

## CAPITAL MARKETS ANNOUNCEMENT

CoastalSouth Bancshares, Inc. (OTCQX: COSO; Hilton Head Island, SC) Closes \$20.0 Million Offering of Common Stock

Sandler O'Neill + Partners, L.P. served as Sole Placement Agent for this offering.

This transaction represents the 98<sup>th</sup> public offering or private placement of common stock for a bank or thrift since January 1, 2015 for which Sandler O'Neill acted as book-runner, co-manager or placement agent—more than any other investment bank during that period. These transactions have raised approximately \$15.2 billion for our clients.<sup>1</sup>

**About the Offering:**

Hilton Head Island, South Carolina (June 18, 2019) – CoastalSouth Bancshares Inc. ("CoastalSouth" or the "Company"), the holding company for Coastal States Bank ("CSB"), is pleased to announce that it has concluded a private placement of common stock for gross proceeds of approximately \$20 million. The additional capital will enhance the Company's balance sheet and facilitate the continued growth and expansion of CSB.

"Since recapitalizing CoastalSouth almost two years ago, our company has made tremendous progress," said Steve Stone, President and Chief Executive Officer of CoastalSouth and CSB. "We have opened commercial banking centers in Atlanta and Savannah, completed a community bank acquisition in the attractive markets located just north of Atlanta, and we are seeing excellent growth trends in each of our community banking regions and specialty lines of business. We are very fortunate to enjoy the continued support of our existing investor base and we are pleased to welcome a number of new investors in this transaction."

*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:**

Established in 2003, CoastalSouth Bancshares, Inc. (OTCQX: COSO), is headquartered in Hilton Head Island, South Carolina. As of March 31, 2019, the Company had approximately \$615 million in total assets.

CoastalSouth, through its wholly-owned subsidiary, Coastal States Bank, builds relationships by providing a full range of banking services designed for businesses, their owners, and individuals looking for a local banking partner. With a community bank presence in the Lowcountry of South Carolina (Hilton Head Island and Bluffton), Savannah, Atlanta, and North Georgia (Cumming and Dawsonville), CSB also serves communities across the country through its Government Guaranteed Lending, Senior Housing, and Mortgage Banker Finance lines of business.

(1) Source: S&P Global Market Intelligence

(2) Financial data is not pro forma for the offering

June 18, 2019

## Common Stock Offering

\$20.0 Million



Sole Placement Agent

SANDLER O'NEILL + PARTNERS

Financial Highlights as of March 31, 2019<sup>2</sup>*(Dollars in thousands)*

Total Assets	\$615,324
Gross Loans	464,659
Total Deposits	541,742
Total Equity	68,921
TCE / TA	10.36%
NPAs / Assets	1.47%

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