COASTAL BANKING
Company, Inc.®

Q2

For Immediate Release

For More Information:
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Coastal Banking Company Reports Second Quarter 2013 Earnings

BEAUFORT, S.C., August 15, 2013 – Coastal Banking Company Inc. (OTCQB:CBCO), the holding company of CBC National Bank, which operates branches in Beaufort and Port Royal, S.C., Fernandina Beach, Fla., and Meigs, Ga., today reported net income of $2.0 million, or $0.69 in diluted earnings per common share, for the quarter ended June 30, 2013. As previously announced, the reversal of the company's deferred tax asset valuation reserve contributed approximately $1.73 million to second quarter 2013 earnings, or approximately $0.66 per diluted share. Excluding the impact from this nonrecurring event, the company generated net income of $0.03 per diluted share for the current quarter. This compares to a net loss of $110,360, or a loss of $0.09 per diluted common share, in the second quarter of 2012.

Key highlights from the second quarter of 2013 include:

- Substantial gains in net income and diluted earnings per share from a year ago.
- Both interest and noninterest expense declined by nearly 17 percent from a year ago.
- Income from SBA lending increased 27.5 percent from a year ago.
- Nonaccrual loans as a percentage of total loans decreased 381 basis points from a year ago.
- Loans past due greater than 30 days and still accruing interest declined by approximately $3.7 million from a year ago.
- Provision for loan losses declined by $1.2 million from a year ago.
- Improvement in overall deposit mix with $11 million increase in noninterest-bearing deposits from Dec. 31, 2012.
- Capital ratios at CBC National Bank remained strong with a total risk-based capital ratio of 23.15 percent and a Tier 1 risk-based capital ratio of 21.87 percent.

- The Office of the Comptroller of the Currency (OCC) lifted its formal written agreement with CBC National Bank.

"We made significant progress in the second quarter and year-to-date in better positioning our company for the future," said Michael G. Sanchez, chief executive officer. "Stable earnings and net income, robust capital ratios, reduced expenses and improving credit quality have led to gains in shareholder value and created an environment that has allowed us to resume payments of preferred stock dividends and interest payments on our Trust Preferred securities while supporting the cancellation of the formal written agreement between the OCC and CBC National Bank."

Net interest income before the provision for loan losses totaled $2.9 million in the second quarter of 2013, compared to $3.1 million earned in the second quarter of 2012. Noninterest income declined to $8.5 million at June 30, 2013, from $11.1 million at June 30, 2012, primarily due to a decrease in gains on the sale of mortgage loans which totaled $7.2 million in the second quarter of 2013, compared to $10.0 million a year ago. This decline was offset partially by income from SBA loans, which totaled $1.1 million in the second quarter of 2013, compared to $830,496 in the second quarter of 2012.

Interest expense declined 16.4 percent to $879,797 in the second quarter of 2013, from $1.1 million in the same period a year ago. Noninterest expense for the second quarter of 2013 totaled $10.8 million, a 16.4 percent decrease from $13.0 million in second quarter of 2012.

The company's net interest margin for the second quarter of 2013 was 3.16 percent, compared to 3.72 percent at March 31, 2013, and 3.22 percent for the quarter ended June 30, 2012. This compression in net interest margin has been driven by declining balances of mortgage loans available for sale and a corresponding increase in balances of low yielding funds on deposit.

Total assets at June 30, 2013, were $400.7 million, compared to $475.0 million at Dec. 31, 2012. Total shareholders' equity was $36.7 million at June 30, 2013, compared to $34.4 million at Dec. 31, 2012. Total deposits were $331.2 million at June 30, 2013, compared to $337.5 million at

Dec. 31, 2012. Total portfolio loans were $235.6 million at the end of the second quarter of 2013, compared to $242.4 million at Dec. 31, 2012.

The company's residential mortgage banking division originated approximately $419 million in loans available for sale in the secondary market during the second quarter of 2013, compared to $494 million in loans originated for sale in the secondary market during the second quarter of 2012. This 15 percent year-over-year decline in residential funding volume is reflective of recent increases in long-term interest rates and related declines in refinance lending activity. The mortgage division has funded nearly $6 billion in total production since the division's inception in September 2007.

"We experienced a substantial decline in residential mortgage demand at the end of the current quarter as consumers' appetite for refinancing waned due to higher mortgage interest rates," said Sanchez. "We believe this decline in demand will continue into the foreseeable future. As we did when the refinancing boom first gained steam, we are adjusting our business model to account for changes in market demand, including the closure of several National Retail Group (NRG) offices in the second quarter and other aggressive action to reduce staffing and operating expense levels across the company. This likely will result in lower non-interest income from the gain on sale of mortgage loans, and higher excess liquidity that could further compress our net interest margin in future periods. Given the reality of this new lending environment, we anticipate earnings in the second half of 2013 will be moderately lower than the first half results."

Net charge-offs in the second quarter of 2013 totaled $412,000, or 0.18 percent of total loans, compared to $180,000, or 0.08 percent, in the previous quarter, and $1.5 million, or 0.62 percent, in the second quarter of 2012. Nonaccrual loans as a percentage of total loans at the end of the second quarter of 2013 were 1.56 percent, compared to 2.10 percent at the end of the first quarter 2013, and 5.37 percent at June 30, 2012. Loans past due greater than 30 days and still accruing interest totaled $584,000 at June 30, 2013, compared to $388,000 in the previous quarter and $4.3 million at June 30, 2012. Other real estate owned (OREO) totaled $13.7 million at June 30, 2013, compared to $13.5 million recorded at Dec. 31, 2012.

"Our asset quality has generally improved throughout the past year reflecting the progress we have made resolving problem assets," said Sanchez. "As a result, we have been able to reduce our provision for loan losses substantially from a year ago. We will continue to closely manage remaining loan issues over the next several quarters, keeping an eye on past due and nonaccrual loans."

The company's provision for loan losses totaled $56,719 for the second quarter of 2013, which was $355,000 less than net charge-offs, compared to a loan-loss provision of $31,109 for the first quarter of 2013, which was $149,000 less than net charge-offs, and a provision of $1.3 million, or $168,000 less than net charge-offs in the quarter ending June 30, 2012. The company's allowance for loan losses totaled $4.2 million, or 1.77 percent of loans outstanding at June 30, 2013, compared to $4.5 million, or 1.95 percent of loans outstanding, at March 31, 2013, and $5.6 million, or 2.36 percent of loans outstanding, at June 30, 2012.

At June 30, 2013, CBC National Bank had a total risk-based capital ratio of 23.15 percent and a Tier 1 risk-based capital ratio of 21.87 percent, which exceed the 10 percent and 6 percent respective thresholds for being classified as "well capitalized" by federal regulators. The company also continued to have ample liquidity, with $128 million in excess funding available from multiple sources at June 30, 2013.

Net income for the six months ended June 30, 2013, was $3.1 million, compared to net income of $189,235 for the same period in 2012. Diluted earnings per common share for the first six months of 2013 was $1.06, compared to a diluted loss per common share of $0.04 in the same period a year ago.

Net interest income for the first six months of 2013 was $6.6 million, compared to $6.5 million in the first six months of 2012. Noninterest income was $18.6 million for the first six months of 2013, compared to $21.7 million in the same period of 2012. Noninterest expense was $22.9 million for the first half of 2013, compared to $25.4 million for the same period in 2012.

"We've achieved a number of our near-term goals, many of which have unencumbered us from additional regulatory oversight and freed us to continue our long-term plans for growing our banking franchise," said Sanchez. "This has given us momentum and strengthened our positive outlook for company's long-term future, despite the current headwinds from lower mortgage banking activity."

About Coastal Banking Company Inc.

Coastal Banking Company Inc. is the $400.7 million-asset bank holding company of CBC National Bank, headquartered in Fernandina Beach, Fla., which provides a full range of consumer and business banking services through full-service banking offices in Beaufort, S.C., Fernandina Beach, Meigs, Ga., and Port Royal, S.C., and commercial loan production offices in Jacksonville, Fla., and Savannah, Ga. The company's residential mortgage banking division, headquartered in Atlanta, includes an Internet-based retail mortgage operation as well as a National Retail Group that has lending offices in Arizona, Florida, Georgia, Maryland, New York and Ohio. The company's Small Business Administration lending division originates SBA loans primarily in Jacksonville, Orlando, Naples and Vero Beach, Fla., Greensboro, N.C., Memphis, Tenn., Atlanta and Beaufort. The company's common stock is publicly traded on the OTCQB Markets under the symbol CBCO. A current CBCO stock price quote and recent stock trading activity is available at http://www.otcmarkets.com/stock/CBCO/quote. The complete unaudited quarterly financial results are available at http://www.coastalbanking.com/pdf/CBCO_2Q13_Earnings.pdf, or for more information, please visit the company's website, www.coastalbanking.com.

FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISK FACTORS

This release contains forward-looking statements including statements relating to present or future trends or factors generally affecting the banking industry and specifically affecting Coastal's operations, markets and products. Without limiting the foregoing, the words "believes," "anticipates," "intends," "expects," or similar expressions are intended to identify forward-looking statements. These forward-looking statements involve risks and uncertainties. Actual results could differ materially from those projected for many reasons, including, without limitation, changing events and trends that have influenced Coastal's assumptions, but that are beyond Coastal's control. These trends and events include (i) changes in the interest rate environment which may reduce margins, (ii) not achieving expected growth, (iii) less favorable than anticipated changes in the national and local business environments and securities markets, (iv) adverse changes in the regulatory requirements affecting Coastal, (v) greater competitive pressures among financial institutions in Coastal's markets, (vi) greater loan losses than historic levels, and (vii) difficulties in expanding our banking operations into a new geographic market.

All written or oral forward-looking statements are expressly qualified in their entirety by these cautionary statements. Coastal Banking Company, Inc. undertakes no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.

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COASTAL BANKING
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Q3

For Immediate Release

For More Information:
Michael G. Sanchez
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Coastal Banking Company Reports Third Quarter 2013 Earnings

BEAUFORT, S.C., Nov. 15, 2013 – Coastal Banking Company Inc. (OTCQB:CBCO), the holding company of CBC National Bank, which operates branches in Beaufort and Port Royal, S.C., Fernandina Beach, Fla., and Meigs, Ga., today reported net income of $47,549, or a loss of $0.03 per diluted common share, for the quarter ended Sept. 30, 2013. This compares to net income of $772,844, or $0.24 in diluted earnings per common share, in the third quarter of 2012.

Key highlights from the third quarter of 2013 include:

- Interest expense decreased by $263,000, or 26.0 percent, from a year ago.
- Other real estate expenses were more than halved from a year ago, decreasing $278,567.
- Income from SBA loans grew 77.9 percent to $911,000 compared to a year ago.
- The net interest margin increased 31 basis points from a year ago.
- Nonaccrual loans of $3.2 million marked the lowest level in five years. As a percentage of total loans, nonaccrual loans decreased 467 basis points from a year ago.
- Net charge-offs declined to $92,000, or 0.04 percent of total loans, from $923,000, or 0.39 percent of total loans a year ago.
- Capital ratios at CBC National Bank remained strong with a total risk-based capital ratio of 24.17 percent and a Tier 1 risk-based capital ratio of 22.90 percent.

“As expected, the recent rise in interest rates resulted in a drop in mortgage demand in the third quarter, which impacted our income and earnings,” said Michael G. Sanchez, chief executive officer. “Lower refinancing volumes led to reduced mortgage banking income. Knowing the slowdown was coming, we made the strategic decision to downsize and remodel our mortgage operations to maintain a sustainable and profitable business model moving forward. We closed our commercial loan production office in Savannah during the third quarter and made the decision to close our satellite accounting office in Port Royal and our secondary marketing office in Jacksonville during the fourth quarter.

“We also will close our full-service branch in Meigs effective Dec. 31, 2013,” said Sanchez. “The Meigs branch held just $7.1 million in deposits at the end of the third quarter, and was originally acquired specifically to give us a legal foothold from which to expand in Georgia. With the passage of the Dodd-Frank Act, that requirement is no longer necessary, thus it makes financial and strategic sense to close this branch. We expect to incur some modest non-recurring costs in the fourth quarter related to the closure.

“It’s important to note that we continued to make progress in areas outside of mortgage banking, including substantial gains in SBA loan income, reductions in interest and noninterest expenses, and improvements in our credit quality,” added Sanchez.

Net interest income before the provision for loan losses totaled $3.2 million in the third quarter of 2013, compared to $3.1 million earned in the third quarter of 2012. Noninterest income totaled $5.0 million at Sept. 30, 2013, compared to $12.8 million in the third quarter of 2012, reflecting the expected decline in mortgage income from the slowdown in refinancing activity. Income from SBA loans totaled $911,000 in the third quarter of 2013, compared to $512,000 in the third quarter of 2012.

Interest expense decreased to $745,969 in the third quarter of 2013, from $1.0 million in the same period a year ago due largely to reduced deposit costs. Noninterest expense for the third quarter of 2013 decreased to $7.8 million from $13.9 million in third quarter of 2012, in large part due to lower operational and advertising costs from the reduction of retail residential loan production activity. Other real estate expenses totaled $241,084 at the end of the third quarter of 2013, a significant decline from $519,651 a year ago.

The company’s net interest margin for the third quarter of 2013 increased to 3.59 percent from 3.28 percent for the quarter ended Sept. 30, 2012.

Total assets at Sept. 30, 2013, were $373.7 million, compared to $475.0 million at Dec. 31, 2012. Total shareholders' equity was $36.7 million at Sept. 30, 2013, compared to $34.4 million at Dec. 31, 2012. Total deposits were $306.4 million at Sept. 30, 2013, compared to $337.5 million at Dec. 31, 2012, and $339.8 million at Sept. 30, 2012. Total portfolio loans were $232.9 million at the end of the third quarter of 2013, compared to $242.4 million at Dec. 31, 2012, and $238.8 million at Sept. 30, 2012.

The company's residential mortgage banking division originated approximately $261.7 million in loans available for sale in the secondary market during the third quarter of 2013. This compares to $515.7 million in loans originated for sale in the secondary market during the third quarter of 2012. This year-over-year decline in residential funding volume is reflective of recent increases in long-term interest rates and related declines in refinance lending activity.

The balance of refinance loans funded by the mortgage division declined approximately 74 percent in the third quarter of 2013 compared to the same quarter in 2012, while purchase money lending saw an increase of more than 40 percent during the same time. As a result, the mortgage banking division's lending product mix was 62 percent purchase to 38 percent refinance lending in the third quarter of 2013 versus 23 percent purchase to 77 percent refinance lending in the third quarter of 2012.

Net charge-offs in the third quarter of 2013 totaled $92,000, or 0.04 percent of total loans, compared to $412,000, or 0.18 percent, in the previous quarter, and $923,000 or 0.39 percent in the third quarter of 2012. Nonaccrual loans as a percentage of total loans at the end of the third quarter of 2013 were 1.35 percent, compared to 1.56 percent at the end of the second quarter 2013, and 6.02 percent at Sept. 30, 2012. Loans past due greater than 30 days and still accruing interest totaled $261,000 at Sept. 30, 2013, compared to $584,000 in the previous quarter and $1.2 million at Sept. 30, 2012. Other real estate owned (OREO) totaled $13.8 million at Sept. 30, 2013, compared to $13.5 million recorded at Dec. 31, 2012.

"Our credit quality improved on both a linked-quarter and year-over-year basis, including a fourth consecutive quarterly reduction in loans on nonaccrual," said Sanchez. "We expect to have further reductions in our classified assets in the fourth quarter of 2013 as we sell additional OREO."

The company's provision for loan losses totaled $171,000 for the third quarter of 2013, which was $79,000 in excess of net charge-offs, compared to a loan-loss provision of $57,000 for the second quarter of 2013, which was $355,000 less than net charge-offs, and a provision of $807,000, or $116,000 less than net charge-offs, at Sept. 30, 2012. The company's allowance for loan losses totaled $4.3 million, or 1.83 percent of loans outstanding at Sept. 30, 2013, compared to $4.2 million, or 1.77 percent of loans outstanding, at June 30, 2013, and $5.5 million, or 2.32 percent of loans outstanding, at Sept. 30, 2012.

At Sept. 30, 2013, CBC National Bank had a total risk-based capital ratio of 24.17 percent and a Tier 1 risk-based capital ratio of 22.90 percent, which exceed the 10 percent and 6 percent respective thresholds for being classified as "well capitalized" by federal regulators. The company also continued to have ample liquidity, with $157.8 million in excess funding available from multiple sources at Sept. 30, 2013.

Net income for the nine months ended Sept. 30, 2013, was $3.1 million, compared to net income of $962,079 for the same period in 2012. Diluted earnings per common share for the first nine months of 2013 was $1.03, compared to $0.21 in diluted earnings per common share for the same period a year ago.

Net interest income for the first nine months of 2013 was $9.7 million, compared to $9.6 million in the first nine months of 2012. Noninterest income was $23.6 million for the first nine months of 2013, compared to $34.5 million in the same period of 2012. Noninterest expense was $30.7 million for the first nine months of 2013, compared to $39.3 million for the same period in 2012.

"In your classic good news/bad news scenario, we ended the third quarter of 2013 with nearly 40 percent of our OREO properties under contract of sale," said Sanchez. "If these sales are completed as planned, we will see a material reduction in the level of our non-performing assets in the final quarter of 2013. However, the potential losses from sales of this magnitude could be significant. This coupled with the slowdown in mortgage banking revenue and the costs incurred from our actions to restructure operations likely will place significant pressure on income and earnings in the final quarter of 2013. Fortunately, we will face these headwinds from a relative position of strength with improving credit quality, solid capital ratios and tight expense controls."

About Coastal Banking Company Inc.

Coastal Banking Company Inc. is the $373.7 million-asset bank holding company of CBC National Bank, headquartered in Fernandina Beach, Fla., which provides a full range of consumer and business banking services through full-service banking offices in Beaufort, S.C., Fernandina Beach, Meigs, Ga., and Port Royal, S.C., and a commercial loan production office in Jacksonville, Fla. The company's residential mortgage banking division, headquartered in Atlanta, includes an Internet-based retail mortgage operation as well as a National Retail Group that has lending offices in Arizona, Florida, Georgia, Maryland, New York, and Ohio. The company's Small Business Administration lending division originates SBA loans primarily in Jacksonville, Orlando, Ft. Myers, Naples and Vero Beach, Fla., Greensboro, N.C., Atlanta and Beaufort. The company's common stock is publicly traded on the OTCQB Markets under the symbol CBCO. A current CBCO stock price quote and recent stock trading activity is available at www.otcmarkets.com/stock/CBCO/quote. The complete unaudited quarterly financial results are available at http://www.coastalbanking.com/pdf/CBCO_3Q13_Earnings.pdf or for more information, please visit the company's website, www.coastalbanking.com.

FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISK FACTORS

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All written or oral forward-looking statements are expressly qualified in their entirety by these cautionary statements. Coastal Banking Company, Inc. undertakes no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.

COASTAL BANKING
Company, Inc.

Q4

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Coastal Banking Company Reports Fourth Quarter 2013 Results

BEAUFORT, S.C., March 13, 2014 – Coastal Banking Company Inc. (OTCQB:CBCO), the holding company of CBC National Bank, which operates branches in Beaufort and Port Royal, S.C., and Fernandina Beach, Fla., today reported a net loss of $1.5 million, or a loss of $0.63 per diluted common share, for the quarter ended Dec. 31, 2013. This compares to net income of $921,565, or $0.30 in diluted earnings per common share, in the fourth quarter of 2012.

For the full year 2013, the company reported net income of $1.04 million, or $0.40 in earnings per diluted share. This compares to net income of $1.31 million, or $0.51 in earnings per diluted share, for the full year 2012.

Key highlights from the fourth quarter of 2013 include:

- Restructured the Mortgage Banking Division to align staffing, products and markets with changing loan demand in light of increasing long-term interest rates.
- Implemented a cost savings program within the core community bank, expected to reduce annual operating expenses by as much as $2 million in 2014.
- Asset quality costs of $695,618 for the quarter were down 70.7 percent from the costs of $2.37 million incurred during the final quarter of 2012.
- Nonaccrual loans ended 2013 at $2.1 million, a decrease of $1 million from the prior quarter end and a decrease of $7.3 million, or 78 percent, from Dec. 31, 2012.
- Other real estate owned (OREO) declined by 14.6 percent from a year ago.
- Capital ratios at CBC National Bank remained strong, with a total risk-based capital ratio of 23.12 percent and a Tier 1 risk-based capital ratio of 21.84 percent.
- The Federal Reserve Bank of Richmond lifted its Memorandum of Understanding with the company.
- All dividends due on the company's Fixed Rate Cumulative Perpetual Preferred Stock were paid current with no amounts in deferral.

“We will look back on 2013 as the year that we effectively completed the rehabilitation of the company and largely recovered from the damage caused during the Great Recession,” said Michael G. Sanchez, chief executive officer. “After the Office of the Comptroller of the Currency (OCC) lifted its formal written agreement with CBC National Bank in August, the Federal Reserve Bank of Richmond followed suit in December by lifting its Memorandum of Understanding with the company, thus removing all regulatory restrictions under which we had been operating since 2009. The improvement in our asset quality over the last four years has been remarkable, and it would not have been possible without a marathon effort by our dedicated staff and management. The operating loss during the fourth quarter of 2013 was expected, and it reflected the costs associated with the closure of our branch in Meigs, Ga., consolidation of various administrative functions and repositioning our mortgage banking division to operate in a changed regulatory and interest rate environment. The record earnings from the mortgage division over the last few years were critical in sustaining and rehabilitating the company, but the recent decline in refinance loan demand has reduced funding levels and profitability from the division to more modest levels. At the same time, our SBA lending division has been ramping up its loan funding and profit contributions, and the core banking group is quickly approaching sustainable profitability as asset quality costs continue to normalize.”

Net interest income before the provision for loan losses totaled $3.2 million in the fourth quarter of 2013, compared to $3.3 million earned in the fourth quarter of 2012. Noninterest income decreased $10.5 million to $3.7 million at Dec. 31, 2013, from $14.2 million in the fourth quarter of 2012, primarily due to a decrease of $10.9 million in mortgage banking income compared to the same period in 2012. Income from SBA loans totaled $1.1 million in the fourth quarter of 2013, compared to $731,000 in the fourth quarter of 2012.

Interest expense totaled $661,000 in the fourth quarter of 2013, compared to $746,000 in the previous quarter and $1.0 million in the same period a year ago. Noninterest expense for the fourth quarter of 2013 decreased to $7.9 million from $14.8 million in fourth quarter of 2012, primarily due to reduced costs associated with lower mortgage lending volume and lower asset quality costs.

The company's net interest margin for the fourth quarter of 2013 was 3.71 percent, compared to 3.59 percent at Sept. 30, 2013, and 3.37 percent for the quarter ended Dec. 31, 2012.

Total assets at Dec. 31, 2013, were $375.6 million, compared to $475.0 million at Dec. 31, 2012. Total shareholders' equity was $34.9 million at Dec. 31, 2013, compared to $34.4 million at Dec. 31, 2012. Total deposits were $292.0 million at Dec. 31, 2013, compared to $337.5 million at Dec. 31, 2012. Total portfolio loans were $244.5 million at the end of the fourth quarter of 2013, compared to $242.4 million at Dec. 31, 2012.

The company's residential mortgage banking division originated approximately $243.0 million in loans available for sale in the secondary market during the fourth quarter of 2013, compared to $566.0 million in loans originated for sale in the secondary market during the fourth quarter of 2012. The lower production is mainly attributed to a reduction in refinance transactions nationwide due to higher interest rates over the last six months of 2013. Higher interest rates were mainly attributable to a "tapering" of mortgage backed security purchases enacted by the Federal Reserve during the same time period. For the full year, the mortgage division funded in excess of $1.3 billion in mortgage loans, down from $2 billion in 2012, and has now exceeded $6.3 billion in total production since the division's inception in September 2007.

Net charge-offs in the fourth quarter of 2013 totaled $64,000, or 0.03 percent of total loans, compared to $92,000, or 0.04 percent, in the previous quarter, and $1.8 million, or 0.75 percent, in the fourth quarter of 2012. Nonaccrual loans as a percentage of total loans at the end of the fourth quarter of 2013 were 0.87 percent, compared to 1.35 percent at the end of the third quarter of 2013, and 3.90 percent at Dec. 31, 2012. Loans past due greater than 30 days and still accruing interest totaled $785,000 at Dec. 31, 2013, compared to $261,000 in the previous quarter and $1.4 million at Dec. 31, 2012. Other real estate owned (OREO) totaled $11.5 million at Dec. 31, 2013, a 14.6 percent decline from $13.5 million recorded at Dec. 31, 2012.

The company's provision for loan losses totaled $83,000 for the fourth quarter of 2013, which was $19,000 more than net charge-offs, compared to a loan-loss provision of $171,000 for the third quarter of 2013, which was $79,000 more than net charge-offs, and a provision of $957,000, or $850,000 less than net charge-offs, in the quarter ending Dec. 31, 2012. The company's allowance for loan losses totaled $4.3 million, or 1.75 percent of loans outstanding at Dec. 31, 2013, compared to $4.3 million, or 1.83 percent of loans outstanding, at Sept. 30, 2013, and $4.7 million, or 1.93 percent of loans outstanding, at Dec. 31, 2012.

At Dec. 31, 2013, CBC National Bank had a total risk-based capital ratio of 23.12 percent and a Tier 1 risk-based capital ratio of 21.84 percent, which exceed the 10 percent and 6 percent respective thresholds for being classified as "well capitalized" by federal regulators. The company also continued to have ample liquidity, with $135 million in excess funding available from multiple sources at Dec. 31, 2013.

Net interest income for the full year 2013 was $12.9 million, the same as 2012. Noninterest income was $27.3 million for the full year 2013, compared to $48.8 million in 2012. Noninterest expense was $38.6 million for the full year 2013, compared to $54.1 million in 2012.

"Our focus in 2014 is to stabilize our mortgage banking division results, continue our improving asset quality trends, expand SBA lending volume and return the core bank to sustainable profitability," said Sanchez. "We are confident that we have the systems, products, staff and management in place to successfully implement our plan."

About Coastal Banking Company Inc.

Coastal Banking Company Inc. is the $375.6 million-asset bank holding company of CBC National Bank, headquartered in Fernandina Beach, Fla., which provides a full range of consumer and business banking services through full-service banking offices in Beaufort, S.C., Fernandina Beach, and Port Royal, S.C. The company's residential mortgage banking division, headquartered in Atlanta, includes an Internet-based retail mortgage operation, as well as a National Retail Group that has lending offices in Florida, Georgia, Illinois, Maryland, Michigan, and Ohio. The company's Small Business Administration lending division originates SBA loans primarily in Jacksonville, Orlando, Ft. Myers, Naples and Vero Beach, Fla., Greensboro, N.C., Atlanta and Beaufort. The company's common stock is publicly traded on the OTCQB Markets under the symbol CBCO.

A current CBCO stock price quote and recent stock trading activity is available at http://www.otcmarkets.com/stock/CBCO/quote

The complete annual audited financial statements for the current year are available at http://www.coastalbanking.com/pdf/2013cbcoannualfinancials.pdf