



FOR IMMEDIATE RELEASE
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**CoastalSouth Bancshares, Inc. and Cornerstone Bancshares, Inc.
Announce Definitive Merger Agreement**

ATLANTA, Ga., - CoastalSouth Bancshares, Inc. (“CoastalSouth” or the “Company”), the parent company of Coastal States Bank (“CSB”), and Cornerstone Bancshares, Inc. (“Cornerstone”), the parent company of Cornerstone Bank, announced today the signing of a definitive merger agreement pursuant to which Cornerstone will merge with and into CoastalSouth. Following completion of the merger, Cornerstone Bank will become part of CSB. The transaction has been unanimously approved by the Board of Directors of each company and is expected to close in the third quarter of 2021.

Cornerstone Bank currently operates three branches in metro Atlanta. The merger will significantly expand CSB’s presence in the Atlanta market and, on a pro forma basis, the Company will have more than \$500 million in total deposits in the Atlanta MSA.

“We are excited to announce our partnership with Cornerstone and our expansion in Atlanta,” said Steve Stone, President and Chief Executive Officer of CoastalSouth and CSB. “This acquisition will significantly enhance our presence in metro Atlanta, one of our primary growth markets. Financially, this is a very compelling transaction for both sets of shareholders. Steven Deaton and the team he has put together at Cornerstone have done a very good job of addressing legacy credit issues and, through the use of a contingent consideration mechanism in the merger agreement, we believe we have addressed the remaining credit issues in a conservative manner” he continued.

Steven Deaton, President and Chief Executive Officer of Cornerstone, stated, “Our clients, employees, and shareholders will benefit from being part of CSB. This partnership accelerates the implementation of our business plans through the combination with a high-performing community bank that is as committed to community banking as we are.”

Piper Sandler & Co. served as the financial adviser to CoastalSouth, and Troutman Pepper served as its legal counsel.

The Burke Group served as Cornerstone’s financial adviser and Alston & Bird LLP served as its legal counsel.

About CoastalSouth Bancshares, Inc.

Established in 2003, CoastalSouth Bancshares, Inc. (OTCQX: COSO) is a bank holding company headquartered in Hilton Head Island, South Carolina. CoastalSouth, through its wholly owned subsidiary, Coastal States Bank (“CSB”) builds relationships by providing a full range of banking services designed for businesses, their owners, and individuals looking for a local banking partner. CSB has a community banking presence in the Lowcountry of South Carolina (Hilton Head Island and Bluffton), Savannah, and Atlanta, and also serves communities across the country through its Government Guaranteed Lending, Seniors Housing, and Mortgage Banker Finance lines of business. As of March 31, 2021, CSB had approximately \$1.2 billion in total assets.

Coastal States Bank – Local. And Proud of It.®

For additional information regarding the Company and CSB please visit www.coastalstatesbank.com.

About Cornerstone Bancshares, Inc.

Cornerstone Bancshares, Inc., a Georgia corporation, is a savings and loan holding company established in 2003. Cornerstone Bank, a federal savings association and wholly owned subsidiary of Cornerstone Bancshares, Inc., operates three branches located in metro Atlanta. As of March 31, 2021, Cornerstone Bank had approximately \$214 million in total assets.

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