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**FOR RELEASE:**

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## **PB Financial Corporation and Coastal Bank & Trust Announce Signing of Strategic Merger Agreement**

*Merger will form \$1.1 billion bank with ten full-service offices, all in North Carolina.*

**ROCKY MOUNT, NC and JACKSONVILLE, NC, August 30, 2023** – PB Financial Corporation (OTCQX: PBNC – “PB Financial”), the holding company for Providence Bank (“Providence”), and Coastal Bank & Trust (“Coastal”) jointly announce the signing of a definitive strategic merger agreement. In the 75% stock and 25% cash transaction, Coastal will merge into Providence, expanding PB Financial to approximately \$1.1 billion in assets, \$874 million in loans, and \$893 million in deposits based on publicly reported consolidated financial information as of June 30, 2023.

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, subject to a proration if either election is oversubscribed. The aggregate combined stock and cash merger consideration Coastal shareholders will receive in the merger is valued at approximately \$25.8 million. The merger agreement was unanimously approved by the Boards of Directors for both companies, and the merger is expected to be completed in the second quarter of 2024, subject to required shareholder and regulatory approvals, and other customary closing conditions.

The combined bank will operate under the Providence name, be headquartered in Rocky Mount, North Carolina, and include 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. The merger will create a strong community bank with a higher lending limit and expanded product offerings. Both management teams anticipate the resulting bank will create meaningful opportunities for further growth and profitability, as well as long-term value, benefiting customers, employees, shareholders, and the communities served.

PB Financial President and Chief Executive Officer Ted E. Whitehurst said, “We look forward to welcoming Coastal Bank & Trust team members, customers, and shareholders to PB Financial. This merger unites two community banks that have a shared vision for personal service, where customers and bankers know and appreciate each other. Businesses and individuals alike value the speed and efficiency of having their banking decisions made locally by people who know and love the communities they serve. Each

Coastal Bank & Trust team member will be offered a position at Providence, as we value their professional experience as well as their market and customer knowledge.”

Coastal President and Chief Executive Officer Richard G. Jefferson commented, “I believe our team, customers, communities, and shareholders will benefit from this strategic merger. Providence Bank’s performance is built on a strong foundation, similar to the culture and philosophy Coastal has nurtured since opening our doors in 2009. I look forward to joining Providence and being part of the team as we take the company forward.”

Following the completion of the transaction, Ted E. Whitehurst will continue to serve as president and chief executive officer of Providence, as well as president and chief executive officer of PB Financial Corporation. Richard G. Jefferson will remain in a senior-level position with the combined Bank. A member of the Coastal Bank & Trust Board of Directors will join the PB Financial Board of Directors, and the remaining local Coastal board members will serve on a newly-formed Coastal Advisory Board of Providence Bank.

Janney Montgomery Scott LLC served as PB Financial’s financial advisor and Wyrick Robbins Yates & Ponton LLP served as legal counsel. The Burke Group served as Coastal’s financial advisor and Ward and Smith, P.A. served as 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, with branches in Nashville, Raleigh, Rocky Mount, Tarboro, and Wilson. 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. For more information and additional financial data, please visit [pbknc.com](http://pbknc.com)

**About Coastal Bank & Trust.**

Coastal Bank & Trust was founded in April of 2009 and is headquartered in Jacksonville, North Carolina. The bank offers financial products and services primarily focused on retail customers and small- to medium-sized businesses in Onslow and Carteret counties, as well as surrounding areas. Coastal Bank & Trust has offices in Holly Ridge, Jacksonville, Morehead City, and Richlands, North Carolina, as well as a loan production office in New Bern. For more information and additional financial data, please visit [coastalbanknc.com](http://coastalbanknc.com).

**Additional Information About the Merger and Where to Find It**

In connection with the proposed merger, a proxy statement/offering circular will be delivered to Coastal shareholders seeking approval of the merger and related matters. Coastal shareholders are urged to read the proxy statement/offering circular when it becomes available, because it will contain important information about PB Financial, Providence, Coastal, and the proposed transaction. When available, free copies of the proxy statement/offering circular may be obtained by directing a request by telephone or email to Richard G. Jefferson, president and chief executive officer of Coastal at the contact information listed above. Information on Providence’s and Coastal’s websites are not, and shall not be deemed to be, a part of this press release.

**Forward Looking Statements**

This press release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding PB Financial Corporation, Providence Bank and Coastal Bank & Trust. Such statements may include but are not limited to statements regarding plans, objectives, expectations and intentions and other statements identified by words such as “believes,” “considers,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “targets,” “projects,” “would be,” and similar expressions.

Such forward-looking statements are subject to risks, uncertainties, and other factors, such as the businesses of Providence Bank and Coastal Bank & Trust may not be integrated successfully or such integration may take longer to accomplish than expected, the expected cost savings and any revenue synergies from the merger may not be fully realized within the expected timeframes, disruption from the merger may make it more difficult to maintain relationships with customers, associates, or suppliers, the required governmental approvals of the merger may not be obtained on the proposed terms and schedule, or Coastal Bank & Trust shareholders may not approve the merger, any of which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements.

Although we believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Therefore, we can give no assurance that the results contemplated in the forward-looking statements will be realized. The inclusion of this forward-looking information should not be construed as a representation by the companies or any person that the future events, plans, or expectations contemplated will be achieved. All subsequent written and oral forward-looking statements concerning PB Financial Corporation, Providence Bank, Coastal Bank & Trust or any person acting on their behalf is expressly qualified in its entirety by the cautionary statements above. None of PB Financial Corporation, Providence Bank or Coastal Bank & Trust undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, to reflect circumstances or events that occur after the date the forward-looking statements are made. Historical and pro forma combined financial information, as presented in this press release, is unaudited.