



August 12, 2021

To our Shareholders:

CoastalSouth Bancshares, Inc. (the “Company”) is pleased to announce net income of \$3.3 million, or \$0.40 per diluted share, for the second quarter of 2021, compared to \$3.1 million net income, or \$0.38 per diluted share, for the first quarter of 2021. With another strong quarter, the Company is positioned to continue its growth trajectory with increased profitability and balance sheet expansion.

“Q2 was another strong quarter for CSB,” said Steve Stone, President and Chief Executive Officer of the Company and its wholly owned subsidiary, Coastal States Bank (“CSB”). “During the quarter, we opened two new branches in the metro-Atlanta area in Sandy Springs and Alpharetta. The opening of these branches and recent hires of additional bankers in these markets demonstrates our commitment to our communities by establishing a physical presence to better serve our customers in these markets. Our pending acquisition of Cornerstone Bank will further expand our Atlanta market presence and deposit market share.”

Highlights for the Second Quarter of 2021

- **Net income of \$3.3 million, and \$0.40 diluted earnings per share (“Diluted EPS”)**
- **Total assets up by \$81.4 million, a 6.9% increase from March 31, 2021**
- **Grew deposits by \$89.4 million or 8.8% from the first quarter of 2021**
- **Efficiency ratio of 64.69% compared to 64.85% and 68.88% in the first quarter of 2021 and second quarter of 2020, respectively**
- **Tangible book value of \$13.07 per share, a 4.1% increase from March 31, 2021**

During the second quarter, the Company’s momentum continued as deposits grew by \$89.4 million to \$1.11 billion. This growth was driven by deepening our relationships with existing customers and attracting new customers through our attractive product offerings and our team members’ commitments to a great customer experience.

During the second quarter, our bankers continued to see loan pipelines rebound with commercial customers resuming projects that had been put on hold during 2020, given the uncertainty of the COVID-19 pandemic. The Company has continued to recruit and hire talented bankers within our markets to attract new customers. Notwithstanding improving loan demand, the Company continues to have a significant amount of liquidity as a result of strong deposit growth. As such, CSB continues to evaluate opportunities to prudently deploy liquidity into earning assets and, in the second quarter, completed several purchases of high end marine loans totaling approximately \$28.2 million. Inclusive of these

purchases, our core loans held for investment ("LHFI") grew by \$53.0 million at the end of the second quarter to \$609.3 million from \$556.3 million at the end of the first quarter.

Throughout the second quarter, the Company's credit metrics remained strong. The Company's NPA ratio continues to decline and was down to 0.30% at the end of the second quarter of 2021 as compared to 0.32% at the end of the first quarter of 2021. The Company's net charge-off to total LHFI ratio remains very low as well, at 0.06% for June 30, 2021. Credit continues to perform well, even in industries impacted by COVID-19, such as hospitality.

In April 2021, the Company announced that it had entered into a definitive agreement to acquire Cornerstone Bancshares, Inc., the parent company of Cornerstone Bank. This will be the Company's second acquisition since the recapitalization in 2017, continuing our strategic goal of growth through acquisition. Cornerstone Bank, with \$224 million in total assets as of June 30, 2021, is based in Atlanta, GA and further enhances the Company's growing footprint in this desirable market. All applications have been filed with regulatory agencies, and the Company anticipates closing this transaction during the third quarter of 2021.

The Company, since its recapitalization in 2017, has continued to make investments in key technology initiatives, including the adoption of new technology to make internal processes more efficient, implementation of new products and services which enhance the customer experience, and deployed significant measures to strengthen our overall Information Technology ("IT") Security posture.

As it relates to IT Security, we have made significant steps over the last 18 months which include the relocation of our former data center to a fully managed data center which includes a remote backup co-location facility that materially improves our ability to rapidly recover from a potential event. Further, we have taken steps to strengthen security protocols across our network, including the full deployment of Multi-Factor Authentication ("MFA") across all critical platforms, enhanced our user training program to better educate our team members around tactics used by potential bad actors, deployed additional data monitoring technology and added additional IT resources to help us take additional future steps to strengthen overall IT Security.

**CoastalSouth Bancshares, Inc. and Subsidiary
Consolidated Financial Highlights - Unaudited
(dollars in thousands except per share data)**

	Quarterly Trends					2Q21 change vs	
	2Q21	1Q21	4Q20	3Q20	2Q20	1Q21	2Q20
Selected Balance Sheet Data							
Total assets	\$ 1,261,987	\$ 1,180,621	\$ 1,147,532	\$ 1,103,885	\$ 963,883	\$ 81,366	\$ 298,104
Total gross loans (LHFS + LHFI)	865,664	870,271	815,999	807,337	744,031	(4,607)	121,633
Total deposits	1,109,913	1,020,496	891,552	856,978	789,088	89,417	320,825
Earnings Highlights							
Net income	\$ 3,274	\$ 3,074	\$ 1,709	\$ 2,097	\$ 1,608	\$ 200	\$ 1,666
Diluted earnings per share (EPS)	\$ 0.40	\$ 0.38	\$ 0.21	\$ 0.26	\$ 0.20	\$ 0.02	\$ 0.20
Net interest income	\$ 9,581	\$ 9,759	\$ 9,627	\$ 8,306	\$ 7,267	\$ (178)	\$ 2,314
Performance Ratios							
Net interest margin	3.32%	3.55%	3.59%	3.44%	3.36%	-0.23%	-0.04%
Net interest spread	3.14%	3.37%	3.39%	3.23%	3.10%	-0.23%	0.04%
Cost of total deposits	0.32%	0.41%	0.48%	0.57%	0.75%	-0.09%	-0.43%
Cost of total funding	0.41%	0.50%	0.56%	0.57%	0.72%	-0.09%	-0.31%
Efficiency ratio	64.69%	64.85%	70.13%	65.31%	68.88%	-0.16%	-4.19%
Loan-to-deposit ratio	77.99%	85.28%	91.53%	94.21%	94.29%	-7.29%	-16.30%
Return on (annualized):							
Average assets (ROAA) ²	1.08%	1.07%	0.61%	0.82%	0.70%	0.02%	0.38%
Average tangible assets (ROTA) ²	1.09%	1.07%	0.61%	0.83%	0.71%	0.02%	0.38%
Average tangible common equity (ROTCE) ²	12.77%	12.61%	7.13%	9.01%	7.23%	0.16%	5.54%
Tangible common equity to tangible assets ²	8.53%	8.49%	8.55%	9.20%	9.79%	0.04%	-1.26%
Tangible book value per share ²	\$ 13.07	\$ 12.56	\$ 12.08	\$ 11.79	\$ 11.49	\$ 0.51	\$ 1.58
Other Operating Measures¹:							
Pre-tax pre-provision net revenue (PPNR)	\$ 4,414	\$ 4,045	\$ 3,503	\$ 3,488	\$ 2,667	\$ 369	\$ 1,747
PPNR ROAA	1.46%	1.40%	1.24%	1.37%	1.17%	0.06%	0.29%
Net interest margin excluding PPP income	3.18%	3.39%	3.37%	3.58%	3.49%	-0.21%	-0.31%
Adjusted net income	\$ 3,468	\$ 3,102	\$ 1,768	\$ 2,097	\$ 1,608	\$ 366	\$ 1,860
Adjusted diluted EPS	\$ 0.43	\$ 0.39	\$ 0.22	\$ 0.26	\$ 0.83%	\$ 0.04	\$ 0.42
Adjusted ROTA	1.15%	1.08%	0.63%	0.83%	0.18%	0.07%	0.98%
Adjusted ROTCE	13.53%	12.73%	7.38%	9.01%	7.23%	0.80%	6.30%
Adjusted efficiency ratio	62.64%	64.53%	69.47%	65.31%	68.88%	-1.89%	-6.24%
Net adjusted noninterest expense as a percent of average tangible assets	7.68%	7.58%	8.62%	7.15%	6.66%	0.10%	1.03%

⁽¹⁾ Non-GAAP measure, see "GAAP to Non-GAAP Reconciliation" schedule.

⁽²⁾ The Company defines tangible assets as total assets less intangible assets (excluding mortgage servicing assets), and tangible common equity as total shareholders' equity less intangible assets (excluding mortgage servicing assets)

Financial Results

Income Statement

Net income was \$3.3 million for the second quarter of 2021 compared to a net income of \$3.1 million in the first quarter of 2021 and a net income of \$1.6 million in the second quarter of 2020. Compared to the first quarter of 2021, the increase in net income was primarily attributable to higher noninterest income; offset by higher noninterest expense during the quarter. Compared to the second quarter of 2020, the increase in net income was primarily attributable to an increase in net interest income and noninterest income; offset by an increase in noninterest expense primarily salaries and employee benefits in line with growth in revenues.

Interest income was \$10.7 million in the second quarter of 2021, compared to \$11.1 million in the first quarter of 2021 and \$8.7 million in the second quarter of 2020. The second quarter of 2021 compared to the first quarter of 2021 remained relatively stable. The increase in the second quarter of 2021 compared to the second quarter of 2020 is due to growth in the loan portfolio coupled with the expansion of the investment portfolio throughout 2020 and into 2021.

Interest expense was \$1.1 million in the second quarter of 2021, compared to \$1.3 million in the first quarter of 2021 and \$1.5 million in the second quarter of 2020. Compared to the first quarter of 2021, the decrease in interest expense is due to an 11 basis point decrease for the cost of interest-bearing deposits. Compared to the same quarter last year, the decrease in interest expense is due to a 57 basis point decrease in interest-bearing deposits, offset by costs for subordinated debt that was issued in the third quarter of 2020.

Net interest margin for the second quarter of 2021 was 3.32%, compared to 3.55% for the first quarter of 2021 and 3.36% for the second quarter of 2020. Compared to the first quarter of 2021, net interest margin compressed by 23 basis points, which is related to a combination of higher recognition of origination fees of PPP loans in the first quarter of 2021 and increased federal funds sold balances in the second quarter of 2021 that earn only a nominal yield. Compared to the same quarter last year, net interest margin was compressed by 4 basis points and was attributable to lower market interest rates following the Federal Reserve's rate adjustments at the end of the first quarter of 2020, which impacted the yield on certain variable rate loans. Management continues to pursue strategies to deploy excess liquidity into additional earning assets, such as investment securities, loan purchases, and a resell agreement.

The cost of funds for the second quarter of 2021 was 41 basis points compared to 50 basis points for the first quarter of 2021 and 72 basis points for the second quarter of 2020. Cost of funds decline in both periods is primarily driven by a decrease in costs of interest-bearing deposits.

The cost of deposits was 32 basis points in the second quarter of 2021 as compared to 41 basis points in the first quarter of 2021 and 75 basis points in the second quarter of 2020. Over the last year, the Bank lowered deposit rates as the Federal Reserve decreased the federal funds rates twice, bringing index rates down to near zero. Management expects the cost of deposits to modestly decline over the next several quarters as pricing changes continue to take effect.

Provision for credit losses was \$222 thousand during the second quarter of 2021, compared to \$5 thousand in the first quarter of 2021 and \$602 thousand in the second quarter of 2020. The Company has decreased the allocation of its credit reserves related to COVID-19 during 2021; however, these allocations have been consumed by general reserves related to new loan production and for other changes in loss rates. Charge-off and recovery activity was not significant during the first and second quarter of 2021, or second quarter of 2020.

Noninterest income was \$2.9 million in the second quarter of 2021, compared to \$1.8 million in the first quarter of 2021 and \$1.3 million in the second quarter of 2020. The increase of \$1.2 million during the second quarter of 2021 compared to the first quarter of 2021 was primarily due to increases of \$731 thousand related to gain on government guaranteed loans, \$188 thousand gain on BOLI, and increases in mortgage banking related income of \$169 thousand. There was no sale of securities during the second and first quarter of 2021. Compared to the second quarter of 2020, the increase in noninterest income of \$1.6 million was primarily attributable to an increase in gain on government guaranteed loans of \$526 thousand, an increase in mortgage banking income of \$384 thousand, other noninterest income of \$352 thousand, and gain on BOLI of \$220 primarily related to a death benefit.

Noninterest expense was \$8.1 million during the second quarter of 2021, as compared to \$7.5 million during the first quarter of 2021 and \$5.9 million during the second quarter of 2020. The increase of \$622 thousand during the second quarter of 2021 as compared to the first quarter of 2021 was primarily in other professional services of \$251 thousand, and an increase in salaries and employee's benefits of \$198 thousand. Compared to the second quarter of 2020, the increase of \$2.2 million in noninterest expense primarily attributable to an increase of \$1.4 million in salaries and employees' benefits, primarily due to growth and performance-based compensation programs, other professional services expense related to legal and consulting fees tied to the pending Cornerstone Bancshares, Inc. merger, and occupancy and equipment expenses related to capital projects completed during 2021.

Income tax expense was \$918 thousand in the second quarter of 2021, as compared to \$966 thousand in the first quarter of 2021, and \$457 thousand in the second quarter of 2020. Compared to the first quarter of 2021, the decrease is attributable to a decline of taxable income. Compared to the second quarter of 2020, the increase in income tax expense is primarily attributable to increased earnings.

Balance Sheet

Total assets as of June 30, 2021 were \$1.262 billion, up from \$1.181 billion at March 31, 2021 and \$964 million at June 30, 2020. Total assets increased by \$81.4 million as compared to the prior quarter and was primarily attributable to increased federal funds sold and resell agreements as well as growth in investment securities, which was fueled by deposit growth.

Cash and cash equivalents at June 30, 2021 was \$183 million, compared to \$124 million at March 31, 2021, and up from \$52 million at June 30, 2020. The increase in cash and cash equivalents as compared to the prior quarter is primarily attributable to an increase in federal funds sold as the Company's deposit balances continue to grow.

Investment securities at June 30, 2021 were \$156 million, compared to \$130 million at March 31, 2021, and up from \$120 million at June 30, 2020. The increase in investment securities for both periods is related to securities purchases. Management has continued to look to deploy liquidity into higher interest-earning assets in the securities portfolio.

Total gross loans held for investment at June 30, 2021 were \$762 million, compared to \$754 million at March 31, 2021, and up from \$634 million at June 30, 2020. There was a modest increase in loans held for investment during the quarter as core LHF_I increased by \$53.0 million, offset by forgiveness and paydowns of PPP loans of \$39.8 million. As compared to June 30, 2020, core LHF_I increased by \$169.9 million, offset by lower PPP balances of \$32.1 million. Total loans held for sale at June 30, 2021 were \$104 million, compared to \$116 million at March 31, 2021 and \$110 million at June 30, 2020.

Allowance for loan losses ("ALL") at June 30, 2021 was \$7.2 million, compared to \$7.1 million at March 31, 2021, and from \$5.0 million at June 30, 2020. The balance in the second quarter of 2021 was relatively stable compared to the first quarter of 2021. Compared to the second quarter of 2020, the increase in provision is primarily related to the impacts of COVID-19 and growth of the loan portfolio. Total ALL to total LHF_I excluding PPP was 1.12% at June 30, 2021 as compared to 1.19% and 1.03% at March 31, 2021 and June 30, 2020, respectively.

Nonaccrual loans increased modestly by \$42 thousand to \$2.8 million at June 30, 2021 from \$2.7 million at March 31, 2021. Troubled debt restructures ("TDRs") have remained stable over the last year. Total nonperforming loans to gross LHF_I outstanding were 0.39% at June 30, 2021, compared to 0.39% and 0.74% at March 31, 2021, and June 30, 2020, respectively.

Nonperforming assets to total assets decreased by 2 and 27 basis points to 0.30% at June 30, 2021, compared to 0.32% at March 31, 2021, and 0.58% at June 30, 2020, respectively. Other real estate owned ("OREO") remained relatively stable at \$778 thousand and \$810 thousand in the second and first

quarter of 2021, respectively. A decrease of \$154 thousand occurred from the second quarter of 2020 to the second quarter of 2021 due to liquidation of properties.

Total deposits at June 30, 2021 were \$1.110 billion, an increase from \$1.020 billion at March 31, 2021 and from \$789 million at June 30, 2020. The increase in total deposits is attributable to continued new customer acquisition across the franchise and increases in many of our existing customer's deposit accounts as a result of the PPP program. Noninterest bearing deposits accounted for 29.2% of total deposits as compared to 27.9% of total deposits at March 31, 2021 and 27.8% at June 30, 2020. As the Company wins new loan customers and targets new deposit relationships with competitive rates on interest bearing accounts, our bankers are focused on ensuring that we win the entire relationship, including operating accounts, so that we can preserve our attractive mix of deposits.

Federal Reserve Bank advances associated with the Paycheck Protection Program Liquidity Facility ("PPPLF") at June 30, 2021 was nil, compared to \$11 million at March 31, 2021 and \$34 million at June 30, 2020. The decrease is attributable to payoff of those advances during the quarter due to the inflow of customer deposits during the first and second quarter of 2021.

Subordinated debt, net of debt issuance costs, remained at approximately \$14.6 million at June 30, 2021 and March 31, 2021. There was no subordinated debt at June 30, 2020.

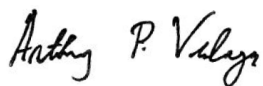
Federal Home Loan Bank advances ("FHLB") remained steady at \$20 million at June 30, 2021, and March 31, 2021, and down by \$20 million from \$40 million at June 30, 2020.

Tangible book value per share at June 30, 2021 was \$13.07. CSB is currently well capitalized with a leverage ratio of 8.32%, a common equity tier 1 capital ratio of 11.22%, and a total risk-based capital ratio of 12.03%.

Detailed Results

Supplementary unaudited financial statements are included for the second quarter of 2021 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.

The risks relating to the Cornerstone Bancshares, Inc. proposed merger include, without limitation: the timing to consummate the proposed merger; the risk that a condition to closing of the proposed merger may not be satisfied; the risk that the merger is not completed at all; the diversion of management time on issues related to the proposed merger; unexpected transaction costs, including the costs of integrating operations; the risks that the businesses will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; the potential failure to fully or timely realize expected revenues and revenue synergies, including as the result of revenues following the merger being lower than expected; the risk of deposit and customer attrition; any changes in deposit mix; unexpected operating and other costs, which may differ or change from expectation; the risk of customer and employee loss and business disruptions, including, without limitation, as the result of difficulties in maintaining relationships with employees; as well as increased competitive pressures on solicitations of customers by competitors.

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)

							2Q21 change vs	
	2Q21	1Q21	4Q20	3Q20	2Q20	1Q21	2Q20	
Assets								
Cash and due from banks	\$ 10,444	\$ 4,941	\$ 7,419	\$ 438	\$ 5,440	\$ 5,503	\$ 5,004	
Federal funds sold and resell agreements	172,957	119,512	149,584	123,050	46,988	53,445	125,969	
Investment securities	155,843	129,804	121,207	120,304	119,519	26,039	36,324	
Loans held for sale (LHFS)	104,035	116,334	113,481	127,463	109,749	(12,299)	(5,714)	
Loans held for investment (LHFI)	761,629	753,937	702,518	679,874	634,282	7,692	127,347	
Allowance for loan losses	(7,157)	(7,060)	(7,041)	(5,703)	(4,959)	(97)	(2,198)	
Loans held for investment, net	754,472	746,877	695,477	674,171	629,323	7,595	125,149	
Bank-owned life insurance	19,030	19,070	18,950	18,827	13,706	(40)	5,324	
Premises, furniture and equipment, net	17,242	16,743	16,357	16,216	15,354	499	1,888	
Deferred tax asset	9,820	9,922	10,111	9,788	10,103	(102)	(283)	
Goodwill & intangible assets ⁽¹⁾	6,322	6,274	6,322	6,301	6,325	48	(3)	
Other real estate owned	778	810	810	1,251	932	(32)	(154)	
Other assets	11,044	10,334	7,814	6,076	6,444	710	4,600	
Total assets	\$ 1,261,987	\$ 1,180,621	\$ 1,147,532	\$ 1,103,885	\$ 963,883	\$ 81,366	\$ 298,104	
Liabilities and stockholders' equity								
Liabilities								
Deposits								
Noninterest bearing DDA	\$ 324,425	\$ 285,005	\$ 229,361	\$ 256,820	\$ 219,477	\$ 39,420	\$ 104,948	
Interest bearing DDA	184,549	188,964	134,934	137,804	117,085	(4,415)	67,464	
Savings and money market	472,981	409,882	377,381	307,098	275,997	63,099	196,984	
Certificates of deposit	127,958	136,645	149,876	155,256	176,529	(8,687)	(48,571)	
Total deposits	1,109,913	1,020,496	891,552	856,978	789,088	89,417	320,825	
Federal Home Loan Bank advances	20,000	20,000	20,000	20,000	40,000	-	(20,000)	
Subordinated debt, net	14,563	14,551	14,539	14,556	-	12	14,563	
Federal Reserve Bank PPPLF advances	-	11,145	111,497	107,606	33,717	(11,145)	(33,717)	
Other liabilities	7,673	8,635	7,956	5,120	4,164	(962)	3,509	
Total liabilities	1,152,149	1,074,827	1,045,544	1,004,260	866,969	77,322	285,180	
Stockholders' equity								
Voting common stock	6,003	6,003	6,003	5,993	5,966	-	37	
Nonvoting common stock	1,991	1,991	1,991	1,991	1,991	-	-	
Capital surplus	122,411	122,070	121,756	121,442	121,214	341	1,197	
Accumulated deficit	(24,249)	(27,525)	(30,598)	(32,307)	(34,405)	3,276	10,156	
Accumulated other comprehensive income	3,682	3,255	2,836	2,506	2,148	427	1,534	
Total stockholders' equity	109,838	105,794	101,988	99,625	96,914	4,044	12,924	
Total liabilities and stockholders' equity	\$ 1,261,987	\$ 1,180,621	\$ 1,147,532	\$ 1,103,885	\$ 963,883	\$ 81,366	\$ 298,104	
Capital ratios ⁽²⁾								
Leverage ratio	8.32%	8.87%	9.15%	9.62%	9.15%	-0.55%	-0.84%	
CET1 risk-based capital ratio	11.22	11.60	11.46	11.94	11.70	-0.37	-0.47	
Tier 1 risk-based capital ratio	11.22	11.60	11.46	11.94	11.70	-0.37	-0.47	
Total risk-based capital ratio	12.03	12.45	12.34	12.70	12.44	-0.42	-0.41	

⁽¹⁾ Includes commercial mortgage servicing assets of \$989, \$897, \$899, \$830, and \$805 for 2Q21, 1Q21, 4Q20, 3Q20, and 2Q20, respectively.

⁽²⁾ 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)

						2Q21 change vs	
	2Q21	1Q21	4Q20	3Q20	2Q20	1Q21	2Q20
Interest income							
Interest on cash and due from banks	\$ 2	\$ 1	\$ 1	\$ 2	\$ 9	\$ 1	\$ (7)
Interest on federal funds sold and resell agreements	288	285	282	70	7	3	281
Interest and dividends on investment securities	806	744	720	766	616	62	190
Interest and fees on LHFS	1,448	1,595	1,840	1,590	1,255	(147)	193
Interest and fees on LHFI	8,153	8,429	8,212	7,186	6,844	(276)	1,309
Total interest income	<u>10,697</u>	<u>11,054</u>	<u>11,055</u>	<u>9,614</u>	<u>8,731</u>	<u>(357)</u>	<u>1,966</u>
Interest expense							
Deposits	838	956	1,054	1,145	1,360	(118)	(522)
Other borrowings	278	339	374	163	104	(61)	174
Total interest expense	<u>1,116</u>	<u>1,295</u>	<u>1,428</u>	<u>1,308</u>	<u>1,464</u>	<u>(179)</u>	<u>(348)</u>
Net interest income	9,581	9,759	9,627	8,306	7,267	(178)	2,314
Provision for credit losses	222	5	1,385	718	602	217	(380)
Net interest income after provision for credit losses	<u>9,359</u>	<u>9,754</u>	<u>8,242</u>	<u>7,588</u>	<u>6,665</u>	<u>(395)</u>	<u>2,694</u>
Noninterest income							
Mortgage banking related income	845	676	646	604	461	169	384
Interchange and card fee Income	261	257	187	176	162	4	99
Gain on sale of government guaranteed loans	977	246	443	291	451	731	526
Service charges on deposit accounts	140	138	143	118	112	2	28
Gain on BOLI	307	119	122	121	87	188	220
Securities gains, net	6	-	302	348	-	6	6
Other noninterest income	383	314	259	90	31	69	352
Total noninterest income	<u>2,919</u>	<u>1,750</u>	<u>2,102</u>	<u>1,748</u>	<u>1,304</u>	<u>1,169</u>	<u>1,615</u>
Noninterest expense							
Salaries and employee benefits	5,139	4,941	5,464	4,299	3,706	198	1,433
Occupancy and equipment	521	509	439	421	406	12	115
Software and other technology expense	445	444	330	329	365	1	80
Other professional services	638	387	638	285	270	251	368
Data processing	353	331	316	315	310	22	43
Regulatory assessment	223	209	168	137	166	14	57
Loss on other real estate owned, net	32	-	135	1	51	32	(19)
Other noninterest expense	735	643	736	779	630	92	105
Total noninterest expense	<u>8,086</u>	<u>7,464</u>	<u>8,226</u>	<u>6,566</u>	<u>5,904</u>	<u>622</u>	<u>2,182</u>
Net income before taxes	4,192	4,040	2,118	2,770	2,065	152	2,127
Income tax expense	918	966	409	673	457	(48)	461
Net income	<u>\$ 3,274</u>	<u>\$ 3,074</u>	<u>\$ 1,709</u>	<u>\$ 2,097</u>	<u>\$ 1,608</u>	<u>\$ 200</u>	<u>\$ 1,666</u>
Earnings per share - basic	\$ 0.41	\$ 0.38	\$ 0.21	\$ 0.27	\$ 0.20	\$ 0.03	\$ 0.21
Earnings per share - diluted	\$ 0.40	\$ 0.38	\$ 0.21	\$ 0.26	\$ 0.20	\$ 0.01	\$ 0.20
Tangible book value	\$ 104,505	\$ 100,417	\$ 96,565	\$ 94,154	\$ 91,394	\$ 4,088	\$ 13,111
Tangible book value per share	\$ 13.07	\$ 12.56	\$ 12.08	\$ 11.79	\$ 11.49	\$ 0.51	\$ 1.59
Shares outstanding	7,993,653	7,993,653	7,993,653	7,983,753	7,956,253	-	37,400
Weighted average shares - basic	7,993,653	7,993,653	7,983,753	7,966,274	7,956,253	-	37,400
Weighted average shares - diluted	8,238,909	8,011,481	7,992,332	7,988,490	7,972,763	227,428	266,146

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

	Six Months Ended June 30		Change
	2021	2020	
Interest income			
Interest on cash and due from banks	\$ 3	\$ 93	\$ (90)
Interest on federal funds sold and resell agreements	573	160	413
Interest and dividends on investment securities	1,550	1,072	478
Interest and fees on LHFS	3,043	2,404	639
Interest and fees on LHFI	16,582	13,120	3,462
Total interest income	<u>21,751</u>	<u>16,849</u>	<u>4,902</u>
Interest expense			
Deposits	1,794	2,895	(1,101)
Other borrowings	617	135	482
Total interest expense	<u>2,411</u>	<u>3,030</u>	<u>(619)</u>
Net interest income	19,340	13,819	5,521
Provision for credit losses	227	1,133	(906)
Net interest income after provision for credit losses	<u>19,113</u>	<u>12,686</u>	<u>6,427</u>
Noninterest income			
Mortgage banking related income	1,521	900	621
Interchange and card fee income	518	379	139
Gain on sale of government guaranteed loans	1,223	529	694
Service charges on deposit accounts	278	286	(8)
Gain on BOLI	426	173	253
Securities gains, net	6	298	(292)
Other noninterest income	697	168	529
Total noninterest income	<u>4,669</u>	<u>2,733</u>	<u>1,936</u>
Noninterest expense			
Salaries and employee benefits	10,080	7,712	2,368
Occupancy and equipment	1,030	784	246
Software and other technology expense	889	691	198
Professional services	1,025	547	478
Data processing	684	625	59
Regulatory assessment	432	316	116
Loss on other real estate owned, net	32	92	(60)
Other noninterest expense	1,378	1,319	59
Total noninterest expense	<u>15,550</u>	<u>12,086</u>	<u>3,464</u>
Net income before taxes	8,232	3,333	4,899
Income tax expense	1,884	771	1,113
Net income	<u>\$ 6,348</u>	<u>\$ 2,562</u>	<u>\$ 3,786</u>
Earnings per share - basic	\$ 0.79	\$ 0.32	\$ 0.47
Earnings per share - diluted	\$ 0.78	\$ 0.32	\$ 0.46
Shares outstanding	7,993,653	7,956,253	37,400
Weighted average shares - basic	7,993,653	7,956,253	37,400
Weighted average shares - diluted	8,125,061	7,974,685	150,376

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

	Quarterly trend					2Q21 change vs	
	2Q21	1Q21	4Q20	3Q20	2Q20	1Q21	2Q20
Average balances							
Cash and cash equivalents	\$ 6,585	\$ 8,333	\$ 8,817	\$ 6,176	\$ 23,257	\$ (1,748)	\$ (16,672)
Federal funds sold and resell agreements	149,620	133,167	121,233	56,184	55,890	16,453	93,730
Investment securities	140,442	127,926	124,010	120,837	96,161	12,516	44,281
Loans held for sale	105,425	122,878	128,112	114,437	93,955	(17,453)	11,470
Loans held for investment	753,920	723,559	685,751	661,665	601,472	30,361	152,448
Total earning assets	1,155,992	1,115,863	1,067,923	959,299	870,735	40,129	285,257
Total nonearning assets	55,521	54,081	52,754	52,630	48,406	1,440	7,115
Total assets	<u>\$ 1,211,513</u>	<u>\$ 1,169,944</u>	<u>\$ 1,120,677</u>	<u>\$ 1,011,929</u>	<u>\$ 919,141</u>	<u>\$ 41,569</u>	<u>\$ 292,372</u>
Interest-bearing deposits	\$ 754,449	\$ 686,949	\$ 639,995	\$ 577,146	\$ 535,696	\$ 67,500	\$ 218,753
Other borrowings	36,874	115,974	142,173	104,501	94,299	(79,100)	(57,425)
Total interest bearing liabilities	791,323	802,923	782,168	681,647	629,995	(11,600)	161,328
Noninterest-bearing deposits	305,641	254,650	232,377	227,902	190,342	50,991	115,299
Other liabilities	6,366	8,143	5,327	4,298	3,818	(1,777)	2,548
Stockholders' equity	108,183	104,228	100,805	98,082	94,986	3,955	13,197
Total liabilities and stockholders' equity	<u>\$ 1,211,513</u>	<u>\$ 1,169,944</u>	<u>\$ 1,120,677</u>	<u>\$ 1,011,929</u>	<u>\$ 919,141</u>	<u>\$ 41,569</u>	<u>\$ 292,372</u>
Interest margins							
Cash and due from banks	0.12%	0.05%	0.05%	0.13%	0.16%	0.07%	-0.04%
Federal funds sold and resell agreements	0.77%	0.87%	0.93%	0.50%	0.05%	-0.10%	0.72%
Investment securities	2.30%	2.36%	2.31%	2.52%	2.58%	-0.06%	-0.28%
LHFS	5.51%	5.26%	5.71%	5.53%	5.37%	0.25%	0.14%
LHFI	4.34%	4.72%	4.76%	4.32%	4.58%	-0.38%	-0.24%
Total earning assets	<u>3.71%</u>	<u>4.02%</u>	<u>4.12%</u>	<u>3.99%</u>	<u>4.03%</u>	<u>-0.31%</u>	<u>-0.32%</u>
Interest-bearing deposits	0.45%	0.56%	0.66%	0.79%	1.02%	-0.11%	-0.57%
Other borrowings	3.02%	1.19%	1.05%	0.62%	0.44%	1.83%	2.58%
Total interest-bearing liabilities	<u>0.57%</u>	<u>0.65%</u>	<u>0.73%</u>	<u>0.76%</u>	<u>0.93%</u>	<u>6.17%</u>	<u>-0.86%</u>
Cost of total deposits ⁽¹⁾	0.32%	0.41%	0.48%	0.57%	0.75%	-0.09%	-0.43%
Cost of total funding ⁽¹⁾	0.41%	0.50%	0.56%	0.57%	0.72%	-0.09%	-0.31%
Net interest spread	3.14%	3.37%	3.39%	3.23%	3.10%	-0.23%	0.04%
Net interest margin	3.32%	3.55%	3.59%	3.44%	3.36%	-0.23%	-0.04%
Yield on total loans	4.48%	4.80%	4.91%	4.50%	4.68%	-0.32%	-0.20%
Yield on loans excluding PPP ⁽²⁾	4.52%	4.83%	4.89%	4.93%	5.14%	-0.32%	-0.62%
Yield on LHFI excluding PPP ⁽²⁾	4.34%	4.69%	4.74%	4.83%	5.08%	-0.35%	-0.74%
Net interest margin excluding PPP ⁽²⁾	3.18%	3.39%	3.37%	3.58%	3.49%	-0.21%	-0.31%
Efficiency ratio	64.69%	64.85%	70.13%	65.31%	68.88%	-0.16%	-4.19%

⁽¹⁾ Includes noninterest-bearing deposits

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

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

	2Q21			1Q21			2Q20		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
Assets									
Earning assets:									
Cash and due from banks	\$ 6,585	\$ 1	0.06%	\$ 8,333	\$ 1	0.05%	\$ 23,257	\$ 9	0.16%
Federal funds sold and resell agreements	149,620	289	0.77%	133,167	285	0.87%	55,890	7	0.05%
Investment securities	140,442	806	2.30%	127,926	744	2.36%	96,161	616	2.58%
Loans held for sale	105,425	1,448	5.51%	122,878	1,595	5.26%	93,955	1,255	5.37%
Loans held for investment	753,920	8,153	4.34%	723,559	8,429	4.72%	601,472	6,844	4.58%
Total earning assets	1,155,992	10,697	3.71%	1,115,863	11,054	4.02%	870,735	8,731	4.03%
Allowance for loan losses	(7,074)			(7,029)			(4,452)		
Bank-owned life insurance	19,112			18,999			13,650		
Premises, furniture and equipment, net	17,096			16,531			15,216		
Deferred tax asset	9,849			9,993			10,349		
Goodwill & intangible assets	6,285			6,293			6,301		
Other real estate owned	803			810			1,207		
Other assets	9,450			8,484			6,135		
Total assets	<u>\$ 1,211,513</u>			<u>\$ 1,169,944</u>			<u>\$ 919,141</u>		
Interest-bearing deposits	754,449	838	0.45%	686,949	956	0.56%	535,696	1,360	1.02%
Federal Reserve Bank PPPLF advances	2,318	3	0.52%	78,096	67	0.35%	49,024	43	0.35%
Federal Home Loan Bank advances	20,000	38	0.76%	23,333	40	0.70%	45,275	61	0.54%
Subordinated debt, net	14,556	237	6.53%	14,545	232	6.47%	-	-	0.00%
Total interest-bearing liabilities	791,323	1,116	0.57%	802,923	1,295	0.65%	629,995	1,464	0.93%
Noninterest-bearing deposits	305,641			254,650			190,342		
Other liabilities	6,366			8,143			3,818		
Stockholders' equity	108,183			104,228			94,986		
Total liabilities and stockholders' equity	<u>\$ 1,211,513</u>			<u>\$ 1,169,944</u>			<u>\$ 919,141</u>		

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

	Six Months Ended June 30, 2021			Six Months Ended June 30, 2020		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
Assets						
Earning assets:						
Cash and due from banks	\$ 7,454	\$ 3	0.08%	\$ 26,365	\$ 93	0.71%
Federal funds sold and resell agreements	141,439	573	0.82%	50,644	160	0.64%
Investment securities	134,218	1,550	2.33%	82,815	1,072	2.60%
Loans held for sale	114,103	3,043	5.38%	88,628	2,404	5.45%
Loans held for investment	738,823	16,583	4.53%	538,873	13,120	4.90%
Total earning assets	1,136,037	21,752	3.86%	787,325	16,849	4.30%
Allowance for loan losses	(7,052)			(4,238)		
Bank-owned life insurance	19,056			13,607		
Premises, furniture and equipment, net	16,815			14,881		
Deferred tax asset	9,920			10,496		
Goodwill & intangible assets	6,289			6,346		
Other real estate owned	806			1,345		
Other assets	8,972			5,199		
Total assets	\$ 1,190,843			\$ 834,961		
Interest-bearing deposits	720,886	1,794	0.50%	510,097	2,895	1.14%
Federal Reserve Bank PPPLF advances	39,998	70	0.35%	24,512	43	0.35%
Federal Home Loan Bank advances	21,657	77	0.72%	30,659	92	0.60%
Subordinated debt, net	14,551	470	6.51%	-	-	0.00%
Total interest-bearing liabilities	797,092	2,411	0.61%	565,268	3,030	1.08%
Noninterest bearing deposits	280,286			171,339		
Other liabilities	7,249			4,137		
Stockholders' equity	106,216			94,217		
Total liabilities and stockholders' equity	\$ 1,190,843			\$ 834,961		
Interest margins						
Cost of total deposits ⁽¹⁾		0.36%			0.85%	
Cost of total funding ⁽¹⁾		0.45%			0.83%	
Net interest spread		3.25%			3.23%	
Net interest margin		3.43%			3.53%	
Efficiency ratio		64.77%			73.02%	

⁽¹⁾ Includes noninterest-bearing deposits

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

						2Q21 change vs	
	2Q21	1Q21	4Q20	3Q20	2Q20	1Q21	2Q20
Loans held for investment ("LHFI")							
Commercial Loans							
Construction and land	\$ 55,778	\$ 61,075	\$ 62,079	\$ 46,857	\$ 51,137	\$ (5,297)	\$ 4,641
Commercial real estate	295,990	275,817	261,102	237,253	238,963	20,173	57,027
Commercial and industrial	113,555	106,616	104,955	101,307	90,683	6,939	22,872
Paycheck Protection Program	119,966	159,806	122,517	153,791	152,049	(39,840)	(32,083)
Consumer Loans							
Residential real estate	72,850	67,359	67,215	63,340	65,147	5,491	7,703
Other consumer	103,490	83,264	84,650	77,326	36,303	20,226	67,187
Total loans held for investment	\$ 761,629	\$ 753,937	\$ 702,518	\$ 679,874	\$ 634,282	\$ 7,692	\$ 127,347
Core LHFI	609,339	556,308	542,722	485,325	439,474	53,031	169,865
Acquired LHFI ⁽¹⁾	32,324	37,823	37,279	40,758	42,759	(5,499)	(10,435)
Paycheck Protection Program loans	119,966	159,806	122,517	153,791	152,049	(39,840)	(32,083)
Total loans held for investment	\$ 761,629	\$ 753,937	\$ 702,518	\$ 679,874	\$ 634,282	\$ 7,692	\$ 127,347
Total loans held for sale	104,035	116,334	113,481	127,463	109,749	(12,299)	(5,714)
Total allowance for loan losses	7,157	7,060	7,041	5,703	4,959	97	2,198
Nonperforming assets							
Nonaccrual loans	2,752	2,710	3,494	3,706	4,429	42	(1,677)
Troubled debt restructurings	230	234	239	244	244	(4)	(14)
Other real estate owned	778	810	810	1,251	932	(32)	(154)
Total nonperforming assets	\$ 3,760	\$ 3,754	\$ 4,543	\$ 5,201	\$ 5,605	\$ 6	\$ (1,845)
Credit Analysis							
Total net charge-offs (recoveries)	\$ 111	\$ (14)	\$ 131	\$ 84	\$ 110	\$ 125	\$ 1
Net charge-offs to total LHFI	0.06%	-0.01%	0.07%	0.05%	0.07%	0.07%	-0.01%
Total allowance for loan losses to total LHFI	0.94%	0.94%	1.00%	0.84%	0.78%	0.00%	0.16%
Total allowance for loan losses to total LHFI, excluding PPP loans ⁽²⁾	1.12%	1.19%	1.21%	1.08%	1.03%	-0.07%	0.09%
Nonperforming loans to gross LHFI	0.39%	0.39%	0.53%	0.58%	0.74%	0.00%	-0.35%
Nonperforming assets to total assets	0.30%	0.32%	0.40%	0.47%	0.58%	-0.02%	-0.27%

⁽¹⁾ Includes loans acquired from the 2018 acquisition of First Citizens Financial Corporation.

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

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

	Quarterly Trends				
	2Q21	1Q21	4Q20	3Q20	2Q20
Net Income	\$ 3,274	\$ 3,074	\$ 1,709	\$ 2,097	\$ 1,608
Total noninterest income	2,919	1,750	2,102	1,748	1,304
Adjustments to noninterest income	-	-	-	-	-
Total noninterest expense	8,086	7,464	8,226	6,566	5,904
Adjustments to noninterest expense ⁽¹⁾	256	37	78	-	-
Income Taxes	918	966	409	673	457
Tax effect of adjustments	(62)	(9)	(19)	-	-
Adjusted net income	\$ 3,468	\$ 3,102	\$ 1,768	\$ 2,097	\$ 1,608
Net Income	3,274	3,074	1,709	2,097	1,608
Provision for allowance for loan losses	222	5	1,385	718	602
Provision for income taxes	918	966	409	673	457
Pre-tax pre-provision net revenue (PPNR)	\$ 4,414	\$ 4,045	\$ 3,503	\$ 3,488	\$ 2,667
Adjustments to noninterest income	-	-	-	-	-
Adjustments to noninterest expense ⁽¹⁾	256	37	78	-	-
Adjusted Pre-Tax Pre-Provision Income	\$ 4,670	\$ 4,082	\$ 3,581	\$ 3,488	\$ 2,667
Return on average tangible (ROTA)	1.09%	1.07%	0.61%	0.83%	0.71%
Adjustments to net income	0.06%	0.01%	0.02%	0.00%	0.00%
Adjusted ROTA	1.15%	1.08%	0.63%	0.83%	0.71%
Return on Tangible Common Equity (ROTCE)	12.77%	12.61%	7.13%	9.01%	7.23%
Adjustments to net income	0.76%	0.12%	0.25%	0.00%	0.00%
Adjusted ROTCE	13.53%	12.73%	7.38%	9.01%	7.23%
Diluted EPS	\$ 0.40	\$ 0.38	\$ 0.21	\$ 0.26	\$ 0.20
Adjustments to net income	0.03	0.01	0.01	(0.00)	(0.19)
Adjusted diluted EPS	\$ 0.43	\$ 0.39	\$ 0.22	\$ 0.26	\$ 0.01
Efficiency ratio	64.69%	64.85%	70.13%	65.31%	68.88%
Adjustments to net income	-2.05%	-0.32%	-0.66%	0.00%	0.00%
Adjusted efficiency ratio	62.64%	64.53%	69.47%	65.31%	68.88%
Interest and fees on LHFS	\$ 1,448	\$ 1,595	\$ 1,840	\$ 1,590	\$ 1,255
Interest and fees on LHFI	8,153	8,429	8,212	7,186	6,844
Interest and fees on PPP loans	(1,579)	(1,617)	(1,791)	(1,060)	(741)
Loan interest income excluding PPP loans	\$ 8,022	\$ 8,407	\$ 8,261	\$ 7,716	\$ 7,358
Interest and fees on LHFI	8,153	8,429	8,213	7,186	6,844
Interest and fees on PPP loans	(1,579)	(1,617)	(1,791)	(1,060)	(741)
LHFI interest income excluding PPP loans	\$ 6,574	\$ 6,812	\$ 6,422	\$ 6,126	\$ 6,103
Net interest income	9,581	9,759	9,627	8,306	7,267
Interest and fees on PPP loans	(1,579)	(1,617)	(1,791)	(1,060)	(741)
Net interest income excluding PPP loans	\$ 8,002	\$ 8,142	\$ 7,836	\$ 7,246	\$ 6,526
Total earning assets	1,155,992	1,115,863	1,067,923	959,299	870,735
Average PPP loans	(146,772)	(141,248)	(142,054)	(153,098)	(119,669)
Adjusted earning assets	\$ 1,009,220	\$ 974,615	\$ 925,869	\$ 806,201	\$ 751,066
Average loans (LHFI + LHFS)	859,345	846,437	813,863	776,102	695,427
Average PPP Loans	(146,772)	(141,248)	(142,054)	(153,098)	(119,669)
Average loans excluding PPP	\$ 712,573	\$ 705,189	\$ 671,809	\$ 623,004	\$ 575,758
Average LHFI	753,920	723,559	685,751	661,665	601,472
Average PPP Loans	(146,772)	(141,248)	(142,054)	(153,098)	(119,669)
Average LHFI excluding PPP	\$ 607,148	\$ 582,311	\$ 543,697	\$ 508,567	\$ 481,803

⁽¹⁾ Consists of merger and acquisition costs.

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

	Quarterly Trends				
	2Q21	1Q21	4Q20	3Q20	2Q20
Yield on total loans	4.48%	4.80%	4.91%	4.50%	4.68%
Impact of PPP loans	0.04%	0.03%	-0.02%	0.43%	0.46%
Yield on total loans excluding PPP loans	4.52%	4.83%	4.89%	4.93%	5.14%
Yield on LHFI	4.34%	4.72%	4.76%	4.32%	4.58%
Impact of PPP loans	0.00%	-0.03%	-0.02%	0.51%	0.50%
Yield on LHFI excluding PPP loans	4.34%	4.69%	4.74%	4.83%	5.08%
Net interest margin	3.32%	3.55%	3.59%	3.44%	3.36%
Impact of PPP loans	-0.14%	-0.16%	-0.22%	0.14%	0.13%
Net interest margin excluding PPP loans	3.18%	3.39%	3.37%	3.58%	3.49%
Average assets	\$ 1,211,513	\$ 1,169,944	\$ 1,120,677	\$ 1,011,929	\$ 919,141
Average goodwill & intangible assets	(6,285)	(6,293)	(6,285)	(6,288)	(6,301)
Average commercial mortgage servicing rights	929	891	836	790	755
Average tangible assets	\$ 1,206,157	\$ 1,164,542	\$ 1,115,228	\$ 1,006,431	\$ 913,595
Average stockholders' equity	\$ 108,183	\$ 104,228	\$ 100,805	\$ 98,082	\$ 94,986
Average goodwill & intangible assets	(6,285)	(6,293)	(6,285)	(6,288)	(6,301)
Average commercial mortgage servicing rights	929	891	836	790	755
Average tangible equity	\$ 102,827	\$ 98,826	\$ 95,356	\$ 92,584	\$ 89,440