



For more information, contact:

PB Financial Corporation
Ted E. Whitehurst
President and Chief Executive Officer
252.467.2990
TWhitehurst@pbknc.com

Coastal Bank & Trust
Richard G. Jefferson
President and Chief Executive Officer
910.577.3200
RJefferson@coastalbanknc.com

FOR RELEASE:

April 10, 2024

PB Financial Corporation Completes Merger with Coastal Bank & Trust

The merger, announced on August 30, 2023, was consummated on April 9, 2024.

ROCKY MOUNT, NC, and JACKSONVILLE, NC, April 10, 2024 – PB Financial Corporation (OTCQX: PBNC – “PB Financial”), the holding company for Providence Bank (“Providence”), and Coastal Bank & Trust (“Coastal”) completed the merger transaction previously announced on August 30, 2023. Coastal merged into Providence, creating a community bank with approximately \$1.2 billion in assets. Based on financial information as of December 31, 2023, the combined company has total loans of \$996.6 million and total deposits of \$1.0 billion.

Under the terms of the agreement, Coastal shareholders may elect to receive either \$10.00 in cash or 0.2222 shares of PB Financial common stock for each share of Coastal common stock that is exchanged in the merger. A limit of 75% of the Coastal common shares may be exchanged for stock, and the remaining 25% of Coastal common shares may be exchanged for cash. Cash will be paid in lieu of fractional shares. Election forms will be mailed to the Coastal shareholders of record as of the closing, detailing the available elections, subject to proration of such elections necessary to meet the aggregate stock/cash mix. The transaction, which received all necessary regulatory and shareholder approvals, is valued at approximately \$25.8 million.

With the completion of the merger, Providence, headquartered in Rocky Mount, North Carolina, now operates ten full-service offices and one loan production office serving eastern North Carolina from Raleigh to the Coast. Offices in Jacksonville, Holly Ridge, Morehead City, Richlands, and a loan production office in New Bern will operate under the Coastal name until the close of business on Friday, May 17, 2024, at which time a systems conversion will take place. The Coastal offices outlined above will operate under the Providence Bank name beginning Monday, May 20, 2024.

PB Financial Corporation and Providence Bank President & CEO Ted E. Whitehurst said, “Our experienced team, which now includes the Coastal bankers, know our communities, and they know banking. We are excited to grow our team and footprint, enabling us to serve more individuals and businesses in North Carolina. We believe shareholders from both companies will see the benefit of the merger as it is forecasted to be immediately accretive to earnings.”

Richard G. Jefferson, former President & CEO of Coastal, will remain with Providence. He shared, “Providence and Coastal shared a similar culture. We have seasoned bankers who excel at building relationships with customers who want what community banks offer—personal service and local decision-making by people who know and care about the community. This merger benefits our team, our customers, and our shareholders.”

PB Financial completed a private placement of \$17.9 million of preferred stock in March 2024 that will be used to support future growth, the combined bank’s regulatory capital position, and for other general corporate purposes.

Janney Montgomery Scott LLC served as PB Financial’s financial advisor and Wyrick Robbins Yates & Ponton LLP served as its legal counsel. Burke Stelling Group, LLC served as Coastal’s financial advisor and Ward and Smith, P.A. served as its legal counsel.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities.

About PB Financial Corporation.

PB Financial Corporation is the holding company for Providence Bank, a state-chartered community bank headquartered at 450 N. Winstead Avenue in Rocky Mount, North Carolina. The Bank opened its doors to customers in 2006 and has since been dedicated to serving its communities by offering a full suite of banking services to individuals and businesses. With the completion of the Coastal merger, the combined bank operates ten full-service offices serving North Carolina communities from the capital to the coast: Holly Ridge, Jacksonville, Morehead City, Nashville, Raleigh, Richlands, Rocky Mount (2 locations), Tarboro and Wilson, with a loan production office in New Bern. For more information and additional financial data, please visit www.pbknc.com.

Cautionary Language regarding Forward-Looking Statements.

Statements made in this release, other than those concerning historical financial information, may be considered forward-looking statements, which speak only as of the date of this release and are based on current expectations and involve a number of assumptions. These include statements as to the anticipated benefits of the merger, including future financial and operating results and expectations on earnings accretion, as well as other statements of expectations regarding the merger and any other statements regarding future results or expectations. Caution should be exercised against placing undue reliance on such forward-looking statements. PB Financial’s ability to predict results, or the actual effect of future plans or strategies, is inherently uncertain. Factors which could have a material effect on the operations and future prospects of PB Financial and such forward-looking statements include but are not limited to: the businesses of Providence and Coastal may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; the timeline for system’s conversion may take longer than anticipated; expected revenue synergies and cost savings from the merger may not be fully realized or realized within the expected timeframe; revenues following the merger may be lower than expected; customer and employee relationships and business operations may be disrupted by the merger and the integration of the two banks; changes in interest rates, general economic and business conditions; legislative/regulatory changes; the monetary and fiscal policies of the U.S. government, including policies of the U.S. Treasury and the Board of Governors of the Federal Reserve; the quality and composition of the loan and securities portfolios; demand for loan products; deposit flows; competition; demand for financial services in the company’s market areas; implementation of new technologies and our ability to develop and maintain secure and reliable electronic systems; changes in the securities markets; and changes in accounting principles, policies and guidelines. PB Financial Corporation undertakes no obligation to update or clarify these forward-looking statements, whether as a result of new information, future events or otherwise.