



July 27, 2017

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

## Coastal Reaches Significant Quarterly Earnings Milestone of \$1.9 Million Net Income

EVERETT, Wash. – Coastal Financial Corporation (Coastal), the holding company for Coastal Community Bank (Bank), announced net income for the second quarter of 2017 to be \$1.9 million, an increase of 58% compared to the same period in the prior year. Coastal's net income year-to-date is \$3.2 million.

Highlights for Second Quarter 2017:

- **2nd Quarter Net income** of \$1.9 million represents a 58% increase over the same period a year ago.
- **Year-to-date income** of \$3.2 million compared to \$2.3 million for the same period in 2016, a 39% increase.
- **Return on Average Assets** reached 1.03% for the three months ending June 30, 2017 and 0.88% for the six months ending June 30, 2017.
- **Total Assets** were \$738.0 million at June 30, 2017 compared to \$646.6 million at June 30, 2016.
- **Return on Average Equity** reached 12.00% for the three months ending June 30, 2017 and 10.12% for the six months ending June 30, 2017.
- **Gross loans** increased 17% year over year and now total \$623.8 million.
- **Deposits** increased 13% year over year and now total \$640.9 million.
- **Capital ratios** continued to substantially exceed regulatory requirements for a well-capitalized financial institution, with total risk based capital at 13.02%, well above the 10% well-capitalized regulatory requirement.

“During the second quarter of 2017, we completed several major projects, including the launch of two new customer convenience services: People Pay, a person-to-person payment app; and SecurLock Equip, which allows customers to securely track and even lock their Coastal debit card right from their smartphone,” said Eric Sprink, president and CEO. “Both of these services have been high on our customers’ wish list and we are pleased to offer more mobile payment options and new debit card security.”

-more-

In May, Coastal was named Community Bank Lender of the Year for the second year in a row by the Seattle Region of the Small Business Administration (SBA). “This significant award is the result of our bankers’ knowledge of the wide variety of SBA financing options that benefit both the borrower and the bank,” added Sprink. “Our volume of SBA lending is further evidence that we are delivering on our promise to help small businesses grow and thrive.”

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](http://www.coastalbank.com).

*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.*

###