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## **Coastal Financial Corporation Reaches New High in Asset Size while Celebrating Record Income**

EVERETT, Wash. – Coastal Financial Corporation (Coastal), the holding company for Coastal Community Bank (Bank), announced a new all-time high of \$740.1 million in total assets for the fourth quarter of 2016. Net income for the quarter was \$1.4 million with a year-to-date net income of \$5.0 million, an increase of 67% compared to the prior year. Coastal’s assets have grown, on average, 19% annually over the past four years.

“While 2016 was a record setting year, we know we are not done,” said Eric Sprink, president and CEO. “Like most other community and national banks, we’re enjoying an economic rebound. We are fortunate to live in one of the strongest economies in the nation. Yet, we know that future uncertainties warrant a cautious optimism. That said, we accomplished remarkable growth, record profitability and laid the foundation to build a bank for the future. There is reason to celebrate our success now.”

Highlights for 2016:

- Year-to-date income of \$5.0 million represents a 67% increase over 2015.
- Total assets grew 19% to \$740.1 million compared to \$622.7 million at December 31, 2015.
- Total deposits grew 19% to \$648.7 million compared to \$543.6 million at December 31, 2015.
- Non-interest bearing deposits grew 29% to \$224.0 million compared to \$173.6 million at December 31, 2015.
- Net loans are up 19% year over year and total \$588.6 million at December 31, 2016.
- Capital ratios continued to substantially exceed regulatory requirements for a well-capitalized financial institution, with total risk based capital at 12.85%, well above the 10% well-capitalized regulatory requirement.

“Part of our success stems from our proactive efforts to invest in people and infrastructure at the right time,” adds Sprink. “In 2016, we employed new business development officers in key markets, and we added technology capabilities to help enhance the Bank’s ability to grow and

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serve clients. In July, we completed a significant conversion to our core operating system, adding increased functionality and efficiencies. That major project was quickly followed by issuing EMV Chip cards to all of our debit card holders. While these projects were time consuming, they are consistent with our goal to bring value to our customers and shareholders. 2017 brings new products and services, making us more competitive and well positioned to meet the needs of our evolving 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](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.*

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