

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.

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.

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.

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

December 31, 2019

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	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

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

05/11/2020

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. _____

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	<input type="checkbox"/>	
2. a letter justifying this request has been provided separately ...	<input type="checkbox"/>	
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	Legal Title of Subsidiary Holding Company
(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box	(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box
City State Zip Code	City State Zip Code
Physical Location (if different from mailing address)	Physical Location (if different from mailing address)
Legal Title of Subsidiary Holding Company	Legal Title of Subsidiary Holding Company
(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box	(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box
City State Zip Code	City State Zip Code
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Physical Location (if different from mailing address)	Physical Location (if different from mailing address)
Legal Title of Subsidiary Holding Company	Legal Title of Subsidiary Holding Company
(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box	(Mailing Address of the Subsidiary Holding Company) Street / P.O. Box
City State Zip Code	City State Zip Code
Physical Location (if different from mailing address)	Physical Location (if different from mailing address)

Form FR Y-6

**CoastalSouth Bancshares, Inc.
Hilton Head Island, South Carolina
Fiscal Year Ending December 31, 2019**

Report Item 1 – Annual Report

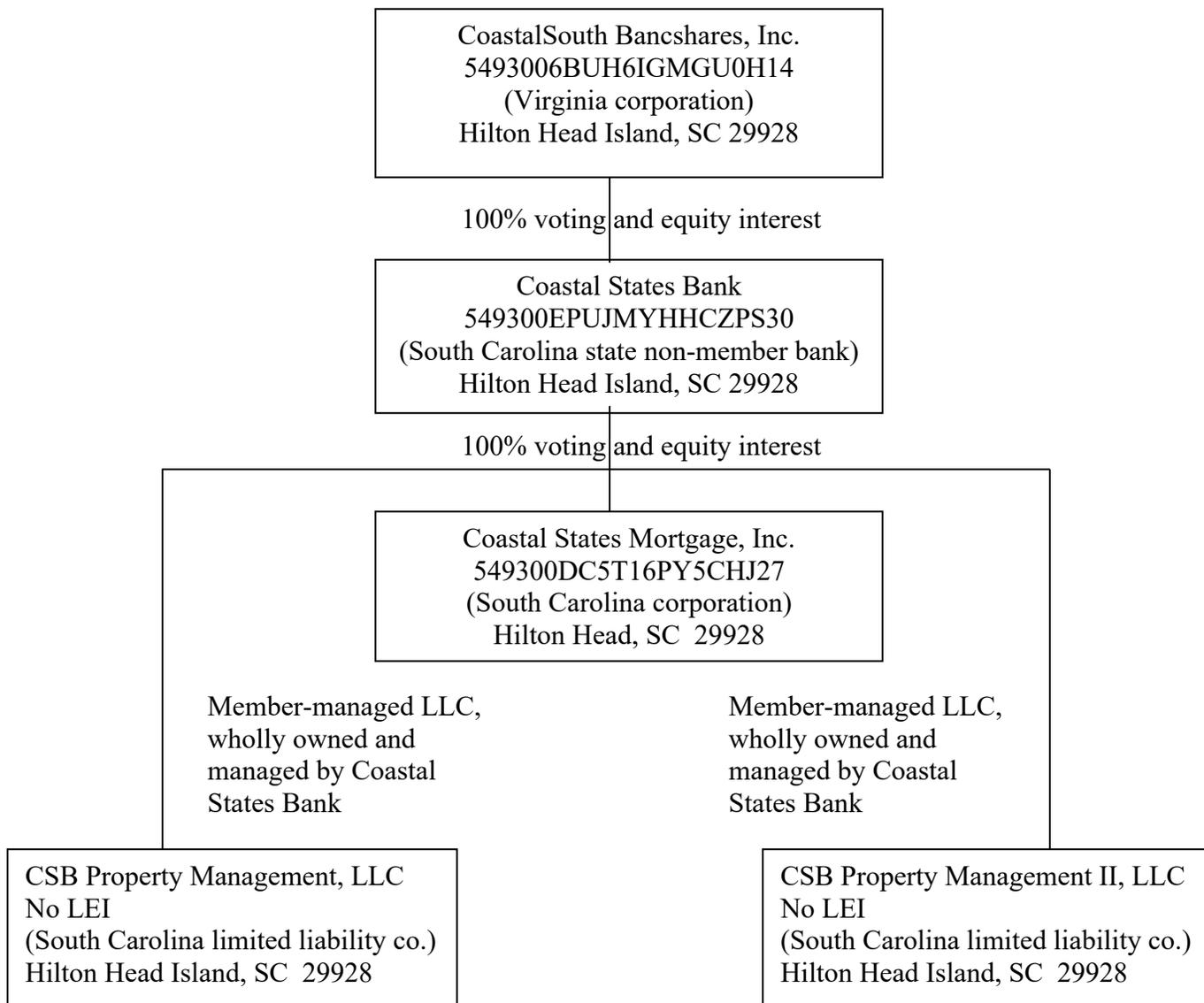
[Attached]

Form FR Y-6

CoastalSouth Bancshares, Inc.
Hilton Head Island, South Carolina
Fiscal Year Ending December 31, 2019

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, 2019**

Report Item 2b. – Branch Report

[Attached]

Results: A list of branches for your depository institution: **COASTAL STATES BANK (ID_RSSD: 3274709)**.
 This depository institution is held by **COASTALSOUTH BANCSHARES, INC. (3274727)** of **HILTON HEAD ISLAND, SC**.
 The data are as of **12/31/2019**. Data reflects information that was received and processed through **01/07/2020**.

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	COASTAL STATES BANK	5 BOW CIRCLE	HILTON HEAD ISLAND	SC	29928	BEAUFORT	UNITED STATES	Not Required	Not Required	COASTAL STATES BANK	3274709	
OK		Full Service	3868612	CUMMING BRANCH	5835 BETHELVIEW ROAD	CUMMING	GA	30040	FORSYTH	UNITED STATES	Not Required	Not Required	COASTAL STATES BANK	3274709	
OK		Full Service	3549180	DAWSONVILLE BRANCH	70 CARLISLE ROAD	DAWSONVILLE	GA	30534	DAWSON	UNITED STATES	Not Required	Not Required	COASTAL STATES BANK	3274709	
OK		Full Service	3633904	BLUFFTON BRANCH	7 THURMOND WAY	BLUFFTON	SC	29910	BEAUFORT	UNITED STATES	Not Required	Not Required	COASTAL STATES BANK	3274709	
OK		Full Service	3633913	SUN CITY BRANCH	30 WILLIAM POPE DRIVE	BLUFFTON	SC	29909	BEAUFORT	UNITED STATES	Not Required	Not Required	COASTAL STATES BANK	3274709	
OK		Full Service	3633892	NORTH ISLAND BRANCH	98 MAIN STREET	HILTON HEAD ISLAND	SC	29926	BEAUFORT	UNITED STATES	Not Required	Not Required	COASTAL STATES BANK	3274709	

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CoastalSouth Bancshares, Inc.
Fiscal Year Ending
December 31, 2018

Report Item 3: Securities Holders

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

Securities holder of record, that directly or indirectly owns, controls, or holds with power to vote 5 percent or more of any class of voting securities of the holding company as of the fiscal year end of the holding company.

As of fiscal year ending: 12/31/2019

Securities holder not listed in section 3(1) that owned or controlled 5 percent or more of any class of voting securities in the holding company during the fiscal year for which the report is being filed.

During fiscal year ending: 12/31/2019

(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 Philadelphia, PA, USA	USA	611,870 Shares - 9.86% of Voting Common Stock ⁽¹⁾	None		
EJF Sidecar Fund Series LLC Arlington, VA, USA	USA	491,184 Shares - 7.92% of Voting Common Stock ⁽¹⁾			
GCP CoastalSouth LLC New York, NY, USA	USA	611,870 Shares - 9.86% of Voting Common Stock ⁽¹⁾			

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

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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 (Coastal States Bank) Director (Coastal States Mortgage, Inc.)	Chairman and Director, Sykes Enterprises, Inc. Board Trustee, The Allianz GI Funds and Charirman of the Performance Committee Chairman, Board of the University of Tampa Vice Chairman, Medical University of South Carolina Foundation and Chairman of the Finance Committee	2.78%	none	N/A
Patrick M. Frawley Brownsboro, AL USA	Retired	Director - Vice Chairman	Director - Vice Chairman (Coastal States Bank)	none	1.07%	none	N/A
Ernst W. Bruderer Hilton Head Island, SC USA	Real Estate	Director	Director (Coastal States Bank)	Director, SYNCO Properties Chairman and Director, Lowcountry Motors Board Director, SYNCO Properties Board	0.51%	none	Low Country Motors (50%)

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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 (Coastal States Bank)	Director, BeHome247, Inc.	0.82%	none	N/A
Boris M. Gutin Montclair, NJ USA	Finance & Investing	Director	Director (Coastal States Bank)	Managing Director & Partner, GCP Capital Partners Director, Radius Bank Board Director, Geoforce Board Director, Maplemark Bank Board Director, Mobilewalla Board	9.93%	none	N/A
<p>*The voting percentage above reflects shares held by GCP CoastalSouth LLC ("GCP"), the holder of record of 611,870 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. Shares beneficially owned also include 4,000 shares held by Boris M. Gutin.</p>							
Michael B. High Collegeville, PA USA	Accounting & Investing	Director	Director (Coastal States Bank)	Partner, Patriot Financial Partners, L.P. Director, Howard Bancorp, Inc. Board Director, Elderlife Financial Services Board Director, DR Bank Board	9.87%	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 611,870 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. Shares beneficially owned also include 100 shares held by Michael B. High.

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James N. Richardson, Jr. Hilton Head Island, SC USA	Real Estate	Director	Director (Coastal States Bank)	General and Managing Partner, Coligny Plaza LP; COO, Windmill Harbour Co; Broker-in-Charge, Manager and Owner of Windmill harbour Real Estate and the Richardson Group Director, Hilton Head Island Association of Realtors Board Director, Association of Sea Pines Plantation Property Owners Board Director, Sea Pines Plantation Property Owners Board Chairman and Director, Sea Pines Architectural Review Board	0.84%	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 (Coastal States Bank) Director (Coastal States Mortgage, Inc.)	Member, Freebird, LLC	1.72%	none	Freebird, LLC (50%)
Joseph V. Topper, Jr. Bethlehem, PA USA	Business Executive	Director	Director (Coastal States Bank)	Chief Executive Officer, Dunne Manning Inc. and Affiliates Chairman and Director, Cross America Partners, LP Board Director, United Way of Greater Lehigh Valley Board Chairman of the Board of Trustees, Villanova University	4.53%	none	Cross America Partners (50%)
*Dunne Manning Investments, LP ("DMI") is the holder of record of 279,721 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. Shares beneficially owned also include 1,000 shares held by Joseph V. Topper, Jr.							
C. Bradley Turner Youngsville, NC USA	N/A	EVP & Chief Credit Officer	EVP & Chief Credit Officer (Coastal States Bank)	none	0.29%	none	N/A

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

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Anthony P. Valduga Atlanta, GA USA	N/A	Chief Financial Officer & Chief Operating Officer	Chief Financial Officer & Chief Operating Officer (Coastal States Bank)	Member, Freebird, LLC	1.46%	none	Freebird, LLC (50%)