

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

	June 30, 2017
<b>Assets</b>	
Cash and cash equivalents	\$ 119,839
Investment securities	62,858
Loans held for sale	19,590
Loans held for investment	271,428
Allowance for loan losses	(2,615)
Loans held for investment, net	268,813
Total loans	288,403
Premises and equipment, net	3,394
Other real estate owned	7,721
Deferred tax asset	11,697
Intangible assets	-
Other assets	10,101
<b>Total assets</b>	<b>\$ 504,013</b>
Liabilities and shareholders' equity	
Liabilities	
Deposits	
Noninterest bearing DDA	\$ 97,166
Interest bearing DDA	89,796
Savings	19,813
Money market	102,303
Certificates of deposit	67,670
Total Deposits	376,748
Other borrowings	91,771
Other liabilities	1,423
<b>Total liabilities</b>	<b>469,942</b>
Shareholders' equity	
Common stock, voting	36,627
Common stock, nonvoting	-
Preferred stock	16,495
Additional paid-in capital	1,138
Retained earnings	(20,350)
Accumulated other comprehensive income	161
<b>Total shareholders' equity</b>	<b>34,071</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 504,013</b>

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

	Quarter - to - Date June 30, 2017	Year - to - Date June 30, 2017
<b>Interest income</b>		
Interest on cash and cash equivalents	\$ 168	\$ 255
Interest and dividends on investment securities	295	528
Interest and fees on loans	3,969	7,620
Interest on loans held for sale	150	372
Total interest income	4,582	8,775
<b>Interest expense</b>		
Deposits	223	416
Other borrowings	318	626
Total interest expense	541	1,042
Net interest income	4,041	7,733
Provision for credit losses	250	750
Net interest income after provision for credit losses	3,791	6,983
<b>Noninterest income</b>		
Service charges on deposit accounts	269	522
Securities gains/(losses)	-	-
Mortgage banking related income	2,376	4,089
Gain/(loss) on BOLI	39	76
Other noninterest income	64	143
Total noninterest income	2,748	4,830
<b>Noninterest expense</b>		
Salaries and employee benefits	3,509	7,191
Occupancy and equipment expense	481	957
Communications and data processing	363	802
Marketing and advertising	73	176
FDIC deposit insurance expense	195	320
Professional services	375	601
Postage, printing and supplies	125	249
(Gain)/loss on OREO	(20)	(25)
Expense on loans and OREO	227	543
Other noninterest expense	1,064	2,104
Total noninterest expense	6,392	12,918
Net income (loss) before taxes	147	(1,105)
Income tax expense (benefit)	86	(315)
<b>Net income (loss)</b>	<b>\$ 61</b>	<b>\$ (790)</b>