



Coastal Banking Company Announces \$10 Million Senior Debt Raise and Redemption of its Series A Preferred Stock

BEAUFORT, SC / ACCESSWIRE / November 16, 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., today announced its entry into a Material Definitive Loan Agreement on Nov. 10, 2015, with the completion of a \$10 million Senior Debt raise from NexBank SSB.

The proceeds of this debt raise were used to redeem all 9,950 shares of the Company's Fixed Rate Cumulative Perpetual Preferred Stock, Series A ("Preferred Stock"), effective Nov. 15, 2015.

"This debt raise and the redemption of our preferred stock that it enabled will allow us to deliver increased value to our shareholders," said Michael G. Sanchez, chief executive officer of Coastal Banking Company Inc. "We are significantly reducing our costs of capital through these transactions, resulting in our ability to, in effect, pass the savings on to our shareholders through enhanced book value."

Paul R. Garrigues, Coastal's chief financial officer, added, "The impact of replacing the 9% Preferred Stock dividend payments with a much lower interest expense on the Senior Debt is expected to increase net income available to common shareholders by as much as \$600,000 over the next 12 months, or the equivalent of \$0.23 per common share. The completion of this financing and related Preferred Stock redemption represents a significant step forward in structuring the Company's capital accounts to better support our strategic growth plans while bringing additional value to our shareholders."

The Preferred Stock was originally issued to the U.S. Department of the Treasury in December 2008 as part of their Troubled Asset Relief Program's Capital Purchase Program and was sold to private investors by the Treasury in March 2013 through a public auction. The shares were redeemed at the liquidation price of \$1,000 per share for a total of \$9.95 million. There were no accrued and unpaid dividends due as a result of the redemption occurring on the scheduled dividend payment date. As a result of this redemption, no shares of the Preferred Stock remain outstanding and the Company will no longer pay any dividends on the Preferred Stock.

The NexBank Loan Agreement carries an interest cost of LIBOR plus 4 percent per annum and requires monthly principal payments based on a 10-year straight line amortization period with a maturity date of November 2020. The Loan Agreement contains affirmative and negative covenants pertaining to certain financial and capital ratios of the Company and CBC National Bank, and is secured by a pledge of all of the capital stock of CBC National Bank pursuant to a Pledge and Security Agreement. The Company may repay all or part of the loan balance at any time without additional cost or prepayment penalty.

A copy of the complete Loan Agreement and related Pledge and Security Agreement dated Nov. 10, 2015, is available at <http://www.otcmartets.com/stock/CBCO/filings>

About Coastal Banking Company, Inc.:

Coastal Banking Company Inc., headquartered in Beaufort, S.C., is the \$438.7 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, Fernandina Beach, and Port Royal, S.C. The company's residential mortgage banking division, headquartered in Atlanta, includes traditional retail and wholesale lending, as well as a National Retail Group that has lending offices in Arizona, Florida, Georgia, Maryland, Michigan, Indiana, Illinois and Ohio. The company's government guaranteed lending division originates SBA loans primarily in Jacksonville, Ft. Myers, Tampa and Vero Beach, Fla., Greensboro, N.C., Atlanta and Beaufort. The company's common stock is publicly traded on the OTCQX Markets under the symbol CBCO. For more information, please visit the company's website, www.coastalbanking.com.

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SOURCE: Coastal Banking Company Inc.