

## **SUMMARY ANNUAL REPORT FOR COASTAL STATES BANK 401(K) PLAN**

This is a summary of the annual report for the Coastal States Bank 401(k) Plan (Employer Identification Number 03-0546702, Plan Number 101) for the plan year 01/01/2015 through 12/31/2015. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

### **Basic Financial Statement**

Plan expenses were \$348,512. These expenses included \$28,835 in administrative expenses and \$319,677 in benefits paid to participants and beneficiaries, and \$0 in other expenses. A total of 217 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$5,332,734 as of the end of the plan year, compared to \$2,292,910 as of the beginning of the plan year. During the plan year the plan experienced a change in its net assets of \$3,039,824. This change includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$645,224, including employer contributions of \$197,430, employee contributions of \$436,830, other contributions/other income of \$34,734 and earnings from investments of -\$23,770.

### **Information Regarding Plan Assets**

The U.S. Department of Labor's regulations require that an independent qualified public accountant audit the plan's financial statements unless certain conditions are met for the audit requirement to be waived. This plan met the audit waiver conditions for the plan year beginning 01/01/2015 and therefore has not had an audit performed.

The plan's assets were held in individual participant accounts with investments directed by participants and beneficiaries and with account statements from regulated financial institutions furnished to the participant or beneficiary at least annually and loans to participants and other qualifying assets.

General information regarding the audit waiver conditions applicable to the plan can be found on the U.S. Department of Labor Web site at <http://www.dol.gov/ebsa> under the heading "Frequently Asked Questions."

### **Your Rights to Additional Information**

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. Fiduciary information, including non-exempt transactions between the plan and parties-in-interest (that is, persons who have certain relationships with the plan).
2. Insurance information, including sales commissions paid by insurance carriers.
3. Information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the plan participates.

To obtain a copy of the full annual report, or any part thereof, write or call the office of Phil Tisue, who is a representative of the plan administrator, at 6322 Deane Hill Drive Suite 201, Knoxville, TN 37919 and phone number, 865-670-1844. The charge to cover copying costs will be \$5.00 for the full annual report, or \$0.25 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan: 6322 Deane Hill Drive Suite 201, Knoxville, TN 37919, and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.