

For More Information Contact:

Michael G. Sanchez
Chairman & Chief Executive Officer
Coastal Banking Company Inc.
904-321-0400

Thomas J. Flourney
EVP & Chief Financial Officer
Coastal Banking Company Inc.
904-321-2917

Coastal Banking Company Announces Shareholder Approval of Proposed Merger with First Federal Bancorp

BEAUFORT, S.C., Feb. 21, 2018 – Coastal Banking Company Inc. (OTCQX:CBCO), the holding company of CBC National Bank, which operates branches in Beaufort and Port Royal, S.C., and in Fernandina Beach, Ocala, and The Villages, Fla., today announced that its shareholders have approved the previously announced merger transaction with First Federal Bancorp Inc. in a vote that took place yesterday.

On Nov. 7, 2017, First Federal Bancorp Inc., the holding company of First Federal Bank of Florida, based in Lake City, Fla., announced a definitive merger agreement to acquire Coastal Banking Company Inc. and CBC National Bank. Upon completion of the merger, First Federal will pay \$21.50 per share in cash for each Coastal Banking Company common share and stock option outstanding in a transaction valued at \$83.2 million. Pending regulatory approval, the merger is expected to be completed in the second quarter.

“We are gratified and excited to have taken another significant step toward our partnership with First Federal,” said Michael G. Sanchez, chairman and chief executive officer. “The combination of our two organizations, including the vibrant markets we serve, the full array of personal and business financial services and products, and the knowledgeable, personable staff of both companies, will provide our customers with a new level of convenience, service and choice.”

First Federal Bank of Florida is a community bank founded in the heart of North Florida in 1962. Today, First Federal is a \$1.5 billion-asset institution offering a full line of personal and business financial solutions, loans, and services from Florida’s Panhandle to the First Coast. First Federal is

a mutual savings bank and continues to receive a “5-Star, Superior” financial rating from BauerFinancial Inc. For more information, visit www.ffbf.com.

About Coastal Banking Company Inc.

Coastal Banking Company Inc. is the \$606.4 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 Fernandina Beach, Ocala, and The Villages, Fla., and Beaufort and Port Royal, S.C. The company’s residential mortgage banking division, headquartered in Atlanta, includes both traditional retail and wholesale lending groups, which together have lending offices in Florida, Georgia, Maryland, South Carolina, North Carolina, Illinois, Ohio and Tennessee. The company’s SBA lending division operates under SBA’s delegated authority, originating SBA, USDA and FSA loans throughout the southeastern United States. Headquartered in Fernandina Beach, its offices are located in Jacksonville, Ft. Myers, Tampa and Vero Beach, Fla., Greensboro, N.C., Atlanta and Tifton, Ga., and Beaufort.

The company’s common stock is publicly traded on the OTCQX Best Market under the symbol CBCO. The company was named to the OTCQX® Best 50 in 2015, 2016 and 2018, an annual ranking of the top 50 U.S. and international companies traded on the OTCQX Best Market, based on equal weighting of one-year return and average daily dollar volume growth.

Cautionary Notice Regarding Forward-Looking Statements

This communication contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, and is intended to be protected by the safe harbor provided by the same. Forward-looking statements can be identified by the use of the words "anticipate," "expect," "intend," "estimate," "target," and words of similar import. Forward-looking statements are not historical facts but instead express only management's beliefs regarding future results or events, many of which, by their nature, are inherently uncertain and outside of management's control. It is possible that actual results and outcomes may differ, possibly materially, from the anticipated results or outcomes indicated in these forward-looking statements. Risks and uncertainties to which these statements are subject include, but are not limited to, the following:; the timing to consummate the proposed merger; the risk that a condition to closing of the proposed merger may not be satisfied; the parties' ability to achieve the synergies and value creation contemplated by the proposed merger; the parties' ability to promptly and effectively integrate the businesses of First Federal and Coastal; the diversion of management time on issues related to the merger; the failure to consummate or delay in consummating the merger for other reasons; changes in laws or regulations; and

changes in general economic conditions. No assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of First Federal and Coastal. Forward-looking statements are made only as of the date of this communication, and neither First Federal nor Coastal undertakes any obligation to update any forward-looking statements contained herein to reflect events or conditions after the date hereof.

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