



March 23, 2018

Dear Fellow Shareholders,

Over the past 14 years, CoastalStates Bank has become the dominant community bank in Hilton Head and Bluffton, but the story is far from finished. Ever since Tony Valduga and I had the opportunity to partner with Jim MacLeod, Randy Dolyniuk, and the CoastalStates team through the recapitalization of CoastalSouth Bancshares, Inc. in 2017, we've continued to ask: how do we expand the CoastalStates experience beyond Beaufort County? How do we take our LOCAL promise to other attractive markets in our unwavering commitment to become the strongest community bank in the Southeast?

Our answer: we will invest in our culture, our customers, and our communities; we will execute a thoughtful strategy; and we will remain mindful that a great plan is only as good as the people executing it.

First, we have continued to strengthen what is already a strong cultural foundation. Our culture is built around Character, Commitment, Strength, Service, and Community. We believe that a consistently meaningful experience for our team members will translate into a more consistently meaningful experience for our customers and our communities.

Second, our strategic plan is designed to leverage the LOCAL strength of CoastalStates to grow organically and to take advantage of merger and acquisition opportunities. To that end, during the second half of 2017 and first quarter of 2018, we have:

- Added new lines of business with a regional homebuilder division and a nationwide senior housing lending platform;
- Added a nationwide Government Guaranteed Lending division specializing in SBA and USDA loan originations;
- Restructured our residential mortgage lending subsidiary (now known as CoastalStates Mortgage, Inc.) to more closely align with our retail franchise;
- Hired "best in class" lenders in Savannah and Atlanta who will spearhead our entry into those markets with new commercial lending teams; and
- Initiated dialogue with a number of potential acquisition candidates that share our commitment to community banking.

Finally, we must acknowledge that our success begins and ends with great people. We've experienced a great deal of change in the last seven months, with more to come. Through it all, our team members have remained focused on delivering best in class customer service - and being LOCAL. And Proud of It! We are committed to adding similarly focused and talented bankers to our team as we grow.

Our story is just beginning. Thank you for being a part of it.

Sincerely,

A handwritten signature in black ink, appearing to read "S.R. Stone", written over a light blue horizontal line.

Stephen R. Stone
Chief Executive Officer



COASTALSOUTH BANCSHARES, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD APRIL 24, 2018

Dear Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders (the “Annual Meeting”) of CoastalSouth Bancshares, Inc. (the “Company”), which will be held at 8:00 a.m. at Sea Pines Community Center, Suite 120 located at 71 Lighthouse Road, Hilton Head Island, South Carolina 29928, for the following purposes:

- (1) To elect nine directors, each to serve for a one-year term ending at the Annual Meeting of Shareholders in 2018; and
- (2) To transact any other business that may properly come before the Annual Meeting or any adjournments thereof.

The enclosed Proxy Statement describes in more detail the matters which are to be considered at the Meeting. We urge you to read these materials carefully. Any action may be taken on the foregoing proposals at the Annual Meeting on the date specified or on any date or dates to which, by original or later adjournments, the Annual Meeting may be adjourned.

The Board of Directors set the close of business on February 28, 2018 as the record date for determining the shareholders who are entitled to notice of and/or entitled to vote at the Annual Meeting.

The Board of Directors supports the proposal set forth in Item (1) above and urges you to vote **FOR** this proposal.

We hope that you will be able to attend the meeting. **Whether or not you plan to attend, please complete, date and sign the enclosed form of proxy and promptly return it in the postage-paid return envelope so that your shares will be represented at the Annual Meeting.** If you attend the Annual Meeting in person, you may revoke your proxy at the Annual Meeting and vote in person. You may also choose to vote by internet or telephone; instructions for which are provided on the enclosed Proxy Card. You may revoke your proxy at any time before the proxy is exercised.

In an effort to streamline cost and enhance efficiency related to the Annual Meeting, rather than printing and mailing the 2017 Annual Report, it is available electronically at the following web address: www.edocumentview.com/COSO. If you would like an unbound printed copy of the annual report, please request it by email sent to the following email address: bmicolau@coastalstatesbank.com.

By Order of the Board of Directors,

James S. MacLeod
Chairman

March 23, 2018

COASTALSOUTH BANCSHARES, INC.
5 Bow Circle
Hilton Head Island, South Carolina 29928
(843) 341-9900

PROXY STATEMENT FOR ANNUAL MEETING

INTRODUCTION

General

The Board of Directors is sending this Proxy Statement (this “Proxy Statement”) to our shareholders to solicit proxies from holders of our voting common stock, \$1.00 par value per share (our “Voting Common Stock”), for use at the Annual Meeting of the Shareholders. Unless otherwise clearly specified, all references in this Proxy Statement to “CoastalSouth”, “we”, “us”, “our”, and the “Company” refer to CoastalSouth Bancshares, Inc.

Time and Place of Meeting

Our Board of Directors is furnishing this Proxy Statement in connection with its solicitation of proxies for use at the Annual Meeting of Shareholders to be held on Tuesday, April 24, 2018 at 8:00 a.m. at Sea Pines Community Center, Suite 120 located at 71 Lighthouse Road, Hilton Head Island, South Carolina 29928 (the “Annual Meeting”).

Record Date and Mailing Date

The close of business on February 28, 2018 is the record date (the “Record Date”) for the determination of shareholders entitled to notice of and to vote at the Annual Meeting. Only the holders of our outstanding Voting Common Stock as of the close of business on the Record Date will be entitled to notice of and to vote at the Annual Meeting. This Proxy Statement and the accompanying proxy card are being mailed to such shareholders on March 23, 2018.

Number of Shares Outstanding

As of the close of business on the Record Date, CoastalSouth had 50,000,000 shares of common stock authorized, of which 4,254,714 shares of Voting Common Stock were outstanding, held by 419 holders of record.

Summary of Proposals

The proposals to be considered at the meeting are summarized as follows:

Proposal One. To elect nine directors each to serve a for one-year term ending at the annual meeting of shareholders in 2019 (the “Director Election Proposal”).

VOTING AT THE ANNUAL MEETING

Requirements for Shareholder Approval

To hold a vote on any proposal, other than to adjourn the Annual Meeting for the lack of a quorum, a quorum must be present with respect to the proposal. A quorum will be present at the Annual Meeting if a majority of the outstanding shares of Voting Common Stock entitled to vote at the Annual Meeting is represented in person or by valid proxy. We will count abstentions and broker non-votes, which are described below, as present in determining whether a quorum exists.

Abstentions. A shareholder who is present in person or by proxy at the Annual Meeting and who abstains from voting on any or all proposals will be included in the number of shareholders present at the Annual Meeting for purposes of determining the presence of a quorum. Abstentions do not count as votes for or against a given matter. An abstention will have no effect on the Director Election Proposal.

Broker Non-Votes. Brokers who hold shares for the accounts of their clients may vote these shares either as directed by their clients or in their own discretion if permitted by the exchange or other organization of which they are members. Proxies that contain a broker vote on one or more proposals but not vote on others are referred to as “broker non-votes” with respect to the proposal(s) not voted upon. Broker non-votes are included in determining the presence of a quorum. A broker non-vote does not count as a vote in favor or against a particular proposal for which the broker has no discretionary authority. Broker non-votes will have no effect on the Director Election Proposal.

Vote Required. The holders of shares of CoastalSouth’s Voting Common Stock are entitled to one vote per share on all matters presented at the Annual Meeting for action by shareholders. With respect to the Director Election Proposal, for a director nominee to be elected, each director nominee must receive more affirmative votes for his seat on the Board of Directors than any other nominee for such seat. The Board of Directors is not aware of any competing nominees.

Director and Executive Officer Vote

CoastalSouth’s directors and executive officers held or had voting control over 1,471,576 shares of our Voting Common Stock as of the Record Date, representing approximately 35% of the Voting Common Stock issued and outstanding. The directors and executive officers of CoastalSouth have unanimously indicated their intentions to vote their shares in favor of the Director Election Proposal.

Procedures for Voting by Proxy

If you properly sign, return and do not revoke your proxy, the persons appointed as proxies will vote your shares according to the instructions you have specified on the proxy card. **If you execute your proxy but do not provide your proxies with any voting instructions, then your shares will be voted “FOR” the Director Election Proposal, and in accordance with the best judgment of the persons appointed as proxies as to all other matters properly brought before the Annual Meeting.** No proxy marked specifically “WITHHOLD” or “ABSTAIN” with respect to any Proposal will be voted in favor of any of the other Proposal unless the proxy is specifically marked “FOR” such other Proposal.

A shareholder who has given a proxy may revoke it at any time prior to its exercise at the Annual Meeting by:

- giving written notice of revocation to CoastalSouth;
- properly submitting to CoastalSouth a duly executed proxy bearing a later date; or
- attending the Annual Meeting and voting in person.

All written notices of revocation and other communications concerning proxies should be addressed to Steven M. LaSota, General Counsel and Corporate Secretary of CoastalSouth Bancshares, Inc., at P.O. Box 4800, Hilton Head Island, South Carolina 29938.

Solicitation of Proxies

CoastalSouth will pay the cost of proxy solicitation. Our directors, officers and employees may, without additional compensation, solicit proxies by personal interview, telephone, fax or otherwise. We will direct brokerage firms or other custodians, nominees or fiduciaries to forward our proxy solicitation materials to the beneficial owners of Voting Common Stock held of record by these institutions. We will reimburse these firms, custodians, nominees and fiduciaries for the reasonable out-of-pocket expenses that they incur in connection with this process.

PROPOSALS TO BE CONSIDERED

PROPOSAL ONE: THE DIRECTOR ELECTION PROPOSAL

Our current Board of Directors consists of nine members. The Board of Directors unanimously recommends that the shareholders elect Ernst W. Bruderer, Mark Griffith, James S. MacLeod, Patrick W. Frawley, Stephen R. Stone, James N. Richardson, Jr., Michael B. High, Boris M. Gutin and Joseph V. Topper, Jr. as director nominees each to serve as a director for a one-year term expiring in 2018, in accordance with our Articles of Incorporation and our Bylaws.

Director Nominees

(For a One-Year Term Expiring 2019)

<u>Name (Age)</u>	<u>Director Since</u>	<u>Position(s) and Business Experience</u>
Ernst W. Bruderer (64)	2003	Mr. Bruderer has served as a member of CoastalSouth’s Board of Directors since 2003, as a member of the Bank’s Board of Directors since 2004 and is one of our founders. Since 1989, Mr. Bruderer has served as the Chief Executive Officer of Overterra AG/Overterra USA Corporation, a real estate investment and consulting firm and since 1996 as chairman of Lowcountry Motors in Bluffton, South Carolina. Prior to joining Overterra, he worked for Jacobs-Suchard AG, a public company in Zurich, Switzerland, conducting business in the United States, Europe, and Africa from 1980 to 1989, where he served in such roles as Executive Vice President, Corporate Secretary, head of Trademarks & Patents and as a member of the Legal and Finance departments. Additionally, Mr. Bruderer is a director of SYNCO Properties, where he serves as the Chairman of the Executive Committee. Mr. Bruderer received his Bachelor of Business Administration from the University of St. Gall in Switzerland and a Juris Doctor from the University of Zurich.
Mark A. Griffith (61)	2012	Mr. Griffith has served on the Board of Directors of CoastalSouth and CoastalStates Bank since 2012. He is Chairman of the Board of Directors’ for the Sea Pines Community Service Association and Director of The Association of Sea Pines Plantation Property Owners. Prior to his retirement in March 2009, Mr. Griffith was Managing Director of LNR Partners Europe Ltd. He was responsible for the operations and directing the investment strategies across the U.K. and Western Europe. During the European portion of his career he raised and invested over \$2.0 billion in real estate and real estate related debt products across the U.K. and

Name (Age)	<u>Director Since</u>	<u>Position(s) and Business Experience</u>
		<p>Western Europe. Mr. Griffith has had extensive experience in real estate equity and debt investment during his 19 years with the company in roles ranging from the U.S. Eastern Region President to Director of Real Estate. Mr. Griffith was also Vice President of LNR Property Corporation, the parent company of its' European subsidiaries. Prior to joining the company, Mr. Griffith was Vice President of three U.S. commercial real estate companies (1978 to 1990) specializing in retail shopping centers and office building ownership, development and management. Mr. Griffith attended Ohio University.</p>
<p>James S. MacLeod (70) -Chairman</p>	<p>2003</p>	<p>Mr. MacLeod is the Executive Chairman CoastalSouth, and previously served as the Chief Executive Officer of CoastalSouth and as the President and Chief Operating Officer of CoastalStates Bank. Mr. MacLeod serves on the Board of Directors of CoastalSouth and CoastalStates. Before joining CoastalSouth, Mr. MacLeod worked for Mortgage Guaranty Insurance Corporation for 22 years, where he served as Executive Vice President in Milwaukee, Wisconsin. Mr. MacLeod is non-executive Chairman of the Board of Directors of Sykes Enterprises, Inc. (SYKE), where he serves on the Audit Committee. Mr. MacLeod is a trustee of the Allianz GI Funds where he serves on the Performance, Audit, Contracts, Compliance and Valuation Committees; and is Chairman of the Governance Committee. Mr. MacLeod is a Trustee of the University of Tampa, where he serves as Vice Chairman of the Board, on the Executive Committee, and Chairman of the Development Committee. Mr. MacLeod also serves as a Director of the Mortgage Bankers Association of America. Mr. MacLeod is also a member of the Board of Directors of the Medical University of South Carolina (MUSC) Foundation, where he serves on the Finance Committee. Mr. MacLeod holds a Bachelor of Science in Economics from the University of Tampa, a Masters in City Planning from Georgia Institute of Technology and a Master's of Science in Real Estate and Urban Affairs from Georgia State University.</p>
<p>Patrick M. Frawley (66) -Vice Chairman</p>	<p>2017</p>	<p>Mr. Frawley founded Community & Southern Holdings, Inc. and its wholly-owned subsidiary, Community & Southern Bank in 2010,</p>

Name (Age)	<u>Director Since</u>	<u>Position(s) and Business Experience</u>
		<p>with the goal of creating a strong community bank focused on serving Georgia and attractive markets in contiguous states. In 2010, Community & Southern raised approximately \$370 million in equity and, over a five-year period, completed 14 acquisitions and grew the bank to approximately \$4.5 billion in total assets. On July 20, 2016, Community & Southern successfully completed its merger with Bank of the Ozarks, Inc. From 2010 through 2016, Mr. Frawley served as the Chief Executive Officer and a member of the Board of Directors of Community & Southern. Mr. Frawley's commitment to the financial industry dates back to the early 1970s. He began his career working for the Comptroller of the Currency in a variety of key regulatory roles, including Director of Bank Supervision for the Southeast U.S. In 1986, Mr. Frawley moved to the private sector at Citizens & Southern National Bank, then C&S/Sovran, NationsBank and Bank of America. After 15 years with multinational banks, Mr. Frawley became CEO of two troubled community banks and earned a reputation as a turnaround specialist. In 2008, Mr. Frawley began the process of forming Community & Southern Bank, culminating in its first acquisition in 2010. Mr. Frawley earned a Bachelor of Business Administration degree from Campbell University in North Carolina and graduated from LSU's School of Banking.</p>
Stephen R. Stone (42)	2017	<p>Mr. Stone was a founding executive of Community & Southern Holdings, Inc. and Community & Southern Bank. From 2010 through 2011, Mr. Stone served as Community & Southern's General Counsel. As General Counsel, Mr. Stone advised Mr. Frawley and Community & Southern's Board of Directors with respect to the company's business and legal strategies. In particular, Mr. Stone advised the company its initial capital raise of \$255 million in January of 2010 and its follow-on offering of \$115 million in September 2010, as well as each of the company's FDIC-assisted transactions. From 2011 to 2012 Mr. Stone also served as Chief Administrative Officer, overseeing the Branch special assets Division and Human Resources function. From 2012 through 2016, Mr. Stone served as Community & Southern's Chief Strategy Officer. As Chief Strategy Officer, Mr. Stone spearheaded the company's M&A strategy,</p>

Name (Age)	<u>Director Since</u>	<u>Position(s) and Business Experience</u>
		<p>completing fourteen acquisitions in a five-year period. Prior to joining Community & Southern in 2010, Mr. Stone was an attorney in the Financial Services and Products Group at the law firm of Alston & Bird, LLP in Atlanta, Georgia, where his practice focused primarily on mergers and acquisitions and corporate finance transactions in the financial services industry. Mr. Stone served as an adjunct professor at the Emory University School of Law from 2007-2008, where he taught a course on mergers and acquisitions. He received a Bachelor of Arts degree from the University of Virginia and received his law degree from the Washington College of Law at The American University, <i>cum laude</i>.</p>
James N. Richardson, Jr. (73)	2003	<p>Mr. Richardson has served as a member of our Board of Directors since 2003 and on the Board of Directors of CoastalStates Bank. Since 1983, Mr. Richardson has served as Chief Operating Officer of Windmill Harbour Company and since 1985, he has served as President and General Managing Partner of Coligny Plaza LP. Mr. Richardson founded South Carolina Yacht Club and is the Chief Executive Officer of The Richardson Group and Broker-in-Charge, Manager and owner of Windmill Harbour Real Estate. Mr. Richardson currently serves on Sea Pines ASPPO and CSA Board of Directors. He is Chairman of the Sea Pines Architectural Review Board, which he has served on since 2004. Mr. Richardson has launched three new businesses in the past two years, opening two Local Pie restaurants and Fish, Seafood and Raw Bar restaurant. Mr. Richardson currently serves as Commissioner of South Island Public Service District, where he has served in this appointed position as a member since 2007. Mr. Richardson has served as Director of Hilton Head Island Multiple Listing Board, which he has been a member of since 1985, in addition to being a Board Member of the HHI Association of Realtors. Mr. Richardson served as Chairman of Young President’s Organization Gold for Southern Seven States. He volunteers in numerous charity positions both locally and statewide. He holds a Bachelor of Science in Business from Mars Hill College.</p>
Michael B. High (69)	2017	<p>Mr. High has more than 40 years of banking experience. He currently serves as Partner of Patriot</p>

Name (Age)	<u>Director Since</u>	<u>Position(s) and Business Experience</u>
		<p>Financial Partners L.P., a \$600 million private equity firm that primarily invests in Banks and Bank Holding Companies. Prior to joining Patriot Financial Partners LP, Mr. High served as Executive Vice President and Chief Operating Officer for Harleysville National Corporation from 2005 through 2008 and Chief Financial Officer during 2004 his initial year at Harleysville. From 1998 through 2004, Michael was Chief Operating Officer and Chief Financial Officer at Progress Financial Corporation. In these capacities, he was responsible for Finance, Asset/Liability Management, Mergers and Acquisitions, Investor Relations, Operations, Risk Management, Facilities and Human Resources. Prior to joining Progress, Mr. High was Senior Vice President of Finance at CoreStates Financial Corp. following the merger in 1996 between CoreStates Financial Corp. and Meridian Bancorp where he was Senior Vice President of Finance. In a prior position, Mr. High was Executive Vice President and Chief Financial Officer with Meritor Savings Bank. He began his career in the Philadelphia office of PriceWaterhouseCoopers (formerly Coopers & Lybrand).</p> <p>Mr. High is a Certified Public Accountant (CPA) in the State of Pennsylvania (currently inactive), and holds a Bachelor of Science degree in Accounting from the Smeal College of Business Administration at The Pennsylvania State University, University Park, Pennsylvania.</p> <p>Mr. High's professional affiliations and activities include: member of the American Institute of Certified Public Accountants, Board member of Howard Bancorp Inc., Baltimore, Maryland, Elderlife Financial Services, Rock Hall, Md. and Laurel Road Bank, Darien, Ct.; member of the Penn State Great Valley Advisory Board, member and past President of the Perkiomen Valley Optimist Club, Collegeville, PA, former Director of the Pennsylvania Economy League, Philadelphia, and former Finance Director of the Valley Forge Council of Boy Scouts, Valley Forge, PA.</p>
Boris M. Gutin (43)	2017	Mr. Gutin is a Managing Director and Partner of GCP Capital Partners and has been a member of the GCP Investment Committee since December 2009.

Name (Age)	<u>Director Since</u>	<u>Position(s) and Business Experience</u>
		<p>Mr. Gutin joined Greenhill Capital Partners, the predecessor fund to GCP Capital, in 2003. Mr. Gutin has over 20 years of private equity investment and finance experience, with approximately 17 years in private equity principal investing. Prior to joining GCP, from 1999 to 2001, Mr. Gutin was an Associate at American Securities Capital Partners, a New York-based middle-market private equity fund. From 1996 to 1999, Mr. Gutin was in the principal investment area (private equity fund) and leveraged finance group of Goldman, Sachs & Co. Mr. Gutin focuses and leads the majority of GCP's financial services and financial technology investments and has led all of GCP's community bank investments. GCP has completed seven community bank investments. Mr. Gutin is currently a Director of Radius Bank, TransFast and ClearView Risk. He was formerly a director of Eastern Virginia Bank, Continental Bank, First Mariner Bank, Acrisure Insurance, Ironshore and Hercules Offshore. Mr. Gutin is a graduate of Johns Hopkins University and Harvard Business School.</p>
Joseph V. Topper, Jr. (62)	2017	<p>Joseph V. Topper, Jr. currently serves as the Chief Executive Officer of Dunne Manning Inc. and its affiliated entities, based in Allentown, PA. Previously, Mr. Topper served as the President and Chief Executive Office of the General Partner of Cross America Partners LP (formerly Lehigh Gas Partners LP) from December 2011 to March 26, 2015, and chairman of the Board from 2011 through 2014. Mr. Topper has 26 years of management experience in the wholesale and retail fuel distribution business. In 1987, Mr. Topper purchased his family's retail fuel business and five years later founded Lehigh Gas Corporation, the predecessor to Cross America Partners LP and Dunne Manning Inc., where he has been the Chief Executive Officer since 1992. He is also the co-founder of City Center Investment Corporation, a real estate development and property management company in Allentown.</p> <p>Mr. Topper currently serves on the board of directors of Cross America Partners LP and the board of directors for Lehigh Valley PBS and is currently the Chairman of the Board of Trustees for Villanova University. He is the past President of the board of directors for Lehigh Valley PBS and the</p>

<u>Name (Age)</u>	<u>Director Since</u>	<u>Position(s) and Business Experience</u>
		Lehigh Valley PBS Foundation, and also served as a board member for the Good Shepherd Rehabilitation Hospital in Allentown and on the Managing Board of Directors for Team Capital Bank. Mr. Topper holds a Master's degree of Business Administration degree from Lehigh University and a Bachelor of Science degree in Accounting from Villanova University.

Vote Required to Elect Directors

To be elected, each of the above directors requires the plurality vote cast by the shares entitled to vote in the election once quorum is present. Accordingly, assuming a quorum is present, each of the above directors must receive more votes in favor of his election than any other nominee. The Board of Directors is not aware of any nominees other than the individuals listed above. Proxies received which contain no instructions to the contrary will be voted "FOR" the election of such Director.

Recommendation of the Board of Directors

The Board of Directors unanimously recommends that you vote **FOR** the election of the director nominees set forth in the Director Election Proposal.

OTHER INFORMATION

Security Ownership of Certain Beneficial Owners and Management

The following table shows how much of our Voting Common Stock is owned by the directors and executive officers as of the Record Date.

Name of Beneficial Owner	Number of Shares of Voting Common Stock Beneficially Owned	Percentage of Shares of Voting Common Stock Owned
<i>Directors and Executive Officers</i> ⁽¹⁾		
James S. MacLeod, Executive Chairman ⁽²⁾	137,202	3.22%
Stephen R. Stone, Chief Executive Officer	46,100	1.08%
Anthony P. Valduga, Chief Financial Officer	46,100	1.08%
Randy K. Dolyniuk, President ⁽³⁾	52,278	1.23%
Patrick M. Frawley	45,377	1.07%
Ernst. W. Bruderer ⁽⁴⁾	27,371	0.64%
Mark A. Griffith ⁽⁵⁾	38,262	0.90%
Boris Gutin ⁽⁶⁾	415,712	9.77%
Michael B. High ⁽⁷⁾	415,712	9.77%
James N. Richardson, Jr. ⁽⁸⁾	43,213	1.02%
Joseph V. Topper, Jr.	204,249	4.80%
All directors and Reg O Executive officers	1,471,576	34.59%

⁽¹⁾ The address of each director and executive officer is: 5 Bow Circle, Hilton Head Island, South Carolina 29928.

⁽²⁾ Shares beneficially owned include 136,236 shares held by James S. MacLeod and his spouse as joint tenants and 966 shares owned by Cassons, LLC (an affiliated entity).

⁽³⁾ Shares beneficially owned include 20,050 shares held by the PENSICO as Custodian for Randy K. Dolyniuk IRA; 6,262 shares held by Randy Dolyniuk and his spouse as joint tenants; 25,000 shares held by Randy Dolyniuk; and 966 shares owned by Cassons, LLC (an affiliated entity).

⁽⁴⁾ Shares beneficially owned include 100 shares held by Ernst Bruderer and his spouse as joint custodians for Kevin Bruderer UTMA; 100 shares held by Ernst Bruderer and his spouse as joint custodians for Simone Bruderer UTMA; 100 shares held

by Ernst Bruderer and his spouse as joint custodians for Tania Bruderer UTMA; 26,105 shares held by Ernst W. Bruderer; and 966 shares owned by Cassons, LLC (an affiliated entity).

- (5) Shares beneficially owned include 16,750 shares held by Patricia Ann Griffith as trustee of the Patricia Ann Griffith Revocable Trust and 21,512 shares held by Mark Allan Griffith.
- (6) GCP CoastalSouth LLC ("GCP"), is the holder of record of 415,712 shares of Voting Common Stock. GCP's voting and dispositive power is held by GCP Managing Partner IV GP, LLC, which is the general partner of GCP. Boris Gutin currently serves as the representative of GCP on our Board of Directors.
- (7) Patriot Financial Partners II Coastal SPV, LLC ("Patriot Fund II"), is the holder of record of 415,712 shares of Voting Common Stock. Patriot Fund II's voting and dispositive power is held by Patriot Financial Partners II GP, L.P. ("Patriot II GP"), which is the general partner of Patriot Fund II, and by Patriot Financial Partners II GP, LLC ("Patriot II LLC"), which is the general partner of Patriot II GP, and by W. Kirk Wycoff, Ira M. Lubert, and James J. Lynch who serve as the general partners of the funds and Patriot II GP and as the members of Patriot II LLC. Mr. Wycoff, Mr. Lubert, and Mr. Lynch each disclaim beneficial ownership of such shares of Voting Common Stock, except to the extent of their respective pecuniary interest in the funds. Michael B. High currently serves as the representative of the Patriot Fund II on our Board of Directors.
- (8) Shares beneficially owned include 6,800 shares held by Wells Fargo First Clearing Services, LLC as custodian for James N. Richardson, Jr. IRA, and 35,447 shares held by James N. Richardson, Jr.; and 966 shares owned by Cassons, LLC (an affiliated entity).

OTHER MATTERS

The Board of Directors of CoastalSouth Bancshares, Inc. knows of no other matters that may be brought before the Annual Meeting. If, however, any matters other than those described in the Notice of Annual Meeting of the Shareholders should properly come before the Meeting, votes will be cast pursuant to the proxies in accordance with the best judgment of the proxy holders.

IF YOU CANNOT BE PRESENT IN PERSON, YOU ARE REQUESTED TO COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY PROMPTLY USING THE SELF-ADDRESSED ENVELOPE PROVIDED FOR THIS PURPOSE. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES. ALTERNATIVELY, YOU MAY VOTE YOUR RESPECTIVE SHARES BY INTERNET OR TELEPHONE, INSTRUCTIONS FOR WHICH ARE PROVIDED ON THE ENCLOSED PROXY CARD. YOU MAY REVOKE YOUR PROXY AT ANY TIME BEFORE THE PROXY IS EXERCISED.

March 23, 2018

