Dear Shareholders,

First and most importantly, I sincerely hope this letter finds you and your family sheltered and safe from the terrible virus that has imposed itself upon us and altered all of our lives so dramatically.

Normally I would launch right into the numbers, but I will lightly touch on those later in the letter. Extraordinary events cause us to either rise to the occasion or fall because of them. Our professionals that comprise Team Seaside have risen to the challenge and I am proud of what we have accomplished together in such a short period of time. Seeing what was transpiring spurred us to activate our pandemic contingency plans early which began as table top plans that quickly evolved into full implementation as conditions changed daily. We were able to procure substantial additional hardware and our Information Technology professionals ensured the necessary information security protocols to allow the majority of our professionals to work remotely from the security of their homes. Banking is an essential service, and as such our clients need us now more than ever. We have balanced the safety and well-being of our professionals with the needs of our clients and have made many adjustments accordingly. We have shortened office hours, locked the doors to walk in traffic and gone to appointment only. We are conducting loan closings in parking lots and parks that allow us to socially distance while continuing uninterrupted internet, mobile banking and telephonic approaches to most issues. These are extraordinary measures, but the biggest challenge we have had has been to turn our company into an SBA shop from a standing start in a matter of days. We began processing PPP applications on Friday, April 3rd which was the first day any company could act once the CARES Act Legislation was passed. We re-designed our web site and established a portal named SEASIDE CARES that allows our clients to remotely upload the necessary applications and supporting documentation to apply for the credit. We plan to work seven days a week to process and fund these requests that now count in the hundreds for us so far. We are working with our clients to defer payments and process emergency line increases where prudent as we mobilize all of our staff to meet the demand and to ensure we have sufficient liquidity to deliver.

As you are all by now aware, we announced the sale of our Company to United Community Banks, Inc. on March 9, 2020. In light of that announcement, we are deferring our normally scheduled Annual Meeting at this time. We anticipate holding a meeting of shareholders during the second quarter or early third quarter for consideration of approval of the merger transaction. As a part of that process, we will be sending to you additional information once the meeting has been scheduled.

Turning to the numbers, our industry is facing the perfect storm of zero level interest rates, a bear market for equities, a flat yield curve and unprecedented disruption of employment and economic activity due to the Pandemic. Seaside is certainly better positioned for this set of conditions than we were a year ago. We have built reserves and capital and enter this period with low nonperforming assets. Seaside's tier 1 leverage ratio is 9.24 percent with total risk-based capital at 12.92 percent and our allowance for loan losses to total loans is 1.10 percent. Each of these figures has improved compared to one year ago levels. We have continued to manage our balance sheet flat to down as we exit our non-local shared national loan portfolio as well as wholesale funding sources. As an example, while our total deposits were $33 million lower at the end of the first quarter compared to year end 2019, our noninterest-bearing checking balances were $45 million higher over the same period, improving our mix of funding.

Off balance sheet, total assets under advisement declined from $936.2 million to $857.2 million, all attributable to the market valuation swoon. Our market driven revenue was negatively impacted from reduced equites valuation levels and our insurance business has slowed given the realities of physicals being placed on hold and the general slowdown of commerce.

From an earnings perspective, first quarter 2020 after tax consolidated net earnings for Three Shores was $3.91 million compared to $403 thousand one year earlier. Both our yield on earning assets and our cost of funds declined given the state of the yield curve and as such we experienced thirteen basis points of margin compression accordingly. Pre-tax return on assets was 1.05 percent while after tax was .84 percent. Return on average equity ended the first quarter at 9.27 percent.

Tangible book value per share ended the first quarter at $6.99 per share compared to $5.96 one year ago. This represents an attractive 17.3 percent growth of tangible book value, year over year. Looking forward, we are entering a period of great uncertainly. We are working to assess the impact of this national emergency on our business and our loan portfolio. We will be determining stress testing results as we plan to build reserves, work with our clients to mitigate damage to their businesses and plan for more contingencies. We will have to take this day to day and week to week as we move thru the coming months.

As bad as this seems, for strong companies great opportunity exists. We are being inundated with requests from non-clients whose own banks are not able or willing to process PPP loan requests. It hurts us to turn them away due to our own capacity and liquidity constraints which we must maintain for our existing loyal clients. I believe once we are thru the other end of this, there will be an early mover advantage for Seaside at the expense of larger companies who were either unwilling or unable to help their clients in this extraordinary time of need.

Please stay safe and thank you for your confidence in Seaside.

Kind regards,

Gideon T. Haymaker

Gideon T. Haymaker
Founder & Chief Executive Officer

Three Shores Bancorporation, Inc.
Selected Consolidated Financial Data
First Quarter 2020

At March 31, 2020 & 2019 and December 31, 2019
for the quarters ended March 31, 2020 & 2019
($ in thousands, except per share figures)

Balance Sheet-At Period End:	**At March 31, 2020**	**At Dec 31, 2019**	**At March 31, 2019**
Cash and cash equivalents	$72,306	$44,856	$67,980
Securities	$373,856	$416,117	$424,196
Loans, net of Allowance	$1,335,078	$1,354,766	$1,339,594
All other assets	$65,193	$58,621	$60,808
Total assets	$1,846,433	$1,874,360	$1,892,578
Deposit accounts	$1,482,041	$1,515,058	$1,555,871
Borrowings	$144,446	$149,253	$154,368
All other liabilities	$43,944	$40,817	$33,642
Stockholders' equity	$176,002	$169,232	$148,697
Total liabilities and equity	$1,846,433	$1,874,360	$1,892,578
Assets Under Advisement	$857,232	$936,217	$690,677
Balance Sheet Ratios and Other Data:			
Tier 1 Leverage Ratio-Seaside	9.24%	8.88%	7.86%
Tier 1 Leverage Ratio-Three Shores	9.00%	8.65%	7.65%
Total Risk-Based Capital ratio-Seaside	12.92%	12.58%	11.51%
Total Risk-Based Capital ratio-Three Shores	12.64%	12.31%	11.25%
Texas Ratio* (NPA's/ALLR + Equity)	2.74%	4.16%	1.15%
Nonperforming Assets*/Total Assets	0.28%	0.41%	0.10%
Allowance for loan losses to Total Loans	1.10%	1.09%	1.04%
Total number of banking offices	14	14	14
Total shares outstanding (common & preferred)	24,678,534	24,425,944	24,265,700
Tangible book value per share (excludes intangible assets)	$6.99	$6.78	$5.96

* excludes government-backed NPA's

Income Statement-For the Period:	**1st Qtr 2020**	**1st Qtr 2019**
Total interest income	$17,277	$20,218
Total interest expense	$5,422	$7,378
Net interest income	$11,855	$12,840
Provision (credit) for loan losses	$17	$5,067
Net interest income after provision	$11,838	$7,773
Noninterest income	$2,639	$2,160
Noninterest expenses	$9,310	$9,402
Earnings before income taxes	$5,167	$531
Income taxes	$1,059	($68)
Net earnings - Seaside	$4,108	$599
Three Shores net operating expense	$194	$196
Net earnings - Consolidated	$3,914	$403
Income Statement Ratios and Other Data:		
Return on average assets (1)	0.84%	0.08%
Return on average equity (1)	9.27%	1.10%
Basic Earnings Per Share	$0.16	$0.02
Yield on Interest-earning assets	3.85%	4.38%
Cost of Funds	1.33%	1.74%
Net Interest Margin (1)	2.63%	2.76%
Noninterest expenses to average assets (1)	2.04%	2.02%
Efficiency Ratio	65.83%	64.24%
Ratio of average interest-earning assets to average interest-bearing liabilities	1.33	1.29

(1) Annualized