

For Immediate Release

For More Information:
Charles Wagner
President
CBC National Bank
(678) 942-2161

Coastal Banking Co.’s Mortgage Division Surpasses \$10 Billion Loan Production Milestone, Earns National ‘Top Lenders’ Recognition

BEAUFORT, S.C., July 7, 2015 – Coastal Banking Company Inc. (OTCQX:CBCO), the holding company of CBC National Bank, which operates branches in Beaufort and Port Royal, S.C., and Fernandina Beach, Fla., announced that in June its mortgage division surpassed the \$10 billion mark in loan production.

Coastal’s mortgage division, based in Atlanta, began operations in September 2007 utilizing a conservative, risk-averse business model, originating primarily full-documentation, conforming mortgage loans pre-sold into the secondary market. The division passed the \$1 billion mark in loan production in June 2009 and has grown into a business unit generating more than \$2 billion in annual volume. During the first quarter of 2015, the mortgage division achieved record funding and profitability, with more than \$507 million in residential mortgage loans funded and \$14.3 million in mortgage banking income during the quarter.

Coastal’s mortgage banking division was created and has been led since its inception by mortgage industry veteran Charles Wagner, who was recently promoted to President of CBC National Bank. Replacing Wagner as head of the mortgage banking division is Brynn Stensrud.

“One of the keys to our success was the fact that we entered the mortgage industry at a time when many mortgage lenders were exiting the business, leaving a gap in service,” said Wagner. “We were committed to the residential markets in our home communities in Beaufort and Port Royal, Fernandina Beach and Atlanta even during the industry crisis while many big banks pulled back, or out, of residential lending. Our commitment to our markets and the mortgage business continues today, and continues to pay off for Coastal Banking Company, as the division has been a significant contributor to CBC National Bank’s earnings over the years.”

In addition to reaching the \$10 billion loan production milestone, Coastal's mortgage division was recently recognized by Scotsman Guide as one of the nation's Top Mortgage Lenders 2014, ranking No. 43 in overall volume and No. 16 in wholesale volume. The division also has been recognized as one of Top Workplaces in Atlanta 2015 by the Atlanta Journal-Constitution.

"Our continued growth and recognition is a testament to the quality of our associates during our almost 8 years in business," said Stensrud, senior vice president and head of the mortgage division. "Our knowledgeable mortgage professionals have shared Coastal Banking Company's overall passion and commitment to offering our customers the best products and service available. We will continue to meet the purchase and refinance needs of our customers while meeting their demands for great service and products into the future."

About Coastal Banking Company Inc.

Coastal Banking Company Inc. is the \$513.3 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 Arizona, Florida, Georgia, Maryland, Michigan, Indiana, Illinois and Ohio. The company's Small Business Administration lending division originates SBA loans primarily in Jacksonville, Ft. Myers, Tampa and Vero Beach, Fla., Greensboro, N.C., and Beaufort. The company's common stock is publicly traded on the OTCQX Markets under the symbol CBCO.

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