



May 5, 2017

FOR MORE INFORMATION:
Laura Byers (425) 349-2674
lbyers@coastalbank.com

Coastal Financial Corporation Announces First Quarter 2017 Results

EVERETT, Wash. – Coastal Financial Corporation (Coastal), the holding company for Coastal Community Bank (Bank), announced net income for the first quarter of 2017 to be \$1.3 million, an increase of 23% compared to the same period in the prior year. Coastal's assets grew to \$758.4 million compared to \$644.8 million for the same period in 2016.

Highlights for First Quarter 2017:

- **23% Growth in Net Income** over the same quarter last year, at \$1.3 million.
- **18% Increase in Total Assets** to \$758.4 million compared to \$644.8 million at March 31, 2016.
- **18% Growth in Total Deposits** compared to the same quarter in 2016.
- **28% Growth in Non-Interest Bearing Deposits** to \$229.0 million compared to \$178.8 million at March 31, 2016.
- **15% Increase in Net loans** year over year totaling \$588.4 million at March 31, 2017.
- **Capital ratios** continued to substantially exceed regulatory requirements for a well-capitalized financial institution, with total risk based capital at 13.07%, well above the 10% well-capitalized regulatory requirement.

Looking forward, Coastal is excited to launch both Person-to-Person (P2P) payments and SecurLock Equip by the third quarter. P2P will allow customers to securely transfer funds directly to friends and family right from a smart phone or computer. SecurLock Equip will give customers the power to manage their Coastal Debit Card from an easy-to-use app on a smart phone, including the ability to freeze their card if lost or compromised. Both services are available at no added cost to customers.

Coastal Community Bank was founded in Everett in 1997 and has 12 offices in Snohomish and Island County. Coastal is a true community bank offering a wide variety of deposit and credit products to meet the needs of businesses and consumers in the greater Puget Sound area. For more information, access our website at www.coastalbank.com.

-more-

Coastal Financial Corporation notes that some statements in this letter look forward in time, and involve risks and uncertainties that may affect the company's actual results of operations. Certain statements in this letter including statements regarding the anticipated development and expansion of the bank's business, and the intent, belief, and current expectations of the bank, its directors, or its officers, are "forward-looking" statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). Such forward-looking statements are subject to risks and uncertainties and therefore the bank's actual results may differ materially from those expressed or implied by such forward-looking statements.

The risks and uncertainties that the bank is subject to include, but are not limited to, risks related to the local and national economy, including fluctuations in interest rates and costs and changes in economic policy; the ability of the bank to perform in accordance with its plans; competition that may cause us to lose projects or result in decreased revenues; inability to hire qualified personnel; regulatory matters; and other risks detailed in its filings with the State of Washington Department of Financial Institutions and the Federal Reserve Bank. The bank cautions readers not to place undue reliance on any forward-looking statements. The bank does not undertake, and specifically disclaims any obligation, to revise any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.

###