

SOUTH STATE Corp
Form 10-Q
November 03, 2017
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2017

OR

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

For the transition period from to

Commission file number 001-12669

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SOUTH STATE CORPORATION

(Exact name of registrant as specified in its charter)

South Carolina 57-0799315
(State or other jurisdiction of incorporation) (IRS Employer Identification No.)

520 Gervais Street
Columbia, South Carolina 29201
(Address of principal executive offices) (Zip Code)

(800) 277-2175

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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.

Large Accelerated Filer	Accelerated Filer
Non-Accelerated Filer	Smaller Reporting Company
	Emerging Growth Company

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

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

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

Class	Outstanding as of October 31, 2017
Common Stock, \$2.50 par value	29,294,271

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South State Corporation and Subsidiary

September 30 2017 Form 10-Q

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PART I — FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

South State Corporation and Subsidiary

Condensed Consolidated Balance Sheets

(Dollars in thousands, except par value)

	September 30, 2017 (Unaudited)	December 31, 2016 (Note 1)	September 30, 2016 (Unaudited)
ASSETS			
Cash and cash equivalents:			
Cash and due from banks	\$ 197,984	\$ 201,966	\$ 168,774
Interest-bearing deposits with banks	137,543	36,241	66,335
Federal funds sold and securities purchased under agreements to resell	68,407	136,241	272,408
Total cash and cash equivalents	403,934	374,448	507,517
Investment securities:			
Securities held to maturity (fair value of \$3,732, \$6,250 and \$7,076, respectively)	3,678	6,094	6,851
Securities available for sale, at fair value	1,320,679	999,405	925,374
Other investments	12,439	9,482	9,482
Total investment securities	1,336,796	1,014,981	941,707
Loans held for sale	46,321	50,572	57,052
Loans:			
Acquired credit impaired, net of allowance for loan losses	578,863	602,546	632,617
Acquired non-credit impaired	1,455,555	836,699	885,657
Non-acquired	6,230,327	5,241,041	5,008,113
Less allowance for non-acquired loan losses	(41,541)	(36,960)	(37,319)
Loans, net	8,223,204	6,643,326	6,489,068
Other real estate owned	13,527	18,316	22,211
Premises and equipment, net	198,146	183,510	179,450
Bank owned life insurance	151,402	104,148	103,427
Deferred tax assets	41,664	31,123	25,357
Mortgage servicing rights	29,937	29,037	23,064
Core deposit and other intangibles	50,472	39,848	41,738
Goodwill	597,236	338,340	338,340
Other assets	76,471	72,943	68,234
Total assets	\$ 11,169,110	\$ 8,900,592	\$ 8,797,165
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits:			

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Noninterest-bearing	\$ 2,505,570	\$ 2,199,046	\$ 2,176,155
Interest-bearing	6,556,451	5,135,377	5,071,251
Total deposits	9,062,021	7,334,423	7,247,406
Federal funds purchased and securities sold under agreements to repurchase	291,099	313,773	305,268
Other borrowings	83,307	55,358	55,306
Other liabilities	99,858	62,450	65,053
Total liabilities	9,536,285	7,766,004	7,673,033
Shareholders' equity:			
Preferred stock - \$.01 par value; authorized 10,000,000 shares; no shares issued and outstanding	—	—	—
Common stock - \$2.50 par value; authorized 40,000,000 shares; 29,267,369, 24,230,392 and 24,209,122 shares issued and outstanding, respectively	73,168	60,576	60,523
Surplus	1,136,352	711,307	705,124
Retained earnings	427,093	370,916	354,490
Accumulated other comprehensive income (loss)	(3,788)	(8,211)	3,995
Total shareholders' equity	1,632,825	1,134,588	1,124,132
Total liabilities and shareholders' equity	\$ 11,169,110	\$ 8,900,592	\$ 8,797,165

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

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South State Corporation and Subsidiary

Condensed Consolidated Statements of Income (unaudited)

(Dollars in thousands, except per share data)