

Board of Governors of the Federal Reserve System



Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

I, Stephen R. Stone

Name of the Holding Company Director and Official

Director, President & Chief Executive Officer

Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Signature of Holding Company Director and Official

Date of Signature

For holding companies not registered with the SEC—
Indicate status of Annual Report to Shareholders:

- ☒ is included with the FR Y-6 report
☐ will be sent under separate cover
☐ is not prepared

For Federal Reserve Bank Use Only

RSSD ID _____
C.I. _____

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2018

Month / Day / Year

5493006BUH6IGMGU0H14

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

CoastalSouth Bancshares, Inc.

Legal Title of Holding Company

5 Bow Circle

(Mailing Address of the Holding Company) Street / P.O. Box

Hilton Head Island SC 29928

City State Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Anthony P. Valduga CFO / COO

Name Title

843-341-9941

Area Code / Phone Number / Extension

843-341-9955

Area Code / FAX Number

tvalduga@coastalstatesbank.com

E-mail Address

www.coastalstatesbank.com

Address (URL) for the Holding Company's web page

Is confidential treatment requested for any portion of this report submission?

0=No
1=Yes

0

In accordance with the General Instructions for this report (check only one),

1. a letter justifying this request is being provided along with the report ☐
2. a letter justifying this request has been provided separately ... ☐

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

For Use By Tiered Holding Companies

Top-tiered holding companies must list the names, mailing address, and physical locations of each of their subsidiary holding companies below.

N/A

Legal Title of Subsidiary Holding Company

(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box

City State Zip Code

Physical Location (if different from mailing address)

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Form FR Y-6

**CoastalSouth Bancshares, Inc.
Hilton Head Island, South Carolina
Fiscal Year Ending December 31, 2018**

Report Item 1 – Annual Report

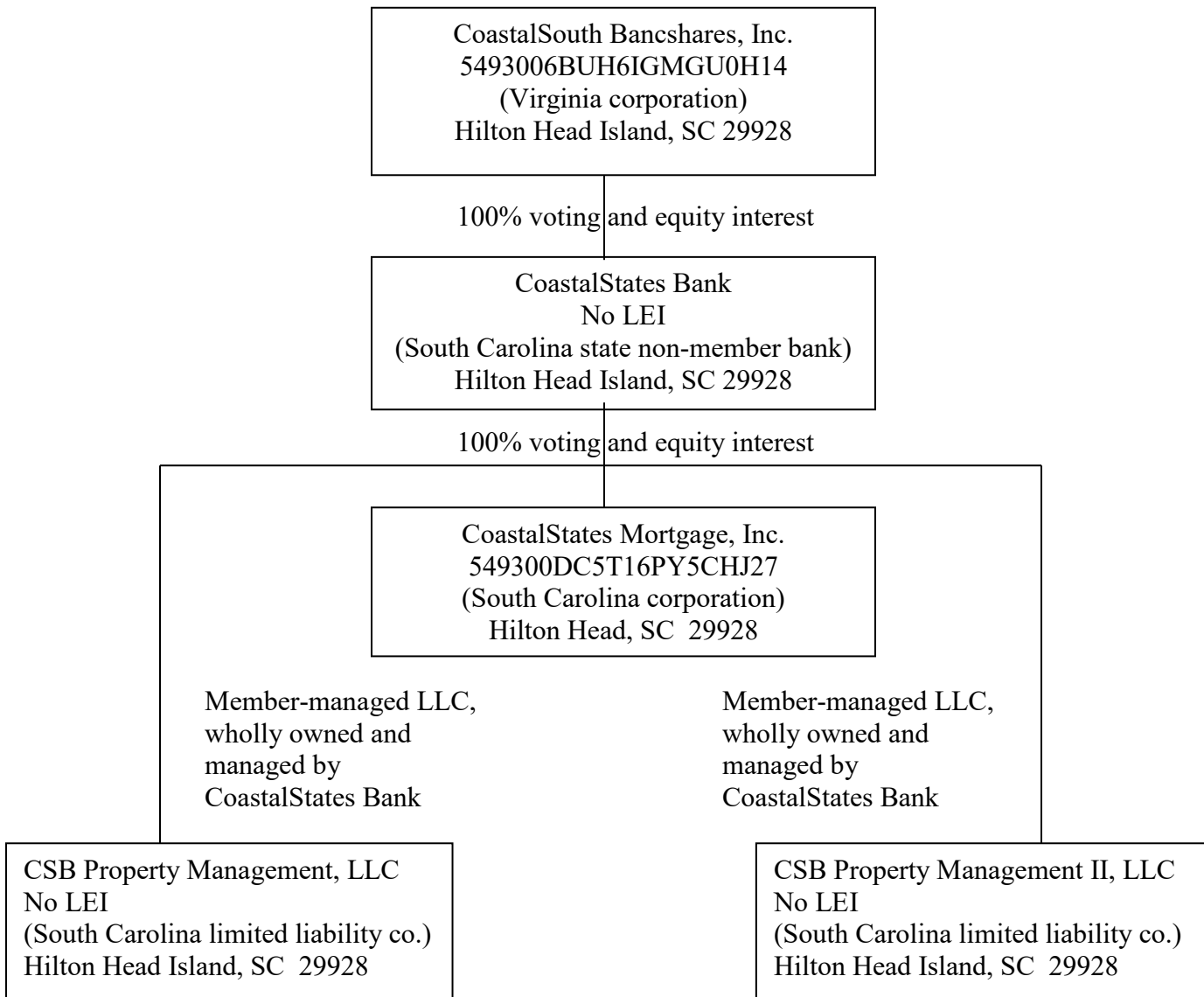
[Attached]

Form FR Y-6

**CoastalSouth Bancshares, Inc.
Hilton Head Island, South Carolina
Fiscal Year Ending December 31, 2018**

Report Item 2a: Organization Chart

Consolidated Organizational Chart



Form FR Y-6

**CoastalSouth Bancshares, Inc.
Hilton Head Island, South Carolina
Fiscal Year Ending December 31, 2018**

Report Item 2b. – Branch Report

[Attached]

Results: A list of branches for your depository institution: **COASTALSTATES BANK (ID_RSSD: 3274709)**.
This depository institution is held by **COASTALSOUTH BANCSHARES, INC. (3274727)** of **HILTON HEAD ISLAND, SC**.
The data are as of **12/31/2018**. Data reflects information that was received and processed through **07/07/2019**.

Reconciliation and Verification Steps

1. In the **Data Action** column of each branch row, enter one or more of the actions specified below
2. If required, enter the date in the **Effective Date** column

Actions

OK: If the branch information is correct, enter '**OK**' in the **Data Action** column.

Change: If the branch information is incorrect or incomplete, revise the data, enter '**Change**' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.

Close: If a branch listed was sold or closed, enter '**Close**' in the **Data Action** column and the sale or closure date in the **Effective Date** column.

Delete: If a branch listed was never owned by this depository institution, enter '**Delete**' in the **Data Action** column.

Add: If a reportable branch is missing, insert a row, add the branch data, and enter '**Add**' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:
To satisfy the **FR Y-10 reporting requirements**, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of **Change, Close, Delete, or Add**.
The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	3274709	COASTALSTATES BANK	5 BOW CIRCLE	HILTON HEAD ISLAND	SC	29928	BEAUFORT	UNITED STATES	Not Required	Not Required	COASTALSTATES BANK	3274709	
OK		Full Service	3868612	CUMMING BRANCH	5835 BETHELVIEW ROAD	CUMMING	GA	30040	FORSYTH	UNITED STATES	Not Required	Not Required	COASTALSTATES BANK	3274709	
OK		Full Service	3549180	DAWSONVILLE BRANCH	70 CARLISLE ROAD	DAWSONVILLE	GA	30534	DAWSON	UNITED STATES	Not Required	Not Required	COASTALSTATES BANK	3274709	
OK		Full Service	3633904	BLUFFTON BRANCH	7 THURMOND WAY	BLUFFTON	SC	29910	BEAUFORT	UNITED STATES	Not Required	Not Required	COASTALSTATES BANK	3274709	
OK		Full Service	3633913	SUN CITY BRANCH	30 WILLIAM POPE DRIVE	BLUFFTON	SC	29909	BEAUFORT	UNITED STATES	Not Required	Not Required	COASTALSTATES BANK	3274709	
OK		Full Service	3633892	NORTH ISLAND BRANCH	98 MAIN STREET	HILTON HEAD ISLAND	SC	29926	BEAUFORT	UNITED STATES	Not Required	Not Required	COASTALSTATES BANK	3274709	

Form FR Y-6
CoastalSouth Bancshares, Inc.
Fiscal Year Ending
December 31, 2018

Report Item 3: Shareholders

(1)(a)(b)(c) and (2)(a)(b)(c)

Current Shareholders with ownership, control or holdings of 5% or more with power to vote as of fiscal year ending: 12/31/2018

Shareholders not listed in (3)(1)(a) through (3)(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12-31-2018

(1)(a) Names & Address (City, State, Country)	(1)(b) Country of Citizenship or Incorporation	(1)(c) Number and Percentage of Each Class of Voting Securities	(2)(a) Names & Address (City, State, Country)	(2)(b) Country of Citizenship or Incorporation	(2)(c) Number and Percentage of Each Class of Voting Securities
Patriot Financial Partners II Coastal SPV, LLC	USA	415,712 Shares - 8.40% of Voting Common Stock ⁽¹⁾	None		
Philadelphia, PA, USA					
EJF Sidecar Fund Series LLC	USA	415,712 Shares - 8.40% of Voting Common Stock ⁽¹⁾			
Arlington, VA, USA					
GCP CoastalSouth LLC	USA	415,712 Shares - 8.40% of Voting Common Stock ⁽¹⁾			
New York, NY, USA					

⁽¹⁾ Ownership and percentage of ownership of voting shares as of the end of the fiscal year.

Form FR Y-6
CoastalSouth Bancshares, Inc.
Fiscal Year Ending
December 31, 2018

Report Item 4: Insiders
(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries	(3)(c) Title & Position with Other Businesses	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries	(4)(c) List names of other companies if 25% or more of voting securities are held
James S. MacLeod Hilton Head Island, SC USA	Retired	Director - Non- Executive Chairman	Director - Non-Executive Chairman (CoastalStates Bank) Director (CoastalStates Mortgage, Inc.)	Chairman and Director, Sykes Enterprises, Inc. Trustee, The Allianz AG Funds Trustee, University of Tampa Director, MUSC Foundation	2.77%	none	N/A
Patrick M. Frawley Brownsboro, AL USA	Retired	Director - Vice Chairman	Director - Vice Chairman (CoastalStates Bank)	none	0.92%	none	N/A
Ernst W. Bruderer Hilton Head Island, SC USA	Real Estate	Director	Director (CoastalStates Bank)	Director, SYNCO Properties Chairman and Director, LowCountry Motors	0.55%	none	Low Country Motors (50%)

Form FR Y-6
CoastalSouth Bancshares, Inc.
Fiscal Year Ending
December 31, 2018

Report Item 4: Insiders
(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

(1) Names & Address (City, State, Country)	(2) Principal Occupation if other than with Bank Holding Company	(3)(a) Title & Position with Bank Holding Company	(3)(b) Title & Position with Subsidiaries	(3)(c) Title & Position with Other Businesses	(4)(a) Percentage of Voting Shares in Bank Holding Company	(4)(b) Percentage of Voting Shares in Subsidiaries	(4)(c) List names of other companies if 25% or more of voting securities are held
Mark A. Griffith Hilton Head Island, SC USA	Retired	Director	Director (CoastalStates Bank)	Director, BeHome247, Inc. Chairman & Director, Sea Pines Community Service Association Director, The Association of Sea Pines Plantation Property Owners	0.77%	none	N/A
Boris M. Gutin Montclair, NJ USA	Finance & Investing	Director	Director (CoastalStates Bank)	Managing Director & Partner, GCP Capital Partners Director, Radius Bank Director, Transfast Director, Maplemark Bank Director, Mobilewalla	8.40%	none	N/A
*The voting percentage above reflects shares held by GCP CoastalSouth LLC ("GCP"), the holder of record of 415,712 shares of Voting Common Stock. GCP's voting and dispositive power is held by GCP Managing Partner IV GP, LLC, which is the general partner of GCP. Boris Gutin currently serves as the representative of GCP on the Board of Directors of the Bank Holding Company.							
Michael B. High Collegeville, PA USA	Accounting & Investing	Director	Director (CoastalStates Bank)	Partner, Patriot Financial Partners, L.P. Director, Howard Bancorp, Inc. Director, Elderlife Financial Services Director, Laurel Road Bank	8.40%	none	BDCM Partners (25%)

*The voting percentage above reflects shares held by Patriot Financial Partners II Coastal SPV, LLC ("Patriot Fund II"), the holder of record of 415,712 shares of Voting Common Stock. Patriot Fund II's voting and dispositive power is held by Patriot Financial Partners II GP, L.P. ("Patriot II GP"), which is the general partner of Patriot Fund II, and by Patriot Financial Partners II GP, LLC ("Patriot II LLC"), which is the general partner of Patriot II GP, and by W. Kirk Wycoff, Ira M. Lubert, and James J. Lynch who serve as the general partners of the funds and Patriot II GP and as the members of Patriot II LLC. Mr. Wycoff, Mr. Lubert, and Mr. Lynch each disclaim beneficial ownership of such shares of Voting Common Stock, except to the extent of their respective pecuniary interest in the funds. Michael B. High currently serves as the representative of the Patriot Fund II on the Board of Directors of the Bank Holding Company.

Form FR Y-6
CoastalSouth Bancshares, Inc.
Fiscal Year Ending
December 31, 2018

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(1), (2), (3)(a)(b)(c), and (4)(a)(b)(c)

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James N. Richardson, Jr. Hilton Head Island, SC USA	Real Estate	Director	Director (CoastalStates Bank)	Managing Partner, Coligny Plaza LTD; Vice President and COO, Windmill Harbour Co; Managing Member, Plantation Properties, LLC; Managing Member, Richardson Group, LLC President and CEO, Circle Square Properties, Inc. Managing Member, Windmill Harbour Real Estate Co; Managing Member, Westbury Park Realty Director, Medical University of South Carolina	0.87%	none	Coligny Plaza LTD (54%) Plantation Properties, LLC (99%) Richardson Group, LLC (99%) Circle Square Properties, Inc. (100%) Windmill Harbour Co. (100%) Windmill Harbour Real Estate Co. (100%) Westbury Park Realty (100%)
Stephen R. Stone Atlanta, GA USA	N/A	Director & Chief Executive Officer	Director & Chief Executive Officer (CoastalStates Bank) Director (CoastalStates Mortgage, Inc.)	Member, Freebird, LLC	1.21%	none	Freebird, LLC (50%)
Joseph V. Topper, Jr. Bethlehem, PA USA	Business Executive	Director	Director (CoastalStates Bank)	Chief Executive Officer, Dunne Manning, Inc. Director, Cross America Partners, L.P. Director, Lehigh Valley PBS Chairman, Board of Trustees, Villanova University	4.13%	none	N/A
Dunne Manning Investments, LP ("DMI") is the holder of record of 204,249 shares of Voting Common Stock. DMI's voting and dispositive power is held by Dunne Manning GP, LLC. Joseph V. Topper, Jr. currently serves as the representative of DMI on our Board of Directors.							
Randy K. Dolyniuk Hilton Head Island, SC USA	N/A	N/A	President (CoastalStates Bank) Director (CoastalStates Mortgage, Inc.)	Member, Double D Real Estate, LLC Member, HARAGA, LLC Partner, HARAND, GP	1.06%	none	Double D Real Estate, LLC (50%) HARAGA, LLC (50%) HARAND, GP (50%)

Form FR Y-6
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C. Bradley Turner Youngsville, NC USA	N/A	EVP & Chief Credit Officer	EVP & Chief Credit Officer (CoastalStates Bank)	none	N/A	none	N/A
Anthony P. Valduga Atlanta, GA USA	N/A	Chief Financial Officer & Chief Operating Officer	Chief Financial Officer & Chief Operating Officer (CoastalStates Bank) Director (CoastalStates Mortgage, Inc.)	Member, Freebird, LLC	0.95%	none	Freebird, LLC (50%)