

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

	September 30, 2017
<b>Assets</b>	
Cash and cash equivalents	\$ 148,516
Investment securities	62,495
Loans held for sale	16,589
Loans held for investment	280,281
Allowance for loan losses	(3,515)
Loans held for investment, net	276,766
Total loans	293,355
Premises and equipment, net	3,061
Other real estate owned	6,328
Deferred tax asset	12,471
Intangible assets	-
Other assets	9,210
<b>Total assets</b>	<b>\$ 535,436</b>
Liabilities and shareholders' equity	
Liabilities	
Deposits	
Noninterest bearing DDA	\$ 93,546
Interest bearing DDA	88,141
Savings	21,762
Money market	90,124
Certificates of deposit	68,127
Total Deposits	361,700
Other borrowings	107,764
Other liabilities	1,147
<b>Total liabilities</b>	<b>470,611</b>
Shareholders' equity	
Common stock, voting	4,255
Common stock, nonvoting	1,449
Preferred stock	-
Additional paid-in capital	90,518
Retained earnings	(31,696)
Accumulated other comprehensive income	299
<b>Total shareholders' equity</b>	<b>64,825</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 535,436</b>

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

	Quarter - to - Date September 30, 2017	Year - to - Date September 30, 2017
<b>Interest income</b>		
Interest on cash and cash equivalents	\$ 188	\$ 443
Interest and dividends on investment securities	328	856
Interest and fees on loans	4,086	11,706
Interest on loans held for sale	154	526
Total interest income	<u>4,756</u>	<u>13,531</u>
<b>Interest expense</b>		
Deposits	243	659
Other borrowings	153	779
Total interest expense	<u>396</u>	<u>1,438</u>
Net interest income	4,360	12,093
Provision for credit losses	1,915	2,665
Net interest income after provision for credit losses	<u>2,445</u>	<u>9,428</u>
<b>Noninterest income</b>		
Service charges on deposit accounts	282	804
Securities gains/(losses)	-	-
Mortgage banking related income	1,813	5,902
Gain/(loss) on BOLI	39	115
Other noninterest income	76	219
Total noninterest income	<u>2,210</u>	<u>7,040</u>
<b>Noninterest expense</b>		
Salaries and employee benefits	5,425	12,616
Occupancy and equipment expense	448	1,405
Communications and data processing	334	1,136
Marketing and advertising	58	234
FDIC deposit insurance expense	194	514
Professional services	415	1,016
Postage, printing and supplies	127	376
(Gain)/loss on OREO	308	283
Expense on loans and OREO	25	568
Other noninterest expense	2,303	4,407
Total noninterest expense	<u>9,637</u>	<u>22,555</u>
Net income (loss) before taxes	(4,982)	(6,087)
Income tax expense (benefit)	(1,714)	(2,029)
<b>Net income (loss)</b>	<u><u>\$ (3,268)</u></u>	<u><u>\$ (4,058)</u></u>