and asset quality upon completion of the transaction;

the opinion, dated June 16, 2016, of KBW, South State's financial advisor, to the South State board of directors, to the effect that, as of that date, and based on the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by KBW as set forth in the opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to South State, as more fully described below in " *Opinion of Keefe, Bruyette & Woods, Inc.* ";

its review with its outside legal advisor, Wachtell Lipton, of the terms of the merger agreement, including the tax treatment, deal protection and termination provisions;

the fact that South State's shareholders would have an opportunity to approve the merger;

South State's past record of integrating acquisitions and of realizing projected financial goals and benefits of acquisitions;

the possibility of encountering difficulties in achieving anticipated cost synergies and savings in the amounts estimated or in the time frame contemplated;

the possibility of encountering difficulties in successfully integrating Southeastern's business, operations and workforce with those of South State;

the fact that the combined company will have more than \$10 billion in assets on a pro forma basis and thus be subject to greater compliance requirements and limitations on certain types of fee income;

certain anticipated merger-related costs;

the diversion of management attention and resources from the operation of South State's business and toward the completion of the merger; and

the regulatory and other approvals required in connection with the merger and the bank merger and the risk that such regulatory approvals will not be received in a timely manner or may impose unacceptable conditions.

The foregoing discussion of the information and factors considered by the South State board of directors is not intended to be exhaustive, but includes the material factors considered by the South State board of directors. In view of the wide variety of the factors considered in connection with its evaluation of the merger and the complexity of these matters, the South State board of directors did not find it useful, and did not attempt, to quantify, rank or otherwise assign relative weights to these factors. In considering the factors described above, the individual members of the South State board of directors may have given different weight to different factors. The South State board of directors considered all these factors as a whole and considered the factors overall to be favorable to, and to support, its determination.

Table of Contents

The foregoing explanation of the South State board of directors' reasoning and all other information presented in this section contains information that is forward-looking in nature, and therefore should be read in light of the factors discussed in "*Cautionary Statement Regarding Forward-Looking Statements*."

Opinion of Keefe, Bruyette & Woods, Inc.

South State engaged KBW to render financial advisory and investment banking services to South State, including providing an opinion to the South State board of directors as to the fairness, from a financial point of view, to South State of the exchange ratio in the merger. South State selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger and familiarity with South State and its business. As part of its investment banking business, KBW is continually engaged in the valuation of financial services businesses and their securities in connection with mergers and acquisitions.

In connection with its engagement, representatives of KBW attended the meeting of the South State board of directors held on June 16, 2016 at which the South State board of directors evaluated the merger. At this meeting, KBW reviewed the financial aspects of the merger and rendered an oral opinion (subsequently confirmed in writing) to the South State board of directors to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion, the exchange ratio in the merger was fair, from a financial point of view, to South State. The South State board of directors approved the merger agreement at this meeting.

The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the written opinion, dated as of June 16, 2016, which is attached as Annex B to this document and is incorporated herein by reference, and describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion. South State's shareholders are encouraged to read the opinion in its entirety.

KBW's opinion speaks only as of the date of the opinion. The opinion was for the information of, and was directed to, the South State board of directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion addressed only the fairness, from a financial point of view, of the exchange ratio in the merger, to South State. It did not address the underlying business decision of South State to engage in the merger or enter into the merger agreement or constitute a recommendation to the South State board of directors in connection with the merger, and it does not constitute a recommendation to any holder of South State common stock or any shareholder of any other entity as to how to vote in connection with the merger or any other matter.

KBW's opinion was reviewed and approved by KBW's Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

In connection with the opinion, KBW reviewed, analyzed and relied upon material bearing upon the financial and operating condition of South State and Southeastern and bearing upon the merger, including, among other things:

a draft of the merger agreement, dated June 14, 2016 (the most recent draft then made available to KBW);

the audited financial statements and the Annual Reports on Form 10-K for the three fiscal years ended December 31, 2015 of South State;

Edgar Filing: SOUTH STATE Corp - Form S-4

Table of Contents

the unaudited quarterly financial statements and Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2016 of South State;

the audited financial statements and the Annual Reports on Form 10-K for the three fiscal years ended December 31, 2015 of Southeastern;

the unaudited quarterly financial statements and Quarterly Reports on Form 10-Q for the fiscal quarter ended March 31, 2016 of Southeastern;

certain regulatory filings of South State and Southeastern and their respective subsidiaries, including the quarterly FRY-9Cs and call reports filed with respect to each quarter during the three-year period ended December 31, 2015 and the quarter ended March 31, 2016;

certain other interim reports and other communications of South State and Southeastern to their respective stockholders; and

other financial information concerning the businesses and operations of South State and Southeastern furnished to KBW by South State and Southeastern or which KBW was otherwise directed to use for purposes of its analysis.

KBW's consideration of financial information and other factors that it deemed appropriate under the circumstances or relevant to its analyses included, among others, the following:

the historical and current financial position and results of operations of South State and Southeastern;

the assets and liabilities of South State and Southeastern;

the nature and terms of certain other merger transactions and business combinations in the banking industry;

a comparison of certain financial information of South State and Southeastern and certain stock market information of South State with similar information for certain other companies the securities of which are publicly traded;

financial and operating forecasts of Southeastern with respect to the 2016 fiscal year that were prepared by, and provided to KBW and discussed with KBW by, the management of Southeastern, and financial and operating forecasts of Southeastern with respect to fiscal years 2017 through 2022 that were prepared by, and provided to KBW and discussed with KBW by, the management of South State, all of which information was used and relied upon by KBW based on such discussions with such managements, at the direction of South State management and with the consent of the South State board of directors;

publicly available consensus "street estimates" of South State for 2016 and 2017, which information was discussed with KBW by such management and used and relied upon by KBW at the direction of such management and with the consent of the South State board of directors; and

estimates regarding certain pro forma financial effects of the merger on South State (including but not limited to the potential cost savings and related expenses expected to result or be derived from the merger) that were prepared by South State management, provided to and discussed with KBW by such management, and used and relied upon at the direction of such management with the consent of the South State board of directors.

Edgar Filing: SOUTH STATE Corp - Form S-4

KBW also performed such other studies and analyses as it considered appropriate and took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuation and knowledge of the banking industry generally. KBW also participated in discussions that were held with the managements of South State

Table of Contents

and Southeastern regarding the past and current business operations, regulatory relations, financial condition and future prospects of their respective companies and such other matters that KBW deemed relevant to its inquiry.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information provided to it or publicly available and did not independently verify the accuracy or completeness of any such information or assume any responsibility or liability for such verification, accuracy or completeness. KBW relied, with the consent of South State, upon the management of Southeastern as to the reasonableness and achievability of the fiscal year 2016 financial and operating forecasts of Southeastern (and the assumptions and bases therefor) referred to above, and KBW assumed that such forecasts were reasonably prepared on bases reflecting the best currently available estimates and judgments of such management and that such forecasts would be realized in the amounts and in the time periods estimated by such management. KBW further relied upon South State management as to the reasonableness and achievability of the fiscal years 2017 through 2022 financial and operating forecasts of Southeastern (and the assumptions and bases therefor) referred to above, as well as the publicly available consensus "street estimates" of South State for 2016 and 2017 and the estimates regarding certain pro forma financial effects of the merger on South State (and the assumptions and bases therefor, including, without limitation, the potential cost savings and related expenses expected to result or be derived from the merger) referred to above, and KBW assumed that all of such forecasts and estimates were reasonably prepared on bases reflecting, or in the case of such publicly available consensus "street estimates" of South State were consistent with, the best currently available estimates and judgments of South State management, and that the forecasts and estimates reflected in such information would be realized in the amounts and in the time periods estimated.

It is understood that such forecasts and estimates of South State and Southeastern that were provided to and discussed with KBW were not prepared with the expectation of public disclosure, that all such forecasts and projections, together with the publicly available consensus "street estimates" of South State referred to above, were based on numerous variables and assumptions that are inherently uncertain, including, without limitation, factors related to general economic and competitive conditions and that, accordingly, actual results could vary significantly from those set forth in such information. KBW assumed, based on discussions with the managements of South State and Southeastern and with consent of the South State board of directors, that all such information provided a reasonable basis upon which KBW could form its opinion and KBW expressed no view as to any such information or the assumptions or bases therefor. KBW relied on all such information without independent verification or analysis and did not in any respect assume any responsibility or liability for the accuracy or completeness thereof.

KBW assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business or prospects of either South State or Southeastern since the date of the last financial statements of each such entity that were made available to KBW. KBW is not an expert in the independent verification of the adequacy of allowances for loan and lease losses and KBW assumed, without independent verification and with South State's consent, that the aggregate allowances for loan and lease losses for South State and Southeastern are adequate to cover such losses. In rendering its opinion, KBW did not make or obtain any evaluations or appraisals or physical inspection of the property, assets or liabilities (contingent or otherwise) of South State or Southeastern, the collateral securing any of such assets or liabilities, or the collectability of any such assets, nor did KBW examine any individual loan or credit files, nor did it evaluate the solvency, financial capability or fair value of South State or Southeastern under any state or federal laws, including those relating to bankruptcy, insolvency or other matters. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold.

Table of Contents

Because such estimates are inherently subject to uncertainty, KBW assumed no responsibility or liability for their accuracy.

KBW assumed, in all respects material to its analyses:

the merger and any related transaction (including the bank merger) would be completed substantially in accordance with the terms set forth in the merger agreement (the final terms of which KBW assumed would not differ in any respect material to its analyses from the latest draft of the merger agreement that had been reviewed by KBW) with no adjustments to the exchange ratio;

the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement were true and correct;

each party to the merger agreement or any of the related documents would perform all of the covenants and agreements required to be performed by such party under such documents;

all conditions to the completion of the merger and any related transaction would be satisfied without any waivers or modifications to the merger agreement or any related documents; and

in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger and any related transactions (including the bank merger), no delay, limitation, restriction or condition, including any divestiture requirements, termination or other payments or amendments or modifications, would be imposed that would have a material adverse effect on the future results of operations or financial condition of South State, Southeastern or the pro forma entity or the contemplated benefits of the merger, including the cost savings and related expenses expected to result or be derived from the merger.

KBW assumed that the merger will be consummated in a manner that complies with the applicable provisions of the Securities Act, the Exchange Act and all other applicable federal and state statutes, rules and regulations. KBW was further advised by representatives of South State that South State relied upon advice from its advisors (other than KBW) or other appropriate sources as to all legal, financial reporting, tax, accounting and regulatory matters with respect to South State, Southeastern, the merger and any related transaction (including the bank merger), and the merger agreement. KBW did not provide advice with respect to any such matters.

KBW's opinion addressed only the fairness, from a financial point of view, as of the date of such opinion, of the exchange ratio in the merger to South State. KBW expressed no view or opinion as to any other terms or aspects of the merger or any terms or aspects of any related transaction (including the bank merger), including, without limitation, the form or structure of the merger or any such related transaction, or any consequences of the merger or any such related transaction to South State, its stockholders, creditors or otherwise. KBW's opinion was necessarily based upon conditions as they existed and could be evaluated on the date of such opinion and the information made available to KBW through such date. Developments subsequent to the date of KBW's opinion may have affected, and may affect, the conclusion reached in KBW's opinion and KBW did not and does not have an obligation to update, revise or reaffirm its opinion. KBW's opinion did not address, and KBW expressed no view or opinion with respect to:

the underlying business decision of South State to engage in the merger or enter into the merger agreement;

the relative merits of the merger as compared to any strategic alternatives that are, have been or may be available to or contemplated by South State or the South State board of directors;

Table of Contents

the fairness of the amount or nature of any compensation to any of South State's officers, directors or employees, or any class of such persons, relative to any compensation to the holders of South State common stock or relative to the exchange ratio;

the effect of the merger or any related transaction on, or the fairness of the consideration to be received by, holders of any class of securities of South State or Southeastern or any other party to any other transaction contemplated by the merger agreement;

the actual value of South State common stock to be issued in the merger;

the prices, trading range or volume at which South State common stock might trade following the public announcement of the merger;

the prices, trading range or volume at which South State common stock might trade following the consummation of the merger;

any advice or opinions provided by any other advisor to any of the parties to the merger or any other transaction contemplated by the merger agreement; or

any legal, regulatory, accounting, tax or similar matters relating to South State, Southeastern, any of their respective shareholders, or relating to or arising out of or as a consequence of the merger or any other related transaction (including the bank merger), including whether or not the merger would qualify as a tax-free reorganization for U.S. federal income tax purposes.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW, South State and Southeastern. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the South State board of directors in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the South State board of directors with respect to the fairness of the exchange ratio. The type and amount of consideration payable in the merger were determined through negotiation between South State and Southeastern, and the decision to enter into the merger agreement was solely that of the South State board of directors.

Summary of Analysis by KBW

The following is a summary of the material financial analyses presented by KBW to the South State board of directors in connection with its opinion. The summary is not a complete description of the financial analyses underlying the opinion or the presentation made by KBW to the South State board of directors, but summarizes the material analyses performed and presented in connection with such opinion. The financial analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex analytic process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and

Table of Contents

factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion.

For purposes of the financial analyses described below, KBW utilized an implied transaction value for the merger of \$334.9 million, or \$49.45 per outstanding share of Southeastern common stock, based on the exchange ratio of 0.7307 in the merger and the closing price of South State common stock on June 15, 2016. In addition to the financial analyses described below, KBW reviewed with the South State board of directors for informational purposes, among other things, the implied transaction multiple for the merger of 18.3x Southeastern's estimated 2016 net income using the financial and operating forecasts of Southeastern with respect to the 2016 fiscal year provided by the management of Southeastern and based on the implied transaction value for the merger of \$334.9 million.

South State Selected Companies Analysis. Using publicly available information, KBW compared the financial performance, financial condition and market performance of South State to 12 selected banks that were listed on NASDAQ, the New York Stock Exchange or NYSE MKT and headquartered in the southeastern United States (defined as Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia) with total assets between \$6.0 billion and \$10.0 billion.

The selected companies were as follows:

Ameris Bancorp	Simmons First National Corporation
Capital Bank Financial Corp.	TowneBank
FCB Financial Holdings, Inc.	Union Bankshares Corporation
Home BancShares, Inc.	United Community Banks, Inc.
Pinnacle Financial Partners, Inc.	WesBanco, Inc.
Renasant Corporation	Yadkin Financial Corporation

To perform this analysis, KBW used profitability and other financial information for, as of, or, in the case of latest 12 months ("LTM") information, through, the most recent completed quarter ("MRQ") available (which was the fiscal quarter ended March 31, 2016) and market price information as of June 15, 2016. KBW also used 2016 and 2017 earnings per share ("EPS") estimates taken from publicly available consensus "street estimates" for South State and the selected companies. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in South State's historical financial statements, or the data prepared by Southeastern's financial advisor presented under the section "*The Merger Opinion of Sandler O'Neill & Partners, L.P.*," as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance of South State and the selected companies:

	South State	Selected Companies			75 th Percentile
		25 th Percentile	Median	Average	
MRQ Core Return on Average Assets (%) ⁽¹⁾	1.23	1.05	1.17	1.17	1.21
MRQ Core Return on Average Equity (%) ⁽¹⁾	9.79	8.38	8.81	9.39	9.70
MRQ Net Interest Margin (%)	4.30	3.56	3.75	3.85	4.07
MRQ Efficiency Ratio (%)	60.5	62.4	59.1	56.6	55.1

(1) Core Income excludes extraordinary items, non-recurring items and gains/(losses) on sale of securities and non-controlling interests.

Edgar Filing: SOUTH STATE Corp - Form S-4

Table of Contents

KBW's analysis also showed the following concerning the financial condition of South State and the selected companies:

	South State	25 th Percentile	Selected Companies		
			Median	Average	75 th Percentile
Tangible Common Equity / Tangible Assets (%)	8.43	8.56	9.07	9.18	9.86
Leverage Ratio (%)	9.41	9.09	9.78	10.06	10.79
CET1 Ratio (%)	11.56	9.90	10.76	10.90	11.85
Total Risk Based Capital Ratio (%)	13.03	11.33	12.17	12.62	13.61
Loans / Deposits (%)	86.6	86.1	94.4	91.8	97.2
Loan Loss Reserve / Gross Loans (%)	0.63	0.59	0.77	0.73	0.85
Nonperforming Assets / Loans + OREO (%) ⁽¹⁾	0.73	1.37	1.14	1.20	0.97
LTM Net Charge-Offs / Average Loans (%)	0.09	0.17	0.14	0.13	0.10

(1)

NPAs / Loans + OREO adjusted to exclude loans and other real estate owned ("OREO") covered by FDIC loss share agreements. Nonperforming assets otherwise include nonaccrual loans, restructured loans and OREO.

In addition, KBW's analysis showed the following concerning the market performance of South State and the selected companies:

	South State	25 th Percentile	Selected Companies		
			Median	Average	75 th Percentile
One-Year Stock Price Change (%)	(9.8)	0.1	9.8	9.0	16.3
One-Year Total Return (%)	(8.4)	1.6	10.9	11.1	18.2
Stock Price / Tangible Book Value per Share (%)	234	172	190	208	230
Stock Price / 2016 EPS Estimate (x)	15.4	14.6	15.4	15.6	16.3
Stock Price / 2017 EPS Estimate (x)	14.3	12.9	13.6	13.8	14.2
Dividend Yield (%) ⁽¹⁾	1.7	1.3	1.8	2.3	2.4
MRQ Dividend Payout Ratio (%) ⁽¹⁾	27.7	24.0	32.7	56.0	42.7

(1)

Dividend yield and MRQ dividend payout ratio reflect most recent quarterly dividend annualized as a percentage of stock price and annualized MRQ EPS, respectively. One of the selected companies did not pay dividends in its most recent completed quarter.

No company used as a comparison in the above selected companies analysis is identical to South State. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Southeastern Selected Companies Analysis. Using publicly available information, KBW compared the financial performance and financial condition of Southeastern to 14 selected banks that were listed on NASDAQ, the New York Stock Exchange or NYSE MKT and headquartered in Florida, Georgia, North Carolina, South Carolina or Tennessee with total assets between \$1.0 billion and \$4.0 billion. KBW also reviewed the market performance of the selected companies. Merger targets and converted thrifts were excluded from the selected companies.

Table of Contents

The selected companies were as follows:

Atlantic Capital Bancshares, Inc.	National Commerce Corporation
Capital City Bank Group, Inc.	Park Sterling Corporation
Carolina Financial Corporation	Peoples Bancorp of North Carolina, Inc.
Colony Bankcorp, Inc.	SmartFinancial, Inc.
First Bancorp	Southern First Bancshares, Inc.
Franklin Financial Network, Inc.	State Bank Financial Corporation
Live Oak Bancshares, Inc.	Stonegate Bank

To perform this analysis, KBW used profitability and other financial information for, as of, or, in the case of latest 12 months information, through, the most recent completed quarter available (which was the fiscal quarter ended March 31, 2016) and market price information as of June 15, 2016. KBW also used 2016 and 2017 EPS estimates taken from publicly available consensus "street estimates" for the selected companies. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in Southeastern's historical financial statements, or the data prepared by Southeastern's financial advisor presented under the section "*The Merger Opinion of Sandler O'Neill & Partners, L.P.*," as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance of Southeastern and the selected companies:

	Selected Companies				
	Southeastern	25 th Percentile	Median	Average	75 th Percentile
MRQ Core Return on Average Assets (%) ⁽¹⁾	0.98	0.73	0.90	0.91	1.07
MRQ Core Return on Average Equity (%) ⁽¹⁾	10.44	7.10	8.33	8.19	9.69
MRQ Net Interest Margin (%)	3.25	3.48	3.72	3.74	3.98
MRQ Efficiency Ratio (%)	62.3	71.6	69.5	66.7	60.9

(1) Core Income excludes extraordinary items, non-recurring items and gains / (losses) on sale of securities and non-controlling interests.

Table of Contents

KBW's analysis also showed the following concerning the financial condition of Southeastern and the selected companies:

	Selected Companies				
	Southeastern	25 th Percentile	Median	Average	75 th Percentile
Tangible Common Equity / Tangible Assets (%)	9.49	8.01	9.21	9.62	9.86
Leverage Ratio (%)	10.65	9.32	10.28	10.73	10.98
CET1 Ratio (%)	13.69	10.62	11.24	12.27	12.80
Total Risk-Based Capital Ratio (%)	16.51	12.42	13.58	14.81	16.95
Loans / Deposits (%)	66.9	80.1	86.5	85.1	90.2
Loan Loss Reserve / Gross Loans (%)	2.06	0.89	1.00	0.98	1.21
Nonperforming Assets / Loans + OREO (%) ⁽¹⁾	1.50	1.70	1.11	1.52	0.60
LTM Net Charge-Offs / Average Loans (%)	0.21	0.16	0.06	0.10	0.01

- (1) NPAs / Loans + OREO adjusted to exclude loans and OREO covered by FDIC loss share agreements. Nonperforming assets otherwise include nonaccrual loans, restructured loans and OREO

In addition, KBW's analysis showed the following concerning the market performance of the selected companies (excluding the impact of the LTM EPS multiple for two of the selected companies, which multiples were considered to be not meaningful because they were greater than 35.0x):

	Selected Companies			
	25 th Percentile	Median	Average	75 th Percentile
One-Year Stock Price Change (%)	2.4	5.4	10.2	13.2
One-Year Total Return (%)	3.7	6.4	11.0	14.9
Stock Price / Tangible Book Value per Share (%)	133	144	148	160
Stock Price / LTM EPS (x)	14.6	18.5	29.2	24.9
Stock Price / 2016 EPS Estimate (x)	14.2	15.6	16.6	18.1
Stock Price / 2017 EPS Estimate (x)	12.3	12.8	13.4	14.3
Dividend Yield (%) ⁽¹⁾	0.0	0.6	0.8	1.5
MRQ Dividend Payout Ratio (%) ⁽¹⁾	15.6	21.2	29.0	42.1

- (1) Dividend yield and MRQ dividend payout ratio reflect most recent quarterly dividend annualized as a percentage of stock price and annualized MRQ EPS, respectively. Six of the selected companies did not pay dividends in their respective most recent completed quarters.

No company used as a comparison in the above selected companies analysis is identical to Southeastern. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Edgar Filing: SOUTH STATE Corp - Form S-4

Table of Contents

Select Transactions Analysis. KBW reviewed publicly available information related to 19 selected whole bank and thrift transactions announced since January 1, 2014 with announced deal values between \$200.0 million and \$1.0 billion. The selected transactions were as follows:

Acquiror	Acquired Company
WesBanco, Inc.	Your Community Bankshares, Inc.
Mechanics Bank	California Republic Bancorp
Pinnacle Financial Partners, Inc.	Avenue Financial Holdings, Inc.
Old National Bancorp	Anchor BanCorp Wisconsin Inc.
OceanFirst Financial Corp.	Cape Bancorp, Inc.
TowneBank	Monarch Financial Holdings, Inc.
Univest Corporation of Pennsylvania	Fox Chase Bancorp, Inc.
First Busey Corporation	Pulaski Financial Corp.
Capital Bank Financial Corp.	CommunityOne Bancorp
MB Financial, Inc.	American Chartered Bancorp, Inc.
Bank of the Ozarks, Inc.	C1 Financial, Inc.
United Bankshares, Inc.	Bank of Georgetown
Bank of the Ozarks, Inc.	Community & Southern Holdings, Inc.
Yadkin Financial Corporation	NewBridge Bancorp
F.N.B. Corporation	Metro Bancorp
Valley National Bancorp	CNLBankshares, Inc.
United Community Banks, Inc.	Palmetto Bancshares, Inc.
Western Alliance Bancorporation	Bridge Capital Holdings
PacWest Bancorp	Square 1 Financial, Inc.

For each selected transaction, KBW derived the following implied transaction statistics, in each case based on the transaction consideration value paid for the acquired company and using financial data based on the acquired company's then latest publicly available financial statements and, to the extent available, then next 12 months ("NTM") EPS consensus "street estimates" prior to the announcement of the respective transaction:

Price per common share to tangible book value per share of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by total tangible common equity);

Price per common share to LTM EPS of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by LTM net income);

Price per common share to NTM EPS of the acquired company for the six selected transactions in which then NTM EPS consensus "street estimates" were available; and

Tangible equity premium to core deposits (which was defined as total deposits less deposits greater than \$100,000) of the acquired company, referred to as the core deposit premium.

The above transaction statistics for the selected transactions were compared with the corresponding transaction statistics for the merger based on the implied transaction value for the merger of \$334.9 million and using historical financial information for Southeastern as of or for the 12 months ended March 31, 2016 and a NTM net income estimate for Southeastern calculated by subtracting actual net income results for the fiscal quarter ended March 31, 2016 from the sum of the fiscal year 2016 net income estimate provided by Southeastern management plus the fiscal quarter ending March 31, 2017 net income estimate provided by South State management.

Table of Contents

The results of the analysis are set forth in the following table (excluding the impact of the LTM EPS multiple for one of the selected transactions, which multiple was not considered to be meaningful because it was greater than 35.0x):

Transaction Price to	South State /	Selected Transactions			
	Southeastern	25 th Percentile	Average	Median	75 th Percentile
Tangible Book Value (%)	187	174	193	192	218
LTM EPS (x)	16.8	15.5	20.7	23.9	26.9
NTM EPS (x)	18.3	14.3	18.2	18.7	22.4
Core Deposit Premium (%)	10.8	9.1	12.3	13.0	15.1

No company or transaction used as a comparison in the above selected transactions analysis is identical to Southeastern or the merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Relative Contribution Analysis. KBW analyzed the relative standalone contribution of South State and Southeastern to various pro forma balance sheet and income statement items of the combined entity. This analysis did not include purchase accounting adjustments or cost savings. To perform this analysis, KBW used (i) historical balance sheet and income statement data for South State and Southeastern as of or for the 12 months ended March 31, 2016, (ii) estimated 2016 net income for South State taken from publicly available consensus "street estimates" of South State, and (iii) estimated 2016 net income for Southeastern taken from financial and operating forecasts of Southeastern with respect to the 2016 fiscal year provided by Southeastern management. The results of KBW's analysis are set forth in the following table, which also compares the results of KBW's analysis with the implied pro forma ownership percentages of South State and Southeastern shareholders in the combined company based on the exchange ratio of 0.7307 in the merger:

	South State as a % of Total	Southeastern as a % of Total
Balance Sheet		
Total Assets	82.2%	17.8%
Gross Loans	85.5%	14.5%
Total Deposits	82.0%	18.0%
Equity	85.9%	14.1%
Tangible Common Equity	79.7%	20.3%
Income Statement		
LTM GAAP Net Income Available to Common	83.4%	16.6%
2016 Est. GAAP Net Income Available to Common	85.3%	14.7%
Ownership		
Pro Forma Ownership	83.1%	16.9%

Pro Forma Financial Impact Analysis. KBW performed a pro forma financial impact analysis that combined projected income statement and balance sheet information of South State and Southeastern. Using closing balance sheet estimates as of December 31, 2016 for South State and Southeastern provided by South State management (based on, in the case of closing balance sheet estimates for Southeastern, financial forecasts relating to the earnings of Southeastern provided by Southeastern management), publicly available consensus "street estimates" of South State, financial forecasts relating to the earnings of Southeastern for 2017 provided by South State management, and pro forma assumptions (including, without limitation, the cost savings and related expenses expected to result from the merger as well as certain accounting adjustments assumed with respect thereto) provided by

Table of Contents

South State management. KBW analyzed the estimated financial impact of the merger on certain projected financial results. This analysis indicated that the merger could be accretive to South State's 2017 estimated EPS and dilutive to South State's estimated tangible book value per share as of December 31, 2016. Furthermore, the analysis indicated that, pro forma for the merger, each of South State's tangible common equity to tangible assets ratio and leverage ratio as of December 31, 2016 could be lower, and each of South State's CET1 Ratio, Tier 1 Risk Based Capital Ratio and Total Risk Based Capital Ratio as of December 31, 2016 could be higher. For all of the above analysis, the actual results achieved by South State following the merger may vary from the projected results, and the variations may be material.

Discounted Cash Flow Analysis. KBW performed a discounted cash flow analysis to estimate a range for the implied equity value of Southeastern, taking into account the cost savings and related expenses expected to result from the merger as well as certain accounting adjustments assumed with respect thereto. In this analysis, KBW used financial forecasts relating to the earnings and assets of Southeastern, estimated cost savings and related expenses and accounting adjustments, in each case provided by South State management, and assumed discount rates ranging from 8.0% to 12.0%. The ranges of values were derived by adding (i) the present value of the estimated excess cash flows that Southeastern could generate over the five-year period from 2017 to 2021 and (ii) the present value of Southeastern's implied terminal value at the end of such period, in each case applying estimated cost savings and related expenses and accounting adjustments. KBW assumed that Southeastern would maintain a tangible common equity to tangible assets ratio of 8.00% and would retain sufficient earnings to maintain that level. In calculating the terminal value of Southeastern, KBW applied a range of 11.0x to 15.0x estimated 2022 net income, and applying estimated cost savings and related expenses and accounting adjustments. This discounted cash flow analysis resulted in a range of implied values per share of Southeastern common stock of \$49.28 to \$70.77.

The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values, dividend payout rates, and discount rates. The analysis did not purport to be indicative of the actual values or expected values of Southeastern.

Miscellaneous. KBW acted as financial advisor to South State in connection with the merger and did not act as an advisor to or agent of any other person. As part of its investment banking business, KBW is continually engaged in the valuation of bank and bank holding company securities in connection with acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for various other purposes. As specialists in the securities of banking companies, KBW has experience in, and knowledge of, the valuation of banking enterprises. In the ordinary course of their broker-dealer businesses and further to certain sales and trading relationships, KBW and its affiliates may from time to time purchase securities from, and sell securities to, South State and Southeastern and their respective affiliates, and as a market maker in securities, KBW and its affiliates may from time to time have a long or short position in, and buy or sell, debt or equity securities of South State or Southeastern for their own accounts and for the accounts of their respective customers and clients.

Pursuant to the KBW engagement agreement, South State agreed to pay KBW a non-refundable cash fee of \$1.75 million, all of which is contingent upon the consummation of the merger. South State also agreed to reimburse KBW for reasonable out-of-pocket expenses and disbursements incurred in connection with its engagement and to indemnify KBW against certain liabilities relating to or arising out of KBW's engagement or KBW's role in connection therewith. In addition to the present engagement, KBW has provided investment banking and financial advisory services to South State during the two years preceding the date of its opinion for which compensation was received. KBW acted as financial advisor to South State in connection with its acquisition of certain branches of Bank of America, National Association which acquisition was completed in August 2015. In connection with

Table of Contents

that acquisition, KBW received a fee of approximately \$377,000 from South State. In the two years preceding the date of its opinion, KBW did not provide investment banking and financial advisory services to Southeastern. KBW may in the future provide investment banking and financial advisory services to South State and receive compensation for such services.

Southeastern's Reasons for the Merger; Recommendation of the Southeastern Board of Directors

After careful consideration, the Southeastern board of directors, at a meeting held on June 16, 2016, unanimously determined that the plan of merger contained in the merger agreement is in the best interests of Southeastern and its shareholders. Accordingly, the Southeastern board of directors adopted and approved the merger agreement and unanimously recommends that Southeastern shareholders vote (1) "FOR" the approval of the Southeastern merger proposal, (2) "FOR" the approval of the Southeastern adjournment proposal, if necessary or appropriate, and (3) "FOR" the approval of the compensation proposal.

In reaching its decision to adopt and approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, and to recommend that its shareholders approve the merger, the Southeastern board of directors consulted with Southeastern management, as well as its financial and legal advisors, and considered a number of factors, including the following material factors:

the value of the consideration to be received by Southeastern's shareholders relative to recent prices, dividend history, book value and earnings per share of Southeastern's common stock;

information about South State and Southeastern, including but not limited to the business and financial condition, results of operations, earnings and business prospects, and debt service and other existing financial obligations;

the competence, experience and integrity of management of both South State and Southeastern;

the prospects of successful execution of the proposed merger;

the financial terms of recent business combinations involving banks and bank holding companies, particularly in the southeastern United States, and a comparison of the multiples of selected combinations with the terms of the proposed merger with South State;

the alternatives to the proposed merger, including Southeastern's prospects as an independent institution and the need to provide for board and senior management succession;

the historical performance of South State's common stock, South State's liquidity in terms of average daily trading volume and the levels of future cash dividends anticipated to be received by Southeastern shareholders;

the ability to provide liquidity to larger shareholders of Southeastern;

the competitive and regulatory environment for financial institutions generally;

the fact that the proposed merger was structured as a tax-free exchange, providing certain tax benefits to Southeastern's shareholders;

the review undertaken by the Southeastern board of directors and management, with the assistance of financial and legal advisors, with respect to the strategic alternatives available to Southeastern, including the likelihood of an alternative transaction; the value of Southeastern as an independent company; and the capital and earnings available to Southeastern as

an independent company, at the time and as expected in the future, to pursue various business and strategic alternatives;

Table of Contents

the fact that the implied value of the merger consideration as of June 15, 2016 of approximately \$49.45 for each share of Southeastern common stock, based on South State's closing stock price of \$67.68 on that date, represented a \$44.2% premium over the closing price of Southeastern's common stock of \$34.30 on June 15, 2016;

the fact that the merger agreement provides that Southeastern may take certain actions in response to an unsolicited bona fide written acquisition proposal under specific circumstances, in the event that the Southeastern board of directors concludes in good faith (in accordance with the merger agreement and after consultation with its outside legal counsel and financial advisors) that the failure to take such actions would be reasonably likely to violate their fiduciary duties under applicable law;

the size of the termination fee in relation to the overall transaction size, and the requirement that Southeastern submit the proposal to adopt the merger agreement to its shareholders even if the Southeastern board of directors has withdrawn, modified or qualified its recommendation in favor of such proposal;

the other terms of the merger agreement and their comparability to those in other recent consolidation transactions;

the nature and amount of payments to be received by Southeastern's management in connection with the merger;

South State's commitment in the merger agreement to maintain certain standards of compensation and benefits to continuing Southeastern employees for up to one year following the effective time;

the prospects of the combined company and banks relative to those of Southeastern and Georgia Bank & Trust as an independent institution, which are influenced by the following factors:

the board's view that the combined bank will operate with greater financial efficiency and will, as a result, have enhanced financial performance;

the board's view that the combined bank, given its larger size and increased geographic footprint, will have an enhanced competitive presence through access to new markets, product offerings and legal lending limit; and

the board's view that the combined bank will receive greater recognition from potential customers, investors, and potential strategic partners;

the opinion of Sandler O'Neill, delivered to the Southeastern board of directors on June 16, 2016, and subsequently confirmed in writing, to the effect that, as of June 16, 2016, the merger consideration was fair, from a financial point of view, to Southeastern's common shareholders;

the potential risk of diverting management attention and resources from the operation of Southeastern's business and towards the completion of the merger, and the possibility of employee attrition or adverse effects on client and business relationships as a result of the announcement and pendency of the merger;

the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating South State's business, operations and workforce with those of Southeastern's;

the fact that some of Southeastern's directors and executive officers have other interests in the merger that are different from, or in addition to, their interests as Southeastern shareholders (see " *Interests of Southeastern's Directors and Executive Officers in the Merger*"); and

Table of Contents

the regulatory and other approvals required in connection with the merger and the bank merger, and the time required to obtain such approvals; consideration of the relevant factors expected to be assessed by the regulators for the approvals and the parties' evaluations of those factors; and the expected likelihood that such approvals could be received in a reasonably timely manner and without the imposition of unacceptable conditions.

Based on the factors described above, the Southeastern board of directors determined that the merger with South State and the merger of Georgia Bank & Trust with South State Bank would be advisable and in the best interests of Southeastern's shareholders and unanimously approved the merger agreement.

The foregoing discussion of the information and factors considered by the Southeastern board of directors is not intended to be exhaustive but includes the material factors considered by the Southeastern board of directors. In view of the wide variety of the factors considered in connection with its evaluation of the merger and the complexity of these matters, the Southeastern board of directors did not find it useful, and did not attempt, to quantify, rank or otherwise assign relative weights to these factors. In considering the factors described above, the individual members of the Southeastern board of directors may have given different weight to different factors. Southeastern's board of directors conducted an overall analysis of the factors described above including thorough discussions with, and questioning of, Southeastern's management and Southeastern's legal and financial advisors, and considered the factors overall to be favorable to, and to support, its determination.

The foregoing explanation of the Southeastern board of directors' reasoning and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed in the section "*Cautionary Statement Regarding Forward-Looking Statements.*"

Opinion of Sandler O'Neill & Partners, L.P.

By letter dated January 5, 2016, the Southeastern board of directors engaged Sandler O'Neill to act as its financial advisor in connection with Southeastern's consideration of a possible business combination. Sandler O'Neill is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler O'Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions. The Southeastern board of directors selected Sandler O'Neill to act as its financial advisor in connection with a possible merger of Southeastern based on Sandler O'Neill's qualifications, expertise, reputation and experience in mergers and acquisitions involving community banks and its knowledge with respect to Southeastern.

Sandler O'Neill acted as financial advisor to the Southeastern board of directors in connection with the proposed merger with South State and participated in certain of the negotiations leading to the execution of the merger agreement. At the June 16, 2016 meeting of the Southeastern board of directors, Sandler O'Neill delivered to the Southeastern board of directors its oral opinion, which was subsequently confirmed in writing, that, as of such date, the merger consideration was fair from a financial point of view to the holders of Southeastern common stock. **The full text of Sandler O'Neill's opinion is attached to this joint proxy statement/prospectus as Annex C. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. The description of Sandler O'Neill's opinion set forth below is qualified in its entirety by reference to the full text of the opinion. Southeastern's shareholders are encouraged to read the entire opinion carefully in connection with their consideration of the proposed merger.**

Sandler O'Neill's opinion speaks only as of the date of the opinion. The opinion was directed to the Southeastern board of directors in connection with its consideration of the merger and is directed

Table of Contents

only to the fairness, from a financial point of view, of the merger consideration to the holders of Southeastern common stock. Sandler O'Neill's opinion does not constitute a recommendation to any holder of Southeastern common stock as to how such holder of Southeastern common stock should vote with respect to the merger or any other matter. It does not address the underlying business decision of Southeastern to engage in the merger or any other aspect of the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for Southeastern or the effect of any other transaction in which Southeastern might engage. Sandler O'Neill did not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by any Southeastern or South State officer, director or employee, or class of such persons, if any, relative to the merger consideration to be received by any other shareholders. Sandler O'Neill's opinion was approved by Sandler O'Neill's fairness opinion committee.

In connection with rendering its opinion, Sandler O'Neill reviewed and considered, among other things:

A draft of the merger agreement, dated June 16, 2016 (the most recent draft then made available to Sandler O'Neill);

certain publicly available financial statements and other historical financial information of Southeastern that Sandler O'Neill deemed relevant;

certain publicly available financial statements and other historical financial information of South State that Sandler O'Neill deemed relevant;

internal financial projections for Southeastern for the years ending December 31, 2016 through December 31, 2020, as provided by the senior management of Southeastern;

publicly available consensus median analyst earnings per share estimates for South State for the years ending December 31, 2016 and December 31, 2017, as well as an estimated earnings per share growth rate for the years thereafter, as provided by the senior management of Southeastern;

the pro forma financial impact of the merger on South State based on certain assumptions relating to estimated transaction expenses, purchase accounting adjustments, the core deposit intangible asset, regulatory costs, cost savings and the repayment of certain FHLB advances, as provided by the senior management of South State;

the publicly reported historical price and trading activity for Southeastern common stock and South State common stock, including a comparison of certain stock market information for Southeastern common stock and South State common stock and certain stock indices as well as publicly available information for certain other similar companies, the securities of which are publicly traded;

a comparison of certain financial information for South State and Southeastern with similar institutions for which information is publicly available;

the financial terms of certain other recent business combinations in the banking industry (on a regional and nationwide basis), to the extent publicly available;

the current market environment generally and the banking environment in particular; and

such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler O'Neill considered relevant.

Table of Contents

Sandler O'Neill also discussed with certain members of the senior management of Southeastern the business, financial condition, results of operations and prospects of Southeastern and held similar discussions with the senior management of South State regarding the business, financial condition, results of operations and prospects of South State.

In performing its review, Sandler O'Neill relied upon the accuracy and completeness of all of the financial and other information that was available to Sandler O'Neill from public sources, that was provided to Sandler O'Neill by South State and Southeastern or their respective representatives or that was otherwise reviewed by Sandler O'Neill, and Sandler O'Neill assumed such accuracy and completeness for purposes of rendering its fairness opinion without any independent verification or investigation. Sandler O'Neill further relied on the assurances of the respective managements of South State and Southeastern that they were not aware of any facts or circumstances that would have made any of such information inaccurate or misleading. Sandler O'Neill was not asked to and did not undertake an independent verification of any of such information and Sander O'Neill did not assume any responsibility or liability for the accuracy or completeness thereof. Sandler O'Neill did not make an independent evaluation or appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of Southeastern or South State or any of their respective affiliates or subsidiaries, nor was Sandler O'Neill furnished with any such evaluations or appraisals. Sandler O'Neill rendered no opinion or evaluation on the collectability of any assets or the future performance of any loans of Southeastern or South State or any of their respective affiliates or subsidiaries. Sandler O'Neill did not make an independent evaluation of the adequacy of the allowance for loan losses of Southeastern, South State or the combined entity after the merger, and Sandler O'Neill did not review any individual credit files relating to Southeastern or South State. Sandler O'Neill assumed, with Southeastern's consent, that the respective allowances for loan losses for both South State and Southeastern were adequate to cover such losses and that they would be adequate on a pro forma basis for the combined entity.

In preparing its analyses, Sandler O'Neill used internal financial projections for Southeastern for the years ending December 31, 2016 through December 31, 2020, as provided by the senior management of Southeastern, as well as publicly available consensus median analyst earnings per share estimates for South State for the years ending December 31, 2016 and December 31, 2017 and an estimated earnings per share growth rate for the years thereafter, as provided by the senior management of Southeastern. Sandler O'Neill also received and used in its pro forma analyses certain assumptions relating to transaction expenses, purchase accounting adjustments, the core deposit intangible asset, regulatory costs, cost savings and the repayment of certain FHLB advances, as provided by the senior management of South State. With respect to those projections, estimates and judgments, the respective managements of South State and Southeastern confirmed to Sandler O'Neill that those respective projections, estimates and judgments reflected the best currently available projections, estimates and judgments of those respective managements of the future financial performance of South State and Southeastern, respectively, and Sandler O'Neill assumed that such performance would be achieved. Sandler O'Neill expressed no opinion as to such projections, estimates or judgments or the assumptions on which they were based. Sandler O'Neill assumed that there were no material changes in the respective assets, financial condition, results of operations, business or prospects of South State and Southeastern since the date of the most recent financial data made available to Sandler O'Neill. Sandler O'Neill also assumed in all respects material to its analysis that South State and Southeastern would remain as going concerns for all periods relevant to Sandler O'Neill's analyses.

Sandler O'Neill also assumed, with Southeastern's consent, that (i) each of the parties to the merger agreement would comply in all material respects with all material terms of the merger agreement and all related agreements, that all of the representations and warranties contained in such agreements were true and correct in all material respects, that each of the parties to such agreements

Table of Contents

would perform in all material respects all of the covenants required to be performed by such party under the agreements and that the conditions precedent in such agreements were not and would not be waived, (ii) in the course of obtaining the necessary regulatory or third-party approvals, consents and releases with respect to the merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on Southeastern, South State or the merger or any related transaction, and (iii) the merger and any related transaction would be consummated in accordance with the terms of the merger agreement without any waiver, modification or amendment of any material term, condition or agreement thereof and in compliance with all applicable laws and other requirements. Finally, with Southeastern's consent, Sandler O'Neill relied upon the advice that Southeastern received from its legal advisors as to all legal matters relating to the merger and the other transactions contemplated by the merger agreement.

Sandler O'Neill's analyses and the views expressed therein were necessarily based on financial, economic, regulatory, market and other conditions as in effect on, and the information made available to Sandler O'Neill as of, the date of its fairness opinion. Events occurring after the date thereof could materially affect Sandler O'Neill's views. Sandler O'Neill has not undertaken to update, revise, reaffirm or withdraw its fairness opinion or otherwise comment upon events occurring after the date thereof. Sandler O'Neill expressed no opinion as to the trading values of Southeastern common stock or South State common stock at any time or what the value of South State's common stock would be once it is actually received by the holders of Southeastern common stock.

In rendering its opinion, Sandler O'Neill performed a variety of financial analyses. The following is a summary of the material analyses performed by Sandler O'Neill, but is not a complete description of all the analyses underlying Sandler O'Neill's fairness opinion or the presentation made by Sandler O'Neill to the Southeastern board of directors. The summary includes information presented in tabular format. **In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.** The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Sandler O'Neill believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Sandler O'Neill's comparative analyses described below is identical to Southeastern or South State and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of Southeastern or South State and the companies to which they are being compared. In arriving at its opinion, Sandler O'Neill did not attribute any particular weight to any analysis or factor that it considered. Rather, Sandler O'Neill made qualitative judgments as to the significance and relevance of each analysis and factor. Sandler O'Neill did not form an opinion as to whether any individual analysis or factor (positive or negative) considered in isolation supported or failed to support its opinion; rather, Sandler O'Neill made its determination as to the fairness of the merger consideration on the basis of its experience and professional judgment after considering the results of all its analyses taken as a whole.

In performing its analyses, Sandler O'Neill also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of Southeastern, South State and Sandler O'Neill. The analyses performed by Sandler O'Neill are not necessarily indicative of actual values or future results, both of which may be significantly more or less favorable than suggested by such analyses.

Table of Contents

Sandler O'Neill prepared its analyses solely for purposes of rendering its fairness opinion and provided such analyses to Southeastern's board of directors at the meeting held on June 16, 2016. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be materially different. The analyses and fairness opinion of Sandler O'Neill were among a number of factors taken into consideration by Southeastern's board of directors in making its determination to approve the merger agreement and the transactions contemplated by the merger agreement (including the merger) and the analyses described below should not be viewed as determinative of the decision of Southeastern's board of directors or management with respect to the fairness of the merger.

Summary of Proposed Merger Consideration and Implied Transaction Metrics. Sandler O'Neill reviewed the financial terms of the proposed merger. Pursuant to the terms of the merger agreement, upon the effective time of the merger, each share of Southeastern common stock issued and outstanding immediately prior to the effective time, except for certain shares of Southeastern common stock as specified in the merger agreement, shall be converted into the right to receive 0.7307 shares of South State common stock. Using South State's trailing 20-day volume weighted average price as of June 15, 2016 of \$71.17 per share, and based upon 6,746,897 shares of Southeastern common stock outstanding and 84,150 Southeastern in-the-money options outstanding with a weighted average exercise price of \$34.54 per share, Sandler O'Neill calculated an aggregate implied transaction value of approximately \$352.3 million, or an implied price per share of \$52.00. Based upon financial information for Southeastern as of or for the 12 month period ending March 31, 2016, Sandler O'Neill calculated the following transaction ratios:

Transaction Multiples (GAAP Basis)

Transaction Value / Book Value per Share	196.9%
Transaction Value / Tangible Book Value	197.0%
Price / LTM Earnings per Share	17.6x
Price / Adjusted LTM Earnings per Share(1)	18.7x
Price / Estimated 2016 Earnings per Share(2)	19.2x
Tangible Book Premium / Core Deposits(3)	12.0%
Market Premium as of June 15, 2016	51.6%

- (1) Earnings adjusted to exclude \$1.6 million negative provision reported in year ended December 31, 2015.
- (2) Based on management projections as of June 16, 2016
- (3) Core deposits are defined as total deposits less time deposits greater than \$100,000.

Stock Trading History. Sandler O'Neill reviewed the history of the publicly reported trading prices of Southeastern's common stock and South State's common stock for the periods of one year and three years, respectively, ended June 15, 2016. Sandler O'Neill then compared the relationship between the movements in the price of Southeastern's and South State's common stock, respectively, to movements in their respective peer groups (as described on pages [] and []) as well as certain stock indices.

Table of Contents**SBFC's One Year Stock Performance**

	Beginning Index Value June 15, 2015	Ending Index Value June 15, 2016
SBFC	100%	110.7%
SBFC Peer Group	100%	108.3%
NASDAQ Bank Index	100%	95.9%
S&P 500 Index	100%	99.4%

SBFC's Three Year Stock Performance

	Beginning Index Value June 15, 2013	Ending Index Value June 15, 2016
SBFC	100%	168.6%
SBFC Peer Group	100%	140.6%
NASDAQ Bank Index	100%	129.3%
S&P 500 Index	100%	127.3%

South State's One Year Stock Performance

	Beginning Index Value June 15, 2015	Ending Index Value June 15, 2016
South State	100%	90.3%
South State Peer Group	100%	101.0%
NASDAQ Bank Index	100%	95.9%
S&P 500 Index	100%	99.4%

South State's Three Year Stock Performance

	Beginning Index Value June 15, 2013	Ending Index Value June 15, 2016
South State	100%	142.5%
South State Peer Group	100%	162.2%
NASDAQ Bank Index	100%	134.2%
S&P 500 Index	100%	129.0%

Comparable Company Analyses. Sandler O'Neill used publicly available information to compare selected financial information for Southeastern with a group of financial institutions selected by Sandler O'Neill. The Southeastern peer group consisted of major exchange traded banks headquartered in the Southeast with total assets of \$1.0 billion to \$4.0 billion, last 12 months return on average assets (which we refer to as the "LTM ROAA") greater than 0.75% and nonperforming/total assets less than

Table of Contents

2.0% (which we refer to as the "SBFC Peer Group"). The SBFC Peer Group consisted of the following companies:

City Holding Company	Carolina Financial Corporation
State Bank Financial Corporation	C&F Financial Corporation
First Community Bancshares, Inc.	First Bancshares, Inc.
Stonegate Bank	Southern First Bancshares, Inc.
Franklin Financial Network, Inc.	Access National Corporation
WashingtonFirst Bankshares, Inc.	National Bankshares, Inc.
National Commerce Corporation	Southern National Bancorp of Virginia, Inc.
American National Bankshares Inc.	Peoples Bancorp of North Carolina, Inc.
Premier Financial Bancorp, Inc.	Citizens Holding Company

The analysis compared publicly available financial information for Southeastern with the corresponding data for the SBFC Peer Group as of or for the 12 months ended March 31, 2016 (unless otherwise noted), with pricing data as of June 15, 2016. The table below sets forth the data for Southeastern and the high, low, mean and median data for the SBFC Peer Group.

Comparable Group Analysis

	SBFC Peer Group				
	Southeastern Bank Financial Corporation	High Result	Low Result	Mean Result	Median Result
Total Assets (in millions)	\$ 1,877	\$ 3,830	\$ 1,002	\$ 1,783	\$ 1,478
Gross Loans/Deposits	65.7%	103.6%	52.4%	84.0%	85.8%
Tangible Common Equity/Tangible Assets	9.5%	14.4%	6.1%	9.7%	9.6%
Tier I Leverage Ratio	10.7%	15.2%	7.7%	10.5%	10.0%
Total Risk Based Capital Ratio	16.5%	26.4%	11.4%	15.1%	14.8%
LTM Return on Average Assets	1.1%	1.4%	0.8%	1.0%	1.0%
LTM Return on Average Equity	11.9%	15.0%	5.6%	9.5%	9.2%
LTM Net Interest Margin	3.2%	6.4%	3.2%	4.0%	3.8%
LTM Efficiency Ratio	62.3%	71.1%	47.6%	61.3%	63.3%
Loan Loss Reserve/Gross Loans	2.1%	3.8%	0.7%	1.2%	1.1%
Nonperforming Assets/Total Assets(1)	0.8%	1.7%	0.0%	1.0%	1.1%
Price/Tangible Book Value	130.0%	211.3%	99.8%	149.9%	148.0%
Price/LTM Earnings Per Share	11.6x	24.9x	10.1x	15.1x	14.9x
Market Capitalization (in millions)	\$ 231	\$ 744	\$ 91	\$ 272	\$ 221

(1) Nonperforming assets defined as the total of nonaccrual loans, restructured loans and OREO.

Sandler O'Neill used publicly available information to perform a similar analysis for South State and a group of financial institutions, as selected by Sandler O'Neill. The peer group consisted of major exchange-traded banks headquartered in the Southeast with total assets of \$5.0 billion to \$15.0 billion

Edgar Filing: SOUTH STATE Corp - Form S-4

Table of Contents

(which we refer to as the "South State Peer Group"). The South State Peer Group consisted of the following companies:

BancorpSouth, Inc.	FCB Financial Holdings, Inc.
Trustmark Corporation	Union Bankshares Corporation
United Bankshares, Inc.	Simmons First National Corporation
Bank of the Ozarks, Inc.	Capital Bank Financial Corporation
United Community Banks, Inc.	Yadkin Financial Corporation
Home BancShares, Inc.	TowneBank
Pinnacle Financial Partners	Ameris Bancorp
WesBanco, Inc.	BNC Bancorp
Renasant Corporation	ServisFirst Bancshares, Inc.

The analysis compared publicly available financial information for South State with the corresponding data for the South State Peer Group as of or for the 12 months ended March 31, 2016 (unless otherwise noted), with pricing data as of June 15, 2016. The table below sets forth the data for South State and the high, low, mean and median data for the South State Peer Group.

Comparable Group Analysis

	South State Corporation	High Result	SSB Peer Group		
			Low Result	Mean Result	Median Result
Total Assets (in millions)	\$ 8,671	\$ 13,926	\$ 5,379	\$ 8,752	\$ 7,991
Gross Loans/Deposits	86.1%	103.7%	76.7%	91.4%	93.3%
Tangible Common Equity/Tangible Assets	8.4%	12.0%	7.5%	9.2%	9.0%
Tier I Leverage Ratio	9.4%	14.1%	8.4%	10.2%	9.9%
Total Risk Based Capital Ratio	13.0%	15.7%	10.7%	12.6%	12.2%
LTM Return on Average Assets	1.2%	2.1%	0.7%	1.1%	1.0%
LTM Return on Average Equity	9.6%	15.3%	5.2%	9.1%	8.3%
LTM Net Interest Margin	4.4%	5.1%	3.3%	3.9%	3.7%
LTM Efficiency Ratio	59.2%	69.9%	33.5%	54.9%	56.8%
Loan Loss Reserve/Gross Loans	0.6%	1.2%	0.2%	0.8%	0.8%
Nonperforming Assets/Total Assets(1)	0.5%	1.5%	0.3%	0.9%	0.8%
Price/Tangible Book Value	234.4%	357.4%	145.5%	210.5%	204.1%
Price/LTM Earnings Per Share	16.4x	25.7x	13.2x	18.0x	17.3x
Market Capitalization (in millions)	\$ 1,637	\$ 3,405	\$ 939	\$ 1,654	\$ 1,363

(1)

Nonperforming assets defined as the total of nonaccrual loans, restructured loans and OREO.

Analysis of Selected Merger Transactions. Sandler O'Neill reviewed two groups of recent merger and acquisition transactions. The first group included merger transactions announced from January 1, 2014 through June 15, 2016 with an announced deal value between \$200 million and \$1.0 billion, in which the target was headquartered in the Southeastern U.S. and in which the target's NPAs/Assets were less than 2.0% (which we refer to as the "Southeastern Transaction Group").

Table of Contents

The Southeastern Transaction Group was composed of the following transactions:

Acquirer / Target

Pinnacle Financial Partners, Inc.	/	Avenue Financial Holdings, Inc.
TowneBank	/	Monarch Financial Holdings, Inc.
Bank of the Ozarks, Inc.	/	Community & Southern Holdings, Inc.
Yadkin Financial Corporation	/	NewBridge Bancorp
PacWest Bancorp	/	Square 1 Financial, Inc.
IBERIABANK Corporation	/	Old Florida Bancshares, Inc.
First Citizens BancShares, Inc.	/	First Citizens Bancorporation, Inc.
Valley National Bancorp	/	1st United Bancorp, Inc.
Simmons First National Corporation	/	Community First Bancshares, Inc.
Bank of the Ozarks, Inc.	/	Summit Bancorp, Inc.
Yadkin Financial Corporation	/	VantageSouth Bancshares, Inc.

The second group included merger transactions announced from January 1, 2014 through June 15, 2016 involving selected United States-based banks with an announced deal value between \$200 million and \$1.0 billion and in which the target's NPAs/Assets were less than 2.0% (which we refer to as the "Nationwide Transaction Group").

The Nationwide Transaction Group was composed of the following transactions:

Acquirer / Target

WesBanco, Inc.	/	Your Community Bankshares, Inc.
Mechanics Bank	/	California Republic Bancorp
Pinnacle Financial Partners, Inc.	/	Avenue Financial Holdings, Inc.
TowneBank	/	Monarch Financial Holdings, Inc.
MB Financial, Inc.	/	American Chartered Bancorp, Inc.
United Bankshares, Inc.	/	Bank of Georgetown
Bank of the Ozarks, Inc.	/	Community & Southern Holdings, Inc.
Yadkin Financial Corporation	/	NewBridge Bancorp
F.N.B. Corporation	/	Metro Bancorp, Inc.
Western Alliance Bancorporation	/	Bridge Capital Holdings
PacWest Bancorp	/	Square 1 Financial, Inc.
Sterling Bancorp	/	Hudson Valley Holding Corp.
Banner Corporation	/	Starbuck Bancshares, Inc.
IBERIABANK Corporation	/	Old Florida Bancshares, Inc.
BB&T Corporation	/	Bank of Kentucky Financial Corporation
First Citizens BancShares, Inc.	/	First Citizens Bancorporation, Inc.
Simmons First National Corporation	/	Liberty Bancshares, Inc.
Valley National Bancorp	/	1st United Bancorp, Inc.
Simmons First National Corporation	/	Community First Bancshares, Inc.
Bank of the Ozarks, Inc.	/	Summit Bancorp, Inc.
Yadkin Financial Corporation	/	VantageSouth Bancshares, Inc.
Center Bancorp, Inc.	/	ConnectOne Bancorp, Inc.

Using the latest publicly available information prior to the announcement of the relevant transaction, Sandler O'Neill reviewed the following transaction metrics: transaction price to book value per share, transaction price to tangible book value per share, transaction price to last 12 months earnings, transaction price to estimated forward earnings and core deposit premium. Sandler O'Neill compared the indicated transaction metrics for the merger to the high, low, mean and median metrics for both the Southeastern Transaction Group and the Nationwide Transaction Group.

Table of Contents**Comparable Southeastern Transaction Multiples**

	Comparable Southeast Transactions				
	South State Corporation				
	/				
	Southeastern Bank Financial Corporation	High Result	Low Result	Mean Result	Median Result
Transaction Value / Book Value	196.9%	262.3%	88.8%	171.8%	175.8%
Transaction Value / Tangible Book Value	197.0%	262.5%	118.3%	186.7%	191.3%
Transaction Value / LTM Earnings	18.7x	53.1x	11.9x	26.9x	23.3x
Transaction Value / Estimated Earnings	19.2x(1)	23.6x	16.9x	20.5x	20.8x
Core Deposit Premium(2)	12.0%	19.8%	1.5%	11.9%	11.5%

Comparable Nationwide Transaction Multiples

	Comparable Nationwide Transactions				
	South State Corporation				
	/				
	Southeastern Bank Financial Corporation	High Result	Low Result	Mean Result	Median Result
Transaction Value / Book Value	196.9%	262.3%	88.8%	179.9%	181.7%
Transaction Value / Tangible Book Value	197.0%	262.5%	118.3%	190.7%	192.5%
Transaction Value / LTM Earnings	18.7x	53.1x	11.9x	24.4x	22.7x
Transaction Value / Est. Earnings	19.2x(1)	44.0x	13.7x	21.3x	19.5x
Core Deposit Premium(2)	12.0%	20.5%	1.5%	12.4%	13.0%

- (1) Southeastern LTM earnings adjusted to exclude \$1.6 million negative provision reported in year ended December 31, 2015.
- (2) Core deposits defined as total deposits less time deposits greater than \$100,000

Net Present Value Analysis. Sandler O'Neill performed an analysis that estimated the net present value per share of Southeastern's common stock assuming Southeastern performed in accordance with internal financial projections for Southeastern for the years ending December 31, 2016 through December 31, 2020, as provided by the senior management of Southeastern.

To approximate the terminal value of Southeastern common stock at December 31, 2020, Sandler O'Neill applied price to earnings multiples of 11.0x to 18.5x and multiples of tangible book value ranging from 120% to 195%. The terminal values were then discounted to present values using discount rates ranging from 9.0% to 15.0% when applied to 2020 earnings multiples and 9.0% to 15.0% when applied to multiples of December 31, 2020 tangible book value, which were selected to reflect different assumptions regarding potential desired rates of return of holders or prospective buyers of Southeastern common stock. As illustrated in the following tables, the analysis indicates an imputed

Edgar Filing: SOUTH STATE Corp - Form S-4

Table of Contents

range of values per share of Southeastern common stock of \$23.10 to \$47.14 when applying multiples of earnings and \$25.79 to \$51.30 when applying multiples of tangible book value.

Discount Rate	Earnings Multiples (Value shown is a per share valuation)						
	11.0x	12.5x	14.0x	15.5x	17.0x	18.5x	
9%	\$ 29.45	\$ 32.98	\$ 36.52	\$ 40.06	\$ 43.60	\$ 47.14	
10%	\$ 28.25	\$ 31.64	\$ 35.03	\$ 38.42	\$ 41.81	\$ 45.20	
11%	\$ 27.11	\$ 30.36	\$ 33.61	\$ 36.85	\$ 40.10	\$ 43.35	
12%	\$ 26.03	\$ 29.14	\$ 32.26	\$ 35.37	\$ 38.48	\$ 41.59	
13%	\$ 25.01	\$ 27.99	\$ 30.97	\$ 33.96	\$ 36.94	\$ 39.92	
14%	\$ 24.03	\$ 26.89	\$ 29.75	\$ 32.61	\$ 35.47	\$ 38.33	
15%	\$ 23.10	\$ 25.85	\$ 28.59	\$ 31.33	\$ 34.08	\$ 36.82	

Discount Rate	Tangible Book Value Multiples (Value shown is a per share valuation)					
	120%	135%	150%	165%	180%	195%
9%	\$ 32.91	\$ 36.59	\$ 40.27	\$ 43.95	\$ 47.62	\$ 51.30
10%	\$ 31.57	\$ 35.09	\$ 38.61	\$ 42.13	\$ 45.66	\$ 49.18
11%	\$ 30.30	\$ 33.67	\$ 37.04	\$ 40.41	\$ 43.79	\$ 47.16
12%	\$ 29.08	\$ 32.32	\$ 35.55	\$ 38.78	\$ 42.01	\$ 45.24
13%	\$ 27.93	\$ 31.03	\$ 34.13	\$ 37.23	\$ 40.33	\$ 43.42
14%	\$ 26.83	\$ 29.81	\$ 32.78	\$ 35.75	\$ 38.72	\$ 41.69
15%	\$ 25.79	\$ 28.64	\$ 31.49	\$ 34.34	\$ 37.20	\$ 40.05

Sandler O'Neill also considered and discussed with Southeastern's board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O'Neill performed a similar analysis assuming Southeastern's net income varied from 15.0% above projections to 15.0% below projections. This analysis resulted in the following range of per share values for Southeastern common stock, applying the price to 2020 earnings multiples range of 11.0x to 18.5x referred to above and using a discount rate of 13.99%.

Earnings Projection Change from Base Case	Earnings Multiples (Value shown is a per share valuation)						
	11.0x	12.5x	14.0x	15.5x	17.0x	18.5x	
(15.0)%	\$ 20.89	\$ 23.32	\$ 25.76	\$ 28.19	\$ 30.62	\$ 33.05	
(10.0)%	\$ 21.94	\$ 24.52	\$ 27.09	\$ 29.67	\$ 32.24	\$ 34.82	
(5.0)%	\$ 22.99	\$ 25.71	\$ 28.43	\$ 31.15	\$ 33.87	\$ 36.58	
0.0%	\$ 24.04	\$ 26.90	\$ 29.76	\$ 32.63	\$ 35.49	\$ 38.35	
5.0%	\$ 25.09	\$ 28.09	\$ 31.10	\$ 34.10	\$ 37.11	\$ 40.11	
10.0%	\$ 26.14	\$ 29.29	\$ 32.43	\$ 35.58	\$ 38.73	\$ 41.88	
15.0%	\$ 27.19	\$ 30.48	\$ 33.77	\$ 37.06	\$ 40.35	\$ 43.64	

Sandler O'Neill also performed an analysis that estimated the net present value per share of South State common stock assuming that South State performed in accordance with publicly available consensus median analyst earnings per share estimates for the years ending December 31, 2016 and December 31, 2017, as well as an estimated earnings per share growth rate for the years thereafter, as provided by the senior management of Southeastern. To approximate the terminal value of South State common stock at December 31, 2020, Sandler O'Neill applied price to earnings multiples ranging from 14.0x to 24.0x and multiples of tangible book value ranging from 175% to 300%. The terminal values were then discounted to present values using different discount rates ranging from 8.0% to 14.0% when

Edgar Filing: SOUTH STATE Corp - Form S-4

Table of Contents

applied to 2020 earnings multiples and 8.0% to 14.0% when applied to multiples of December 31, 2020 tangible book value, which were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of South State's common stock. As illustrated in the following tables, the analysis indicates an imputed range of values per share of South State common stock of \$48.73 to \$103.08 when applying earnings multiples and \$50.21 to \$106.33 when applying multiples of tangible book value.

Discount Rate	Earnings Multiples (Value shown is a per share valuation)					
	14.0x	16.0x	18.0x	20.0x	22.0x	24.0x
8%	\$ 62.39	\$ 70.53	\$ 78.67	\$ 86.81	\$ 94.94	\$ 103.08
9%	\$ 59.81	\$ 67.60	\$ 75.39	\$ 83.18	\$ 90.97	\$ 98.76
10%	\$ 57.36	\$ 64.82	\$ 72.28	\$ 79.74	\$ 87.20	\$ 94.66
11%	\$ 55.04	\$ 62.18	\$ 69.33	\$ 76.47	\$ 83.62	\$ 90.76
12%	\$ 52.83	\$ 59.67	\$ 66.52	\$		