

Carolina Trust BancShares, Inc. (NASDAQ: CART; Lincolnton, NC) Completes Private Placement Offering of \$10.0 Million of Subordinated Notes due 2026

Sandler O'Neill + Partners, L.P. served as the sole placement agent for this offering.

This transaction is the 88th subordinated note or senior note transaction for a community bank since January 1, 2014 in which Sandler O'Neill acted as a placement agent, sole underwriter, book runner, or initial purchaser. Since May 20, 2016, Sandler O'Neill has raised over \$1.98 billion for its clients in 31 transactions as the book-running manager or placement agent, capturing a 77.5% market share of announced transactions.¹

About the Offering:

LINCOLNTON, N.C. – Carolina Trust BancShares, Inc. (NASDAQ:CART), parent company of Carolina Trust Bank, announced today the completion of a private placement of \$10.0 million in aggregate principal amount of fixed-to-floating rate subordinated notes to certain institutional accredited investors. Unless earlier redeemed, the notes will mature on October 15, 2026. The notes bear interest at a fixed rate of 6.900% for the first five years, and thereafter will bear a floating interest rate equal to three-month LIBOR plus 571.8 basis points. The company intends to use the net proceeds from the sale of the notes for general corporate purposes, investment in its bank subsidiary, and, subject to regulatory approval, to redeem the remaining \$2.58 million of outstanding preferred securities of the bank. The bank's preferred securities were originally issued as part of the U.S. Treasury's TARP Capital Purchase Program. The notes have been structured to qualify as Tier 2 capital for regulatory purposes.

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

About the Company:

Carolina Trust BancShares, Inc. is a bank holding company and the parent company of Carolina Trust Bank. Carolina Trust Bank is a full service, state-chartered bank headquartered in Lincolnton, N.C., operating nine full service branches in Lincoln, Catawba, Gaston and Rutherford Counties in western North Carolina and a loan production office in Mooresville, N.C.

(1) Source: Sandler O'Neill Syndicate Desk, Bloomberg. Deal count includes nationwide subordinated debt and senior note offerings for Community Banks; Community Banks defined as banks or bank holding companies with less than \$25 billion in assets.

(2) Financial data not pro forma for the offering

October 13, 2016

Private Placement
6.900% Fixed-to-Floating Rate
Subordinated Notes due 2026
\$10.0 Million



Sole Placement Agent
SANDLER O'NEILL + PARTNERS

Financial Highlights as of June 30, 2016²*Dollars in Millions*

Total assets	\$374.0
Net loans	\$289.6
Total deposits	\$323.4
Total common equity	\$29.2
Tier 1 leverage ratio	8.03%
Tier 1 risk-based capital ratio	9.83%
Total risk-based capital ratio	11.00%
TCE / TA	7.77%

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