

May 6, 2025

To our Shareholders:

CoastalSouth Bancshares, Inc. (the “Company”) is pleased to announce net income of \$5.1 million, or \$0.47 per diluted share, for the first quarter of 2025, compared to \$5.7 million net income, or \$0.54 per diluted share, for the fourth quarter of 2024, and \$2.4 million net income, or \$0.24 per diluted share for the comparable quarter last year. The sharp increase from the comparable quarter was primarily due to the previously disclosed repositioning of the Company's available-for-sale (“AFS”) securities portfolio during the first quarter of 2024.

Highlights for the First Quarter of 2025

- **Total assets of \$2.19 billion**
- **Quarterly growth in Loans held for investment of \$62.8 million**
- **Total deposits of \$1.94 billion, an increase of \$102.9 million from the prior quarter**
- **Net income of \$5.1 million, or \$0.47 diluted earnings per share (“diluted EPS”)**
- **Quarterly annualized ROAA of 0.97%**
- **Net interest margin of 3.38%, compared to 3.21% in both the prior and comparable quarter**
- **Efficiency ratio of 61.26%**

“Loan production was outstanding in the first quarter of 2025,” said Steve Stone, President and Chief Executive Officer of the Company and its wholly owned subsidiary, Coastal States Bank (“CSB” or the “Bank”). “Our Loans held for investment balances increased \$62.8 million, and we booked a total of \$204.0 million in gross commitments during the quarter, with production across all of our regions and lines of business. This loan production was supported by an equally impressive \$90.5 million of growth in core deposits.”

The Company recognized net income of \$5.1 million, or \$0.47 per share, for the quarter, and tangible book value per share increased from \$18.51 at December 31, 2024 to \$19.17 at March 31, 2025. The earnings during the quarter reflects the Company's strong net interest income run-rate.

During the first quarter, Loans held-for-investment (“LHFI”) increased by \$62.8 million. Overall, LHFI were up by \$68.7 million, or 4.9% year-over-year as of March 31, 2025. Beginning in December 2024 and continuing through the first quarter of 2025, the Company experienced strong loan demand and has been able to close many deals in its pipeline. As of the end of the quarter, loan and deposit pipeline remain strong.

The Bank's total deposits excluding brokered CDs, otherwise referred to as core deposits, increased during the first quarter from \$1.56 billion at December 31, 2024 to \$1.65 billion at March 31, 2025. For the quarter ended March 31, 2025, the Bank estimates that approximately \$699.7 million, or 36.1% of total deposits, excluding accrued interest, were uninsured. Of the uninsured deposits, approximately 64.4% were business accounts and 36.6% were personal accounts.

In March 2025, the Federal Open Market Committee ("FOMC" or the "Committee") left its benchmark unchanged and indicated that "inflation remains somewhat elevated", unemployment rate had "stabilized at a low level in recent months", and "labor market conditions remain solid." The FOMC also indicated that "uncertainty around the economic outlook has increased" and remains attentive to the risks to both sides of its dual mandate to achieve maximum employment and inflation at the rate of 2 percent over the longer run. Like many other institutions, the Company's AFS securities investment portfolio previously experienced a decline in fair value driven by rapid rising interest rates, that have partially reversed due to interest rate decreases in 2024 and the passage of time. The Company does not hold any securities in Held-to-Maturity status. The Company's investment portfolio at the end of the first quarter of 2025 held approximately 47.0% in floating rate securities.

The first quarter results did not include any gain on sale income from the sale of government guaranteed lending ("GGL") loans compared to \$151.0 thousand during the fourth quarter of 2025. However, during the quarter the Company produced \$8.3 million of SBA 7a loan commitments, which should complete funding at various points throughout 2025. As of March 31, 2025, the guaranteed portions of SBA 7a loan commitments with funding in process was \$13.0 million. Gains on the sale of GGL loans are recognized when guarantees are available to be sold on fully funded loans and premiums are attractive.

The Company experienced a decrease of \$7.8 million in substandard loans during the first quarter of 2025, due to the payoff of one substandard Senior Housing loan. A 6 basis points decrease in the Non-Performing Assets ("NPA") ratio occurred during the first quarter of 2025, decreasing from 0.76% at the end of fourth quarter of 2025 to 0.70% due to a modest decrease in nonaccrual loans combined with growth of total assets.

The following table presents the Company's quarterly trends of the consolidated financial highlights (unaudited) for the periods presented:

CoastalSouth Bancshares, Inc. and Subsidiary Consolidated Financial Highlights - Unaudited (dollars in thousands except per share data)							
	Quarterly Trends					1Q25 change vs	
	1Q25	4Q24	3Q24	2Q24	1Q24	4Q24	1Q24
Selected Balance Sheet Data							
Total assets	\$ 2,190,391	\$ 2,098,712	\$ 2,129,346	\$ 2,115,547	\$ 2,050,951	\$ 91,679	\$ 139,440
Total gross loans (LHFS + LHFI)	1,659,713	1,583,476	1,603,851	1,596,962	1,514,571	76,237	145,142
Total deposits	1,937,693	1,834,802	1,807,315	1,805,590	1,749,484	102,891	188,209
Total deposits excluding brokered CDs	1,650,358	1,559,904	1,628,706	1,650,611	1,603,504	90,454	46,854
Earnings Highlights							
Net income	\$ 5,050	\$ 5,704	\$ 7,884	\$ 5,887	\$ 2,429	\$ (654)	\$ 2,621
Diluted earnings per share (EPS)	\$ 0.47	\$ 0.54	\$ 0.75	\$ 0.56	\$ 0.24	\$ (0.07)	\$ 0.23
Net interest income	\$ 16,759	\$ 16,271	\$ 16,966	\$ 16,700	\$ 15,385	\$ 488	\$ 1,374
Performance Ratios							
Net interest margin	3.38%	3.21%	3.32%	3.43%	3.21%	0.17%	0.17%
Net interest spread	2.67%	2.42%	2.48%	2.58%	2.42%	0.25%	0.25%
Cost of total deposits	2.80%	2.91%	3.11%	2.99%	2.91%	-0.11%	-0.11%
Cost of total funding	2.85%	2.99%	3.24%	3.13%	3.07%	-0.14%	-0.22%
Efficiency ratio	61.26%	56.70%	54.35%	58.24%	76.55%	4.56%	-15.29%
Loan-to-deposit ratio	85.65%	86.30%	88.74%	88.45%	86.57%	-0.65%	-0.92%
Return on (annualized):							
Average assets (ROAA) ¹	0.97%	1.07%	1.47%	1.15%	0.48%	-0.10%	0.49%
Average tangible assets (ROTA) ¹	0.97%	1.07%	1.48%	1.15%	0.48%	-0.10%	0.49%
Average tangible common equity (ROTCE) ¹	10.52%	11.97%	17.40%	13.94%	6.04%	-1.45%	4.48%
Tangible common equity to tangible assets ⁽¹⁾	9.01%	9.08%	8.86%	8.29%	8.21%	-0.06%	0.81%
Tangible book value per share ²	\$ 19.17	\$ 18.51	\$ 18.35	\$ 17.07	\$ 16.39	\$ 0.66	\$ 2.78
Other Operating Measures²:							
Pre-tax pre-provision net revenue (PPNR)	\$ 7,221	\$ 7,894	\$ 9,097	\$ 7,637	\$ 3,140	\$ (673)	\$ 4,081
PPNR ROAA	1.39%	1.48%	1.70%	1.49%	0.62%	-0.10%	0.77%
Adjusted net income	\$ 5,050	\$ 5,704	\$ 7,884	\$ 5,887	\$ 5,083	\$ (654)	\$ (33)
Adjusted diluted EPS	\$ 0.47	\$ 0.54	\$ 0.75	\$ 0.56	\$ 0.50	\$ (0.07)	\$ (0.03)
Adjusted ROAA	0.97%	1.07%	1.47%	1.15%	1.00%	-0.10%	-0.03%
Adjusted ROTA	0.97%	1.07%	1.48%	1.15%	1.01%	-0.10%	-0.03%
Adjusted ROTCE	10.52%	11.97%	17.40%	13.94%	12.64%	-1.45%	-2.12%
Adjusted efficiency ratio	61.26%	56.70%	54.35%	58.24%	60.82%	4.57%	0.45%

⁽¹⁾ The Company defines tangible assets as total assets less intangible assets (excluding commercial mortgage servicing assets), and tangible common equity as total shareholders' equity less intangible assets (excluding commercial mortgage servicing assets).

⁽²⁾ Non-GAAP measure, see "GAAP to Non-GAAP Reconciliation" schedule.

Financial Results

Income Statement

Net income was \$5.1 million for the first quarter of 2025, compared to net income of \$5.7 million and \$2.4 million for the fourth and first quarters, respectively, of 2024. Compared to the fourth quarter of 2024, the decrease in net income was principally attributable to a higher income tax expense during the current quarter. Compared to the first quarter of 2024, net income was higher primarily due to the aforementioned nonrecurring AFS securities loss during the first quarter of 2024 as a result of a strategic repositioning of the AFS portfolio.

Interest income was \$30.0 million during the first quarter of 2025, compared to \$30.5 million and \$29.4 million for the fourth and first quarters, respectively, of 2024. The modest decrease during the first quarter of 2025 compared to the fourth quarter of 2024 was principally due to a decrease in average loans held-for-sale ("LHFS"); offset by an increase in interest income on LHFI due to new production. The increase during the first quarter of 2025 compared to the first quarter of 2024 was principally attributable to the growth of LHFS and LHFI portfolio, offset with decreases in yield across all earning asset categories due to changes in interest rates during 2024.

The following table depicts the components of interest income for the quarterly periods presented:

CoastalSouth Bancshares, Inc. and Subsidiary
Components of Interest Income
(dollars in thousands)

	Quarterly Trends					1Q25 change vs	
	1Q25	4Q24	3Q24	2Q24	1Q24	4Q24	1Q24
Interest on cash and due from banks	\$ 135	\$ 122	\$ 131	\$ 140	\$ 141	\$ 13	\$ (6)
Interest on federal funds sold	963	870	1,045	842	994	93	(31)
Interest and dividends on investment securities	3,800	3,994	4,171	4,220	3,661	(194)	139
Interest and fees on LHFS	2,819	3,404	2,993	2,335	1,540	(585)	1,279
Interest and fees on LHFI	22,307	22,147	24,214	23,633	23,052	160	(745)
Interest income	\$ 30,024	\$ 30,537	\$ 32,554	\$ 31,170	\$ 29,388	\$ (513)	\$ 636

Interest expense was \$13.3 million during the first quarter of 2025, compared to \$14.3 million and \$14.0 million for the fourth and first quarters, respectively, of 2024. Compared to the fourth quarter of 2024, the decrease in interest expense was principally attributable to a 20 basis points decrease in cost of interest-bearing deposits as management works to strategically manage deposits costs in connection to movements from the FOMC. Compared to the same quarter last year, the decrease in interest expense is principally due to a decrease in costs of funding as management adjusted funding strategies in order to capture lower market rates. Interest-bearing deposits cost decreased by 20 and 25 basis points compared to the fourth and first of 2024, respectively, as rates were adjusted to align with the market.

Net interest income was \$16.8 million during the first quarter of 2025, compared to \$16.3 million and \$15.4 million for the fourth and first quarters, respectively, 2024. Compared to the fourth quarter of 2024, the increase in net interest income was attributable to lower interest expense due to lower costs on interest-bearing liabilities as deposits repriced. Compared to the first quarter of 2024, the increase in net interest income was attributable to decreased costs of funding as management adjusted funding strategies in order to capture lower market rates.

Net interest margin for the first quarter of 2025 was 3.38%, compared to 3.21% for the fourth and first quarters of 2024. Compared to the fourth and first quarters of 2024, net interest margin increased by 17 basis points principally driven by an increase in average total earning assets and a 22 and 34 basis points decrease in total interest-bearing liabilities, respectively.

The cost of funds for the first quarter of 2025 was 285 basis points, compared to 299 and 307 basis points during the fourth and first quarters, respectively, of 2024. The cost of funds decrease from the fourth quarter of 2024 was primarily due to lower interest-bearing deposits costs as deposits rates are adjusted to align with the current competitive market prices. The cost of funds decrease compared to the first quarter of 2024 was primarily driven by lower market rates on overall total interest-bearing liabilities albeit with significant growth in interest-bearing deposits.

The cost of deposits was 280 basis points in the first quarter of 2025, compared to 291 basis points in the fourth and first quarters of 2024. Compared to the fourth and first quarters of 2024, the decrease was attributable to a decrease in yields on interest-bearing deposits albeit a significant growth of average interest-bearing deposits.

Provision for credit losses was \$629 thousand during the first quarter of 2025, compared to \$1.2 million and \$163 thousand for the fourth and first quarters, respectively, of 2024. During the quarter, provision for credit losses comprised of \$1 thousand in provision for loan credit losses on LHFI and \$628 thousand in provision for credit losses for unfunded commitments. There was no provision for credit losses associated with AFS securities during the quarter. Compared to the fourth quarter of 2024, the decrease was primarily attributable to updated collateral values associated with one nonaccrual Senior housing loan that carries an individually evaluated reserve. Compared to the first quarter of 2024, the increase was primarily attributed to additional provision related to production of new LHFI and loan commitments; offset by a reduction on the reserve for the aforementioned nonaccrual Senior housing loan. Net charge-offs were \$15 thousand during the first quarter of 2025, compared to a net recoveries of \$77 thousand in the fourth quarter of 2024.

Noninterest income (loss) was \$1.9 million during the first quarter of 2025, compared to \$2.0 million and \$(2.0) million for the fourth and first quarters, respectively, of 2024. Compared to the fourth quarter of 2024, the decrease was principally attributable to lower mortgage banking related income and no gain

income on sale of GGL loans, offset by a net increase in other noninterest income categories. Compared to the first quarter of 2024, the increase in noninterest income of \$3.9 million was principally attributable to a nonrecurring \$3.5 million AFS securities loss during the first quarter of 2024 as discussed elsewhere, coupled with an increase in Other noninterest income principally due to \$438 thousand of income recognized from a Small Business Investment Companies ("SBIC") partnership investment related to the sale of one of the fund's underlying investments.

Noninterest expense was \$11.4 million during the first quarter of 2025, compared to \$10.3 million for the fourth and first quarters of 2024. Compared to the fourth quarter of 2024, the \$1.1 million increase was primarily due to a nonrecurring release of an SBA contingency reserve of \$778 thousand in prior quarter and an increase in other professional fees due to loan workout costs of \$285 thousand incurred in the current quarter. These loan workout expenses are primarily related to the litigation against the guarantors of a single loan that went through foreclosure in 2023 with 100% of the principal being recovered. Within salaries and benefits, there was approximately \$360 thousand of increased payroll tax and 401(k) match expense, primarily associated with first quarter payout of incentives, offset by decreases in salaries expense and other compensation benefits costs. Compared to the first quarter of 2024, the increase was across all noninterest expense categories, principally in salaries and employee benefits -- as the Company hires new employees with skills and experience necessary to support its strategic goals and annual salary and incentive compensation adjustments -- and Other noninterest expense.

The following table depicts the components of *Other noninterest expense* for the quarterly periods presented:

CoastalSouth Bancshares, Inc. and Subsidiary
Components of Other Noninterest Expense
(dollars in thousands)

	Quarterly Trends					1Q25 change vs	
	1Q25	4Q24	3Q24	2Q24	1Q24	4Q24	1Q24
General and administrative	\$ 277	\$ 268	\$ 254	\$ 240	\$ 230	\$ 9	\$ 47
Marketing and business development	233	240	243	197	179	(7)	54
Board of directors fees	176	79	79	79	79	97	97
Other loan expense	116	116	169	122	110	-	6
Other real estate owned writedown	99	-	-	-	-	99	99
Deposit related expenses	85	108	116	81	80	(23)	5
Charitable contributions	30	9	6	26	24	21	6
SBA contingency reserve	-	(778)	-	-	-	778	-
Other noninterest expense	540	561	561	533	583	(21)	(43)
Other noninterest expense	\$ 1,556	\$ 603	\$ 1,428	\$ 1,278	\$ 1,285	\$ 953	\$ 271

Income tax expense was approximately \$1.5 million during the first quarter of 2025, compared to \$1.0 million and \$548 thousand for the fourth and first quarters, respectively, of 2024. Compared to the fourth quarter of 2024, the increase was primarily attributable to a higher effective tax rate. Compared

to the first quarter of 2024, income tax expense increase was primarily attributable to a combination of higher taxable income and effective tax rate. Effective tax rate was 23.4% for the first quarter of 2025 compared to 14.3% and 18.4% for the fourth and first quarters, respectively, of 2024. The effective tax rate was higher during the current quarter due to lower recognition of solar tax credits.

Balance Sheet

Total assets as of March 31, 2025 were \$2.19 billion, grew from \$2.10 billion at December 31, 2024, and up from \$2.05 billion at March 31, 2024. The increase of \$91.7 million as compared to the prior quarter was primarily attributable to increases in LHFS by \$62.8 million and Federal funds sold by \$48.5 million; offset by a net decrease in other assets categories, primarily cash and due from banks and investment securities.

Cash and cash equivalents at March 31, 2025 was \$98.5 million, up from \$68.0 million at December 31, 2024, and up from \$73.7 million at March 31, 2024. Cash and cash equivalents increase was normal fluctuations due to the timing of cash inflows and outflows as the federal funds sold are deployed to higher interest-earning assets.

Investment securities at March 31, 2025 were approximately \$332.3 million, compared to \$342.8 million at December 31, 2024, and \$341.5 million at March 31, 2024. Compared to December 31, 2024 and March 31, 2024, investment securities decreased \$10.4 million and \$9.2 million, respectively.

Total gross loans held-for-investment at March 31, 2025 were \$1.47 billion, and grew from \$1.41 billion at December 31, 2024, and up from \$1.40 billion at March 31, 2024. The LHFI increase during the quarter from last quarter was primarily due to an increase in core LHFI of \$64.1 million; offset by a decrease of \$1.3 million in acquired LHFI. Compared to March 31, 2024, core LHFI increased by \$77.7 million; offset by a decrease in acquired LHFI of \$9.0 million. Total LHFS at March 31, 2025 were \$187.5 million, compared to \$174.0 million at December 31, 2024, and \$111.0 million at March 31, 2024. The general increase for the LHFS balances compared to other periods was due to an increase in demand for mortgage loans during the quarter as the Company continues to add new mortgage banker finance client originators.

Allowance for credit losses ("ACL") at March 31, 2025 was \$20.5 million, compared to \$19.8 million and \$19.6 million at December 31, 2024 and March 31, 2024, respectively. At March 31, 2025, the ACL was comprised of \$17.1 million in Allowance for credit losses on LHFI and \$3.3 million in Allowance for credit losses for unfunded commitments, which is included in Other liabilities on the balance sheet. There was no Allowance for AFS securities credit losses as of March 31, 2025. Compared to the first quarter of 2024, the increase was principally attributable to a large individual reserve on one nonaccrual senior

housing relationship and loan growth, offset by a decrease in Allowance for credit losses for unfunded commitments. Total Allowance for loan credit losses on LHFI to total LHFI was 1.16% at March 31, 2025, compared to 1.21% and 1.12% at December 31, 2024, and March 31, 2024, respectively.

The following table presents the components of the ACL as of the dates indicated:

<i>Dollars in thousands</i>	1Q25	4Q24	3Q24	2Q24	1Q24
Components of the Allowance for credit losses					
Loans held-for-investment (LHFI)	\$ 17,104	\$ 17,118	\$ 15,615	\$ 16,002	\$ 15,774
Unfunded commitments	3,348	2,720	2,906	3,628	3,779
LHFI and unfunded commitments	\$ 20,452	\$ 19,838	\$ 18,521	\$ 19,630	\$ 19,553
Other (other assets and securities)	-	-	-	-	-
Total allowance for credit losses	<u>\$ 20,452</u>	<u>\$ 19,838</u>	<u>\$ 18,521</u>	<u>\$ 19,630</u>	<u>\$ 19,553</u>

Nonaccrual loans decreased by \$358 thousand to \$14.6 million at March 31, 2025 from \$15.0 million at December 31, 2024 primarily due to payments collected during the period. Total nonperforming loans to gross LHFI outstanding was 0.99% at March 31, 2025, compared to 1.06% and 0.28% at December 31, 2024, and March 31, 2024, respectively.

Nonperforming assets to total assets was 0.70% as of March 31, 2025, a decrease of 6 basis points from 0.76% at December 31, 2024, and increased by 51 basis points compared to 0.19% at March 31, 2024. The decrease of 6 basis points compared to December 31, 2024 was due to the overall decrease in total nonperforming assets and an increase in total assets. Other real estate owned ("OREO") outstanding at March 31, 2025 and December 31, 2024 were \$765 thousand and \$864 thousand, respectively. There was no OREO outstanding at March 31, 2024.

Total deposits at March 31, 2025 were \$1.94 billion, an increase of \$102.9 million and \$188.2 million from \$1.83 billion and \$1.75 billion at December 31, 2024, and March 31, 2024, respectively. The increase from December 31, 2024 was attributable to increases in savings and money market accounts, certificate of deposits accounts, and interest-bearing deposit accounts; offset by a decrease in noninterest-bearing deposit accounts. Noninterest-bearing deposits accounted for 15.5% of total deposits, compared to 16.5% of total deposits at December 31, 2024, and 18.4% at March 31, 2024. The 2023 industry disruption contributed to the decline in noninterest-bearing deposits. Noninterest-bearing deposits have been on a declining trend as the customers continue to move their deposits into interest-earning accounts, but this has generally stabilized. The Company maintains a diverse and stable funding base that includes a mix of both consumer and business-related deposits.

Subordinated debt, net of debt issuance costs, was approximately \$14.7 million at March 31, 2025, December 31, 2024, and March 31, 2024.

Revolving commercial line of credit (“LOC”) net of debt issuance costs was approximately \$6.0 million at March 31, 2025, compared to \$12.0 million at December 31, 2024 and March 31, 2024. The LOC provides the Company with the ability to downstream additional capital to the Bank and had total borrowing capacity of \$24.0 million, with \$18.0 million available for drawdown as needed, as of March 31, 2025.

Accumulated other comprehensive loss was \$14.2 million at March 31, 2025, compared to \$15.8 million and \$17.3 million at December 31, 2024 and March 31, 2024, respectively. The decrease between the first of 2025 and the fourth quarter of 2024 was primarily due to movement in long-term interest rates. The decrease from the first quarter of 2024 is due to the securities sales in the first quarter of 2024 coupled with movements in long-term interest rates.

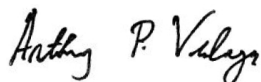
Shareholders' equity was \$202.1 million as of March 31, 2025, compared to \$195.2 million as of December 31, 2024. This increase was principally attributable to the period earnings of \$5.1 million, a decrease in accumulated other comprehensive loss of \$1.6 million and an increase in capital surplus of \$242 thousand.

Tangible book value per share at March 31, 2025 was \$19.17, compared to \$18.51 at December 31, 2024. Tangible book value increased primarily due to the factors discussed above in regard to an increase of shareholders' equity. CSB is currently well capitalized with a leverage ratio of 10.62%, a common equity tier 1 capital ratio of 11.55%, and a total risk-based capital ratio of 12.52%.

Detailed Results

Supplementary unaudited financial statements are included for the first quarter of 2025 in the following pages. As always, I encourage you to contact me with any questions or comments.

Sincerely,



Anthony P. Valduga
CFO / COO

FORWARD-LOOKING STATEMENTS

Certain statements made in this report which are not statements of historical fact are forward-looking statements within the meaning of, and subject to the protections of, the federal securities laws. Forward looking statements include, among others, statements with respect to our beliefs, plans, objectives, goals, targets, expectations, anticipations, assumptions, estimates, intentions and future performance and involve known and unknown risks, many of which are beyond our control and which may our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by the forward-looking statements made in this report. You can identify forward-looking statements through our use of words such as “believes,” “anticipates,” “expects,” “may,” “will,” “assumes,” “should,” “predicts,” “could,” “should,” “would,” “intends,” “targets,” “estimates,” “projects,” “plans,” “potential” and other similar words and expressions. Forward-looking statements are based on our current beliefs and expectations and are subject to significant risks and uncertainties. Accordingly, we caution you not to place undue reliance on such statements. We undertake no obligation to update or revise any of our forward-looking statements for events or circumstances that arise after the statement is made, except as otherwise may be required by law.

Explanation of Certain Unaudited Non-GAAP Financial Measures

This presentation contains financial information determined by methods other than Generally Accepted Accounting Principles (“GAAP”). Management uses these non-GAAP financial measures in its analysis of the Company’s performance and believes these presentations provide useful supplemental information, and a clearer understanding of the Company’s performance. The Company believes the non-GAAP measures enhance investors’ understanding of the Company’s business and performance and if not provided would be requested by the investor community. These measures are also useful in understanding performance trends and facilitate comparisons with the performance of other financial institutions. The limitations associated with operating measures are the risk that persons might disagree as to the appropriateness of items comprising these measures and that different companies might define or calculate these measures differently. The Company provides reconciliations between GAAP and these non-GAAP measures. These disclosures should not be considered an alternative to GAAP.

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

	1Q25	4Q24	3Q24	2Q24	1Q24	1Q25 change vs	
						4Q24	1Q24
Assets							
Cash and due from banks	\$ 19,380	\$ 37,320	\$ 17,722	\$ 21,385	\$ 20,747	\$ (17,940)	\$ (1,367)
Federal funds sold	79,153	30,641	43,602	42,057	52,998	48,512	26,155
Investment securities ⁽¹⁾	332,312	342,750	361,935	346,687	341,532	(10,438)	(9,220)
Loans held for sale (LHFS)	187,481	174,033	193,938	154,885	111,020	13,448	76,461
Loans held for investment (LHFI)	1,472,232	1,409,443	1,409,913	1,442,077	1,403,551	62,789	68,681
Allowance for credit losses on LHFI	(17,104)	(17,118)	(15,615)	(16,002)	(15,774)	14	(1,330)
Loans held for investment, net	1,455,128	1,392,325	1,394,298	1,426,075	1,387,777	62,803	67,351
Bank-owned life insurance	46,924	46,484	46,044	45,607	45,184	440	1,740
Premises, furniture and equipment, net	17,837	17,796	17,882	17,533	17,550	41	287
Deferred tax asset	17,123	18,148	16,772	18,641	18,890	(1,025)	(1,767)
Goodwill & intangible assets ⁽²⁾	6,199	6,386	6,451	6,276	6,409	(187)	(210)
Other real estate owned	765	864	864	-	-	(99)	765
Other assets	28,089	31,965	29,838	36,401	48,844	(3,876)	(20,755)
Total assets	\$ 2,190,391	\$ 2,098,712	\$ 2,129,346	\$ 2,115,547	\$ 2,050,951	\$ 91,679	\$ 139,440
Liabilities and stockholders' equity							
Liabilities							
Deposits							
Noninterest bearing DDA	\$ 300,678	\$ 302,907	\$ 312,290	\$ 344,860	\$ 321,369	\$ (2,229)	\$ (20,691)
Interest bearing DDA	191,452	181,068	183,707	179,557	188,256	10,384	3,196
Savings and money market	650,050	591,626	654,192	658,542	644,178	58,424	5,872
Certificates of deposit	795,513	759,201	657,126	622,631	595,681	36,312	199,832
Total deposits	1,937,693	1,834,802	1,807,315	1,805,590	1,749,484	102,891	188,209
Federal Home Loan Bank advances	-	15,000	-	-	-	(15,000)	-
Subordinated debt, net	14,741	14,730	14,718	14,706	14,694	11	47
Revolving commercial line of credit, net	5,997	11,995	11,994	11,993	11,992	(5,998)	(5,995)
Federal Reserve Bank BTFP advances	-	-	70,000	70,000	70,000	-	(70,000)
Other liabilities	29,856	26,953	32,016	33,090	31,553	2,903	(1,697)
Total liabilities	1,988,287	1,903,480	1,936,043	1,935,379	1,877,723	84,807	110,564
Stockholders' equity							
Voting common stock	8,102	8,098	8,078	8,078	8,073	4	29
Nonvoting common stock	2,172	2,172	2,172	2,172	2,172	-	-
Capital surplus	158,997	158,755	158,463	158,125	157,779	242	1,218
Accumulated income	47,044	41,994	36,290	28,406	22,519	5,050	24,525
Accumulated other comprehensive loss	(14,211)	(15,787)	(11,700)	(16,613)	(17,315)	1,576	3,104
Total stockholders' equity	202,104	195,232	193,303	180,168	173,228	6,872	28,876
Total liabilities and stockholders' equity	\$ 2,190,391	\$ 2,098,712	\$ 2,129,346	\$ 2,115,547	\$ 2,050,951	\$ 91,679	\$ 139,440
Capital ratios ⁽³⁾							
Leverage ratio	10.62%	10.64%	10.26%	10.14%	9.97%	-0.02%	0.66%
CET1 risk-based capital ratio	11.55	12.07	11.72	11.27	11.51	-0.52	0.04
Tier 1 risk-based capital ratio	11.55	12.07	11.72	11.27	11.51	-0.52	0.04
Total risk-based capital ratio	12.52	12.97	12.55	12.16	12.43	-0.45	0.09

⁽¹⁾ No ACL was recognized for the periods presented.

⁽²⁾ Includes commercial mortgage servicing assets of \$1,093, \$1,237, \$1,258, \$1,037, and \$1,121 for 1Q25, 4Q24, 3Q24, 2Q24, and 1Q24, respectively.

⁽³⁾ Ratios are for Coastal States Bank, a wholly-owned subsidiary of CoastalSouth Bancshares, Inc.

CoastalSouth Bancshares, Inc. and Subsidiary
Consolidated Statements of Operations - Quarterly - Unaudited
(dollars in thousands)

	1Q25	4Q24	3Q24	2Q24	1Q24	1Q25 change vs	
						4Q24	1Q24
Interest income							
Interest on cash and due from banks	\$ 135	\$ 122	\$ 131	\$ 140	\$ 141	\$ 13	\$ (6)
Interest on federal funds sold	963	870	1,045	842	994	93	(31)
Interest and dividends on investment securities	3,800	3,994	4,171	4,220	3,661	(194)	139
Interest and fees on LHFS	2,819	3,404	2,993	2,335	1,540	(585)	1,279
Interest and fees on LHFI	22,307	22,147	24,214	23,633	23,052	160	(745)
Total interest income	30,024	30,537	32,554	31,170	29,388	(513)	636
Interest expense							
Deposits	12,830	13,498	14,230	13,122	12,593	(668)	237
Other borrowings	435	768	1,358	1,348	1,410	(333)	(975)
Total interest expense	13,265	14,266	15,588	14,470	14,003	(1,001)	(738)
Net interest income	16,759	16,271	16,966	16,700	15,385	488	1,374
Provision (recovery) for credit losses	629	1,240	(1,023)	173	163	(611)	466
Net interest income after provision for credit losses	16,130	15,031	17,989	16,527	15,222	1,099	908
Noninterest income							
Mortgage banking related income	221	391	276	299	238	(170)	(17)
Interchange and card fee income	266	210	216	226	216	56	50
Service charges on deposit accounts	211	230	207	198	211	(19)	-
Bank-owned life insurance	440	440	437	491	296	-	144
Gain on sale of government guaranteed loans	-	151	1,312	35	320	(151)	(320)
Losses on sale of available-for-sale securities	-	-	-	-	(3,465)	-	3,465
Other noninterest income	743	536	513	340	190	207	553
Total noninterest income (loss)	1,881	1,958	2,961	1,589	(1,994)	(77)	3,875
Noninterest expense							
Salaries and employee benefits	6,694	6,759	6,727	6,654	6,047	(65)	647
Occupancy and equipment	788	762	754	736	743	26	45
Data processing	624	605	548	534	526	19	98
Other professional fees	693	496	358	501	691	197	2
Software and other technology expense	703	774	671	631	666	(71)	37
Regulatory assessment	361	336	344	318	293	25	68
Other noninterest expense	1,556	603	1,428	1,278	1,285	953	271
Total noninterest expense	11,419	10,335	10,830	10,652	10,251	1,084	1,168
Net income before taxes	6,592	6,654	10,120	7,464	2,977	(62)	3,615
Income tax expense	1,542	950	2,236	1,577	548	592	994
Net income	\$ 5,050	\$ 5,704	\$ 7,884	\$ 5,887	\$ 2,429	\$ (654)	\$ 2,621
Earnings per share - basic	\$ 0.49	\$ 0.56	\$ 0.77	\$ 0.58	\$ 0.24	\$ (0.07)	\$ 0.25
Earnings per share - diluted	\$ 0.47	\$ 0.54	\$ 0.75	\$ 0.56	\$ 0.24	\$ (0.07)	\$ 0.23
Tangible book value	\$ 196,998	\$ 190,083	\$ 188,110	\$ 174,929	\$ 167,940	\$ 6,915	\$ 29,058
Tangible book value per share	\$ 19.17	\$ 18.51	\$ 18.35	\$ 17.07	\$ 16.39	\$ 0.67	\$ 2.78
Shares outstanding	10,274,271	10,270,146	10,250,446	10,250,446	10,245,496	4,125	28,775
Weighted average shares - basic	10,273,125	10,250,446	10,250,446	10,247,201	10,043,951	22,679	229,174
Weighted average shares - diluted	10,642,078	10,596,364	10,544,087	10,445,144	10,222,681	45,714	419,397

CoastalSouth Bancshares, Inc. and Subsidiary
Condensed Consolidated Average Balances and Yield Analysis
(dollars in thousands)

	Quarterly trend					1Q25 change vs	
	1Q25	4Q24	3Q24	2Q24	1Q24	4Q24	1Q24
Average balances							
Cash and cash equivalents	\$ 22,725	\$ 19,900	\$ 20,317	\$ 20,839	\$ 21,135	\$ 2,825	\$ 1,590
Federal funds sold	88,478	71,061	76,290	60,964	69,554	17,417	18,924
Investment securities	335,254	355,832	353,121	347,194	354,537	(20,578)	(19,283)
Loans held for sale	136,849	171,457	142,205	107,604	71,239	(34,608)	65,610
Loans held for investment	1,428,405	1,399,357	1,439,835	1,424,411	1,408,451	29,048	19,954
Total earning assets	2,011,711	2,017,607	2,031,768	1,961,012	1,924,916	(5,896)	86,795
Total nonearning assets	99,485	99,750	98,717	104,490	109,947	(265)	(10,462)
Total assets	<u>\$ 2,111,196</u>	<u>\$ 2,117,357</u>	<u>\$ 2,130,485</u>	<u>\$ 2,065,502</u>	<u>\$ 2,034,863</u>	<u>\$ (6,161)</u>	<u>\$ 76,333</u>
Interest-bearing deposits	\$ 1,566,856	\$ 1,526,968	\$ 1,495,726	\$ 1,431,853	\$ 1,417,157	\$ 39,888	\$ 149,699
Other borrowings	25,764	50,469	96,706	96,692	98,415	(24,705)	(72,651)
Total interest bearing liabilities	1,592,620	1,577,437	1,592,432	1,528,545	1,515,572	15,183	77,048
Noninterest-bearing deposits	293,387	318,071	323,377	333,001	321,419	(24,684)	(28,032)
Other liabilities	25,426	27,125	29,242	28,825	30,856	(1,699)	(5,430)
Stockholders' equity	199,763	194,724	185,434	175,131	167,016	5,039	32,747
Total liabilities and stockholders' equity	<u>\$ 2,111,196</u>	<u>\$ 2,117,357</u>	<u>\$ 2,130,485</u>	<u>\$ 2,065,502</u>	<u>\$ 2,034,863</u>	<u>\$ (6,161)</u>	<u>\$ 76,333</u>
Interest margins							
Cash and due from banks	2.41%	2.44%	2.57%	2.70%	2.68%	-0.03%	-0.27%
Federal funds sold	4.41%	4.87%	5.45%	5.55%	5.75%	-0.46%	-1.34%
Investment securities	4.60%	4.47%	4.70%	4.89%	4.15%	0.13%	0.45%
LHFS	8.35%	7.90%	8.37%	8.73%	8.69%	0.45%	-0.34%
LHFI	6.33%	6.30%	6.69%	6.67%	6.58%	0.03%	-0.25%
Total earning assets	<u>6.05%</u>	<u>6.02%</u>	<u>6.37%</u>	<u>6.39%</u>	<u>6.14%</u>	<u>0.03%</u>	<u>-0.09%</u>
Interest-bearing deposits	3.32%	3.52%	3.78%	3.69%	3.57%	-0.20%	-0.25%
Other borrowings	6.85%	6.05%	5.59%	5.61%	5.76%	0.80%	1.09%
Total interest-bearing liabilities	<u>3.38%</u>	<u>3.60%</u>	<u>3.89%</u>	<u>3.81%</u>	<u>3.72%</u>	<u>-0.22%</u>	<u>-0.34%</u>
Cost of total deposits ⁽¹⁾	2.80%	2.91%	3.11%	2.99%	2.91%	-0.11%	-0.11%
Cost of total funding ⁽¹⁾	2.85%	2.99%	3.24%	3.13%	3.07%	-0.14%	-0.22%
Net interest spread	2.67%	2.42%	2.48%	2.58%	2.42%	0.25%	0.25%
Net interest margin	3.38%	3.21%	3.32%	3.43%	3.21%	0.17%	0.17%
Yield on total loans	6.51%	6.47%	6.84%	6.82%	6.68%	0.04%	-0.17%
Efficiency ratio	61.26%	56.70%	54.35%	58.24%	76.55%	4.56%	-15.29%

⁽¹⁾ Includes noninterest-bearing deposits.

CoastalSouth Bancshares, Inc. and Subsidiary
Consolidated Average Balances, Interest Income and Expenses, and Yield Analysis (QTD)
(dollars in thousands)

	1Q25			4Q24			1Q24		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
Assets									
Earning assets:									
Cash and due from banks	\$ 22,725	\$ 135	2.41%	\$ 19,900	\$ 122	2.44%	\$ 21,135	\$ 141	2.68%
Federal funds sold	88,478	963	4.41%	71,061	870	4.87%	69,554	994	5.75%
Investment securities	335,254	3,800	4.60%	355,832	3,994	4.47%	354,537	3,661	4.15%
Loans held for sale	136,849	2,819	8.35%	171,457	3,404	7.90%	71,239	1,540	8.69%
Loans held for investment	1,428,405	22,307	6.33%	1,399,357	22,147	6.30%	1,408,451	23,052	6.58%
Total earning assets	2,011,711	30,024	6.05%	2,017,607	30,537	6.02%	1,924,916	29,388	6.14%
Allowance for credit losses on LHFI	(17,116)			(15,655)			(15,652)		
Bank-owned life insurance	46,672			46,243			44,976		
Premises, furniture and equipment, net	17,851			17,854			17,661		
Deferred tax asset	17,803			17,393			21,149		
Goodwill & intangible assets	6,328			6,432			6,446		
Other real estate owned	862			864			-		
Other assets	27,085			26,619			35,367		
Total assets	<u>\$ 2,111,196</u>			<u>\$ 2,117,357</u>			<u>\$ 2,034,863</u>		
Interest-bearing deposits	1,566,856	12,830	3.32%	1,526,968	13,498	3.52%	1,417,157	12,593	3.57%
Federal Reserve Bank BTFP	-	-	-	10,652	132	4.93%	63,077	769	4.90%
Federal Home Loan Bank advances	1,166	13	4.52%	13,098	161	4.89%	5,494	76	5.56%
Revolving commercial line of credit, net	9,863	187	7.69%	11,995	241	7.99%	15,156	330	8.76%
Subordinated debt, net	14,735	235	6.47%	14,724	235	6.35%	14,688	235	6.43%
Total interest-bearing liabilities	1,592,620	13,265	3.38%	1,577,437	14,267	3.60%	1,515,572	14,003	3.72%
Noninterest-bearing deposits	293,387			318,071			321,419		
Other liabilities	25,426			27,125			30,856		
Stockholders' equity	199,763			194,724			167,016		
Total liabilities and stockholders' equity	<u>\$ 2,111,196</u>			<u>\$ 2,117,357</u>			<u>\$ 2,034,863</u>		
Interest margins									
Cost of total deposits ⁽¹⁾		2.80%			2.91%			2.91%	
Cost of total funding ⁽¹⁾		2.85%			2.99%			3.07%	
Net interest spread		2.67%			2.42%			2.42%	
Net interest margin		3.38%			3.21%			3.21%	
Efficiency ratio		61.26%			56.70%			76.55%	

⁽¹⁾ Includes noninterest bearing deposits.

CoastalSouth Bancshares, Inc. and Subsidiary
Loans and Credit Quality Analysis
(dollars in thousands)

	1Q25	4Q24	3Q24	2Q24	1Q24	1Q25 change vs	
						4Q24	1Q24
Loans Held-for-Investment ("LHFI")							
Commercial Loans							
Acquisition, development and construction	\$ 76,453	\$ 72,520	\$ 112,275	\$ 118,967	\$ 114,247	3,933	(37,794)
Income producing CRE	352,693	321,558	267,551	272,397	263,810	31,135	88,883
Owner-occupied CRE	90,204	94,573	95,789	100,272	93,904	(4,369)	(13,270)
Senior housing	245,292	234,081	231,260	245,591	253,727	11,211	619
Commercial and industrial	145,784	141,626	140,290	137,571	132,445	4,158	13,339
Retail Loans							
Marine vessels	284,305	263,657	279,689	288,949	265,224	20,648	19,081
Residential mortgages	176,794	174,099	173,392	163,393	159,393	2,695	17,401
Cash value life insurance LOC	80,503	86,844	87,968	93,657	99,220	(6,341)	(18,717)
Other consumer	20,204	20,485	21,699	21,280	21,581	(281)	(1,377)
Total loans held-for-investment	\$ 1,472,232	\$ 1,409,443	\$ 1,409,913	\$ 1,442,077	\$ 1,403,551	\$ 62,789	\$ 68,681
Core LHFI	1,406,199	1,342,073	1,341,152	1,369,648	1,328,532	64,126	77,667
Acquired LHFI ⁽¹⁾	66,033	67,370	68,761	72,429	75,019	(1,337)	(8,986)
Total loans held-for-investment	\$ 1,472,232	\$ 1,409,443	\$ 1,409,913	\$ 1,442,077	\$ 1,403,551	\$ 62,789	\$ 68,681
Total loans held for sale	187,481	174,033	193,938	154,885	111,020	13,448	76,461
Total allowance for credit losses on LHFI	17,104	17,118	15,615	16,002	15,774	(14)	1,330
Nonperforming Assets							
Nonaccrual loans	14,599	14,957	8,407	8,739	3,849	(358)	10,750
Past due loans 90 days and still accruing	6	49	49	47	34	(43)	(28)
Total nonperforming loans	14,605	15,006	8,456	8,786	3,883	(401)	10,722
Other real estate owned	765	864	864	-	-	(99)	765
Total nonperforming assets	\$ 15,370	\$ 15,870	\$ 9,320	\$ 8,786	\$ 3,883	\$ (457)	\$ 11,515
Risk Ratings							
Pass	1,424,214	1,353,311	1,345,728	1,389,848	1,349,779	70,903	74,435
Special mention	24,814	25,061	24,471	24,762	25,930	(247)	(1,116)
Substandard	23,204	31,071	39,714	27,467	27,842	(7,867)	(4,638)
Total LHFI	\$ 1,472,232	\$ 1,409,443	\$ 1,409,913	\$ 1,442,077	\$ 1,403,551	\$ 62,789	\$ 68,681
Credit Analysis							
QTD net charge-offs (recoveries)	\$ 15	\$ (77)	\$ 86	\$ 96	\$ (9)	\$ 92	\$ 24
Net charge-offs (recoveries) to total LHFI	0.00%	-0.02%	0.02%	0.03%	0.00%	0.03%	0.01%
Total allowance for credit losses on LHFI to total LHFI	1.16%	1.21%	1.11%	1.11%	1.12%	-0.05%	0.04%
Nonperforming loans to gross LHFI	0.99%	1.06%	0.60%	0.61%	0.28%	-0.07%	0.72%
Nonaccrual loans to total assets	0.67%	0.71%	0.39%	0.41%	0.19%	-0.04%	0.48%
Nonperforming assets to total assets	0.70%	0.76%	0.44%	0.42%	0.19%	-0.06%	0.51%

⁽¹⁾ Includes loans acquired through business combinations.

The following table presents a breakdown for the ACL and allowance for loan credit losses (ALL) for the periods presented:

<i>Three months ended - dollars in thousands</i>	ACL				
	1Q25	4Q24	3Q24	2Q24	1Q24
Allowance for credit losses on LHFI					
Beginning balance	\$ 17,118	\$ 15,615	\$ 16,002	\$ 15,774	\$ 15,465
Charge-offs:					
Commercial Loans					
Commercial and industrial	(6)	(2)	(35)	(112)	-
Retail Loans					
Marine vessels	-	-	(36)	-	-
Cash value life insurance LOC	-	(47)	-	-	-
Other consumer	(43)	(25)	(28)	-	-
Total charge-offs	(49)	(74)	(99)	(112)	-
Recoveries:					
Commercial Loans					
Commercial and industrial	5	46	5	11	5
Owner occupied	-	53	-	-	-
Retail Loans					
Residential mortgages	2	2	7	3	3
Other consumer	27	50	1	2	1
Total recoveries	34	151	13	16	9
Total net (charge-offs) recoveries:	(15)	77	(86)	(96)	9
(Recovery of) provision for loan credit losses	1	1,426	(301)	324	300
Ending balance	<u>\$ 17,104</u>	<u>\$ 17,118</u>	<u>\$ 15,615</u>	<u>\$ 16,002</u>	<u>\$ 15,774</u>
Allowance for credit losses for unfunded commitments					
Beginning balance	\$ 2,720	\$ 2,906	\$ 3,628	\$ 3,779	\$ 3,916
(Recapture of) provision for credit losses	628	(186)	(722)	(151)	(137)
Ending balance	<u>\$ 3,348</u>	<u>\$ 2,720</u>	<u>\$ 2,906</u>	<u>\$ 3,628</u>	<u>\$ 3,779</u>
Allowance for credit losses: LHFI and unfunded commitments	<u>\$ 20,452</u>	<u>\$ 19,838</u>	<u>\$ 18,521</u>	<u>\$ 19,630</u>	<u>\$ 19,553</u>

CoastalSouth Bancshares, Inc. and Subsidiary
GAAP to Non-GAAP Reconciliation - Unaudited
(dollars in thousands)

	Quarterly Trends				
	1Q25	4Q24	3Q24	2Q24	1Q24
Net Income	\$ 5,050	\$ 5,704	\$ 7,884	\$ 5,887	\$ 2,429
Total noninterest income (loss)	1,881	1,958	2,961	1,589	(1,994)
Adjustments to noninterest income (loss) ⁽¹⁾	-	-	-	-	3,465
Income Taxes	1,542	950	2,236	1,577	548
Tax effect of adjustments	-	-	-	-	(811)
Adjusted net income	\$ 5,050	\$ 5,704	\$ 7,884	\$ 5,887	\$ 5,083
Net Income	5,050	5,704	7,884	5,887	2,429
Provision for credit losses	629	1,240	(1,023)	173	163
Provision for income taxes	1,542	950	2,236	1,577	548
Pre-tax pre-provision net revenue (PPNR)	\$ 7,221	\$ 7,894	\$ 9,097	\$ 7,637	\$ 3,140
Adjustments to noninterest income (loss) ⁽¹⁾	-	-	-	-	3,465
Adjusted Pre-Tax Pre-Provision Income	\$ 7,221	\$ 7,894	\$ 9,097	\$ 7,637	\$ 6,605
Return on average tangible assets (ROTA)	0.97%	1.07%	1.48%	1.15%	0.48%
Adjustments to net income	0.00%	0.00%	0.00%	0.00%	0.53%
Adjusted ROTA	0.97%	1.07%	1.48%	1.15%	1.01%
Return on Average Assets (ROAA)	0.97%	1.07%	1.47%	1.15%	0.48%
Adjustments to net income	0.00%	0.00%	0.00%	0.00%	0.52%
Adjusted ROAA	0.97%	1.07%	1.47%	1.15%	1.00%
Return on Tangible Common Equity (ROTCE)	10.52%	11.97%	17.40%	13.94%	6.04%
Adjustments to net income	0.00%	0.00%	0.00%	0.00%	0.52%
Adjusted ROTCE	10.52%	11.97%	17.40%	13.94%	12.64%
Diluted EPS	\$ 0.47	\$ 0.54	\$ 0.75	\$ 0.56	\$ 0.24
Adjustments to net income	-	-	-	-	0.26
Adjusted diluted EPS	\$ 0.47	\$ 0.54	\$ 0.75	\$ 0.56	\$ 0.50
Efficiency ratio	61.26%	56.70%	54.35%	58.24%	76.55%
Adjustments to net income	0.00%	0.00%	0.00%	0.00%	-15.73%
Adjusted efficiency ratio	61.26%	56.70%	54.35%	58.24%	60.82%
Average assets	\$ 2,111,196	\$ 2,117,357	\$ 2,130,485	\$ 2,065,502	\$ 2,034,863
Average goodwill & intangible assets	(6,328)	(6,432)	(6,257)	(6,355)	(6,446)
Average commercial mortgage servicing rights	1,198	1,263	1,041	1,094	1,134
Average tangible assets	\$ 2,106,066	\$ 2,112,188	\$ 2,125,269	\$ 2,060,241	\$ 2,029,551
Average stockholders' equity	\$ 199,763	\$ 194,724	\$ 185,434	\$ 175,131	\$ 167,016
Average goodwill & intangible assets	(6,328)	(6,432)	(6,257)	(6,355)	(6,446)
Average commercial mortgage servicing rights	1,198	1,263	1,041	1,094	1,134
Average tangible common equity	\$ 194,633	\$ 189,555	\$ 180,218	\$ 169,870	\$ 161,704
Total assets	\$ 2,190,391	\$ 2,098,712	\$ 2,129,346	\$ 2,115,547	\$ 2,050,951
Goodwill & intangible assets	(6,199)	(6,386)	(6,451)	(6,276)	(6,409)
Commercial mortgage servicing rights	1,093	1,237	1,258	1,037	1,121
Tangible assets	\$ 2,185,285	\$ 2,093,563	\$ 2,124,153	\$ 2,110,308	\$ 2,045,663
Stockholders' equity	\$ 202,104	\$ 195,232	\$ 193,303	\$ 180,168	\$ 173,228
Goodwill & intangible assets	(6,199)	(6,386)	(6,451)	(6,276)	(6,409)
Commercial mortgage servicing rights	1,093	1,237	1,258	1,037	1,121
Tangible common equity	\$ 196,998	\$ 190,083	\$ 188,110	\$ 174,929	\$ 167,940

⁽¹⁾ Consists of loss on sale of AFS securities due to non-routine portfolio restructuring.