

**CoastalSouth Bancshares, Inc. and Subsidiary**  
**Consolidated Balance Sheet**  
*(dollars in thousands)*

	March 31, 2017
<b>Assets</b>	
Cash and cash equivalents	\$ 66,966
Investment securities	51,661
Loans held for sale	20,952
Loans held for investment	262,554
Allowance for loan losses	(2,546)
Loans held for investment, net	260,008
Total loans	280,960
Premises and equipment, net	3,489
Other real estate owned	7,932
Deferred tax asset	11,749
Intangible assets	-
Other assets	10,151
<b>Total assets</b>	<b>\$ 432,908</b>
Liabilities and shareholders' equity	
Liabilities	
Deposits	
Noninterest bearing DDA	\$ 91,258
Interest bearing DDA	91,653
Savings	18,519
Money market	97,582
Certificates of deposit	61,411
Total Deposits	360,423
Other borrowings	37,850
Other liabilities	1,104
<b>Total liabilities</b>	<b>399,377</b>
Shareholders' equity	
Common stock, voting	36,627
Common stock, nonvoting	-
Preferred stock	16,495
Additional paid-in capital	1,138
Retained earnings	(20,411)
Accumulated other comprehensive income	(318)
<b>Total shareholders' equity</b>	<b>33,531</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 432,908</b>

**CoastalSouth Bancshares, Inc. and Subsidiary**  
**Consolidated Income Statement**  
*(dollars in thousands)*

	March 31, 2017
<b>Interest income</b>	
Interest on cash and cash equivalents	\$ 87
Interest and dividends on investment securities	233
Interest and fees on loans	3,651
Interest on loans held for sale	222
Total interest income	4,193
<b>Interest expense</b>	
Deposits	193
Other borrowings	308
Total interest expense	501
Net interest income	3,692
Provision for credit losses	500
Net interest income after provision for credit losses	3,192
<b>Noninterest income</b>	
Service charges on deposit accounts	253
Securities gains/(losses)	-
Mortgage banking related income	1,713
Gain/(loss) on BOLI	37
Other noninterest income	79
Total noninterest income	2,082
<b>Noninterest expense</b>	
Salaries and employee benefits	3,682
Occupancy and equipment expense	476
Communications and data processing	439
Marketing and advertising	103
FDIC deposit insurance expense	125
Professional services	226
Postage, printing and supplies	124
(Gain)/loss on OREO	(5)
Expense on loans and OREO	316
Other noninterest expense	1,040
Total noninterest expense	6,526
Net income (loss) before taxes	(1,252)
Income tax expense (benefit)	(401)
<b>Net income (loss)</b>	<b>\$ (851)</b>