



CCNB
COASTAL CAROLINA
NATIONAL BANK

SUMMER
2018



CCNB CENTER
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CCNB SHARES



A QUARTERLY PUBLICATION

July 3, 2018

Dear Friends,

On behalf of CCNB and our Board of Directors, I am pleased to present the first issue of *CCNB Shares*, a quarterly publication from Coastal Carolina National Bank. We've established this newsletter as a way to keep you informed of any news, events, community involvement, and financial updates pertaining to CCNB. Coastal Carolina National Bank is an exceptional, 5-star rated bank with a very promising future. Our entire team is dedicated to providing impeccable customer service, improving the communities from which we serve, and increasing shareholder value. We have a lot of great news to share and we've created this publication to keep you in-the-know. For your convenience, each issue of *CCNB Shares* will be archived on our website under 'investor relations' alongside electronic copies of our Annual Report To Shareholders, breaking news, and additional information you might find useful.

As I begin this letter, it is with a sense of pride that I reflect on how well our company has performed in just a short period. Since 2012, our bank has grown from one branch to seven, serving South Carolina's coast, Midlands, and now Upstate with the advent of our newest branch in downtown Greenville. Our Bank's consistently strong financial performance mirrors our team's dedication to providing exceptional service. Guided by CCNB's core values – *Teamwork, Passion, Integrity, and Accountability* – and fueled by our team's 'We Can Do That' mindset, our Bank continues its strong momentum in 2018. My confidence remains strong that we have the best team in place to achieve positive results, grow prosperously, and be good stewards of the community.

As you'll see in the pages that follow, a strong underlying foundation has been set, and we are primed for growth. We've experienced significant loan growth in the first quarter, outperformed net income goals, and remain confident in deposit growth results as we head into the remainder of the year. In addition to our strong financial performance (highlighted on page 2), we're continuing to make excellent progress with technology upgrades, expanding our suite of products and services, and continue to look for meaningful ways to have a positive impact on the communities we serve.

We hope you enjoy *CCNB Shares* and find this publication a useful tool providing insight and information. As you're about to see, this is an exciting time for CCNB, and we urge you to consider establishing a banking relationship with us if you haven't done so already. Although we are always looking for ways to improve, we remain steadfast in our dedication to serving you better. That's the CCNB difference we hope you can experience for yourself.

Again, thank you for your interest in CCNB. Please let me know if I can ever be of assistance to you. We look forward to seeing you soon.

Sincerely,

Laurence S. Bolchoz
President/CEO

FINANCIAL HIGHLIGHTS

CCNB experiences early significant loan growth and outperforms net income goals already in 2018

The first quarter earnings release for March 31, 2018 financial results was published on Friday, April 27, 2018.

This newsletter provides you with more in-depth observations of the Company's financial experience to date.

Going forward, we will release our quarterly financial results on or around the last day of the month following the quarter end. Our second quarter earnings release for June 30,

2018 is planned for the last week in July. Our next newsletter will be distributed by September 15.

The Company has

experienced significant loan growth early in the year. Loan growth through March 31, 2018 was \$15 million, with \$9 million in loan growth occurring in our Coastal market which includes Myrtle Beach, North Myrtle Beach, Garden City, and Conway. The new Greenville location has contributed \$4 million to this loan growth. The first quarter in 2018 was marked by a significant increase in deposit rates in South Carolina. Research performed by the regulatory

agencies has shown the banking industry typically loses deposits in a rising rate environment. CCNB deposit balances grew \$1 million through the first quarter, which was less than expected. As a result, the CCNB team has implemented a strong deposit campaign in the second quarter that includes new products and the opening of a new branch location in Greenville. We have confidence in the deposit growth results from these efforts in the second quarter and look forward to reporting those to you in the July press release and September newsletter. The Company outperformed net income goals through March 31, 2018 with a net interest margin around 3.91%.

BANK NOTES

ACHIEVEMENTS WORTH NOTING

50%

INCREASE IN
Q1 EARNINGS

April 27, 2018, CCB reports first quarter net income of \$430,528 or \$.07 diluted earnings per share, compared to \$286,693 or \$.08 diluted earnings per share, for the same period ending March 31, 2017, an increase of 50% in net income.

\$331.5

CONSOLIDATED
ASSETS

As of March 31, 2018, total consolidated assets grew to \$331.5 million compared to \$300.9 million for the same period ending March 31, 2017.

3.91%

NET INTEREST
MARGIN

The Company outperformed net income goals through March 31, 2018 with a net interest margin around 3.91%

Visit MyCCNB.com to read our complete Q1 earnings release and obtain additional details

\$15M

Q1 LOAN
GROWTH

The Company experienced significant loan growth early in the year. Loan growth through March 31, 2018 totaled \$15 million.

BANK HAPPENINGS – EXCITING TIMES FOR CCNB



CCNB is now in the Upstate!
Greenville's Grand Opening
was held on May 2, 2018

On Wednesday, May 2, 2018, CCNB celebrated the opening of our seventh branch location in downtown Greenville. The day's celebration began with a ribbon cutting ceremony conducted by Greenville's Chamber of Commerce. With the help of three food trucks, CCNB provided lunch for area businesses and those in attendance. The following week CCNB hosted a VIP night - a joint effort with the building's owners - serving over 175 distinguished guests including Greenville's Mayor, Knox White. CCNB's initiative in the Upstate is led by Jimmy Kimbell, a native of Clemson, South Carolina. Jimmy has a long history of active involvement in the South Carolina banking

industry and the Upstate market. For over 30 years, he has held several significant banking positions. He is a graduate of Clemson University and was awarded diplomas from the ABA Stonier Graduate School of Banking, University of Pennsylvania; and the ABA National Commercial Lending School, and University of Oklahoma. Kimbell recently served as Board Chair of the Clemson University Alumni Association, the United Way of Anderson County and the Anderson Area YMCA and continues to be active in his church and community. He and his wife, Amy, have a daughter, Lawing, and a son, Jackson.



Jimmy Kimbell

ALL ABOUT TOWN

CCNB Branding Efforts In Full Swing!

Again, Coastal Carolina National Bank is pleased to sponsor Music On Main Street in North Myrtle Beach every Thursday 7-9pm for twenty weeks throughout the summer. Concert are free and open to the public. Visit MyCCNB.com for a concert schedule.



CCNB is also sponsoring Conway's Riverfest, The Peace Center in Greenville, Aiken's Palmetto Amateur Golf Tournament, The Myrtle Beach Jazz Festival, First Friday ArtWalks in Myrtle Beach and many other events throughout the markets we serve.



CCNB is located at 416 East North Street just minutes from Greenville's thriving downtown community and visible from I-385.

MEET OUR GREENVILLE TEAM



Join us in welcoming our Greenville team to our CCNB family.

Left To Right:

Elisabeth Johnson, Customer Service Rep
Clinton McKinny, VP/Greenville City Executive
Jennifer Polson, AVP/Branch Manager
Jimmy Kimbell, SVP/Upstate Market Executive
Brittany McLeod, Head Teller
Libby Wells, Customer Service Rep

CCNB PROUDLY SUPPORTS OUR COMMUNITY

CCNB Awards Scholarships to Students on June 1, 2018

Coastal Carolina National Bank, names Lakewood Elementary students Victoria Byrd and Delanie Williams as this year's recipients



of the 2018 P.A.W.S., "Big Impressions" Bobcat Scholarship Award. The awards were established by Lakewood Elementary to recognize rising sixth-graders who consistently exemplify the following

leadership qualities: Pride (P), Achievement (A), Work Ethic (W), and Service (S), and have made "Big Impressions" at school and within the community.

Coastal Carolina National Bank's Marketing Director, Maura Utley and Lakewood Elementary School Vice-Principal, Katherine Roberts (pictured), presented the awards

at the school's closing ceremony on Friday, June 1, 2018. "CCNB is proud to sponsor the Lakewood Elementary "Big Impressions" PAWS initiative again this year, and we are happy to join

Lakewood Elementary and recognize two students this year for their accomplishments. Our goal is that this scholarship encourages more students to pursue academic excellence and continues to inspire successful futures," says Utley.

CCNB's Justin Lee heads the United Way of Horry County

LEE SERVES SECOND TERM AS BOARD CHAIR

Justin Lee serves as a Senior Vice President Commercial Banking Director with CCNB. He's been a Grand Strand banker for over 16 years. Justin is a Graduate of the University of South Carolina and the South Carolina Bankers School. He is also a graduate of the Stonier Graduate School of



Banking at the Wharton School of Business - Pennsylvania. Justin served as the 2016 Campaign Chairman for United Way of Horry County, where he surpassed an increased goal of \$1.3M in community donations. Justin serves on the Board of the Coastal Carolina Sertoma Club. When he's not helping a charitable cause, Justin enjoys playing golf, surfing, traveling, and spending time with friends and family. He's married to Wendi and has a son, River.



Justin Lee
SVP/Chief Lending Officer

MORE STAFF NEWS

CCNB EMPLOYEES OF THE YEAR 2018



Regina Taylor
Loan Documentation Specialist



Bobby Sunday
SVP Retail Operations Director

A NEW CCNB RECORD! 3 babies in 33 days!

Join CCNB's colleagues as we congratulate Lori Smith, Allison Stout, and Stephanie English on their new additions! Keegan Clark Smith was born on May 15, Barrett Arthur Stout was born on May 16, and Everett Payne "Rhett" English was born on June 18. Moms and babies are doing great! Congratulations to our associates and their families.

WELCOME TO THE CCNB TEAM



Casey Goodrich
VP/Commercial Relationship Manager Columbia



Kelcie Russell
Teller Myrtle Beach



CCNB

COASTAL CAROLINA
NATIONAL BANK



CCNB is in the Upstate!
Our newest branch in Downtown Greenville

BOARD OF DIRECTORS

Douglas P. Wendel
Chairman of the Board
Consultant

Benjy A. Hardee
President and CEO
A. O. Hardee and Son, Inc.

Marilyn B. Hatley
Secretary
North Myrtle Beach Mayor

W. John Laymon
Director of Residential Real Estate
The Jackson Companies

Henrietta U. Golding
Treasurer
Partner
McNair Law Firm, P. A.

Clark D. Moore, M.D.
Orthopedic Surgeon
Owner, Carolina Orthopedics,
Aiken, SC

Laurence S. Bolchoz, Jr.
President and CEO
Coastal Carolina
National Bank

Stephan C. Ouverson
Managing Partner
Parsons, Ouverson,
Stark, Guest & Sanderfur P. A.

Carl O. Falk
Partner
Falk Holdings, LLC

Dennis L. Wade
President and CEO
The Jackson Companies

Marsha W. Griffin
President
Marsha Griffin &
Associates, LLC

Edward K. Woltz
President and Owner
Sutton Marine, LLC and
President and Owner
The Precision Group, Inc.

Gary L. Hadwin
President and Owner
Hadwin-White Pontiac-Buick-
GMAC Trucks-Subaru

Dennis T. Worley
Wright, Worley
Moss & Ekster, PLLC

Coastal Carolina Bancshares, Inc. is the bank holding company of CCNB, Coastal Carolina National Bank, a Myrtle Beach-based community bank, serves Horry, Georgetown, Aiken, Richland, Columbia, Greenville, and Brunswick (NC) counties.



**Once again,
CCNB receives a
5 Star Rating From
BauerFinancial® Inc.**

CCNB'S CORE VALUES

- *Teamwork*
- *Passion*
- *Integrity*
- *Accountability*

**MAKES US
DIFFERENT FROM
ALL THE REST**

We Can Do That!

BRANCH LOCATIONS:

AIKEN
128 Laurens Street, NW
Aiken, SC 29801
Phone: (803) 644-9550

COLUMBIA
1219 Assembly St., Suite 101
Columbia, SC 29201
Phone: (803) 733-2582

CONWAY
1106 3rd Avenue
Conway, SC 29526
Phone: (843) 488-2800

GARDEN CITY
2961 Highway 17 South
Garden City, SC 29576
Phone: (843) 839-3066

GREENVILLE
416 East North Street
Greenville, SC 29601
Phone: (864) 278-0600

MYRTLE BEACH (Main Branch)
1012 38th Ave. North, Ste. 100
Myrtle Beach, SC 29577
Phone: (843) 839-2265

NORTH MYRTLE BEACH
1100 Highway 17 N, Ste. 101
North Myrtle Beach, SC 29582
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Visit us online at MyCCNB.com



CCNB Shares is published quarterly for the shareholders and friends of Coastal Carolina National Bank. Questions? Visit myccnb.com/contact
Change of address? Contact Terry Haight at 843.839.1952 or terry.haight@myccnb.com