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Coastal Financial Corporation Reports Record Earnings of \$1.1 Million for First Quarter 2016

EVERETT, Wash. – Coastal Financial Corp. (Coastal), the holding company for Coastal Community Bank (Bank), announced today a significant earnings milestone with \$1.1 million of net income for the first quarter of 2016. The growth in revenue represents a 42% increase over the same period last year while Coastal's assets grew to \$644.8 million compared to \$518.3 million during the same period.

"Our employees have been working passionately for years and our phenomenal growth has been the proof. As we continue to grow and mature as an organization, we have evolved into a size and efficiency that lends itself to increased profitability," said CEO and President Eric Sprink. "We are also seeing our investments in new people and locations take hold. With new branches in Marysville, Evergreen Way, Snohomish and Smokey Point all meeting and exceeding our goals, deposits and loans are still experiencing exceptional growth."

Highlights for First Quarter 2016:

- **Net income** of \$1.1 million represents a 42% increase over the same period last year.
- **Total assets** grew an annualized 14% to \$644.8 million compared to \$622.7 million at December 31, 2015.
- **Total deposits** grew an annualized 16% to \$565.3 million compared to \$543.6 million at December 31, 2015.
- **Non-interest bearing deposits** grew an annualized 12% to \$178.8 million compared to \$173.6 million at December 31, 2015.
- **Net loans** are up 20% year over year to \$511.3 million.
- **Capital ratios** continued to substantially exceed regulatory requirements for a well-capitalized financial institution, with total risk based capital at 12.33%, well above the 10% well-capitalized regulatory requirement.

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.

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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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