



COASTAL
FINANCIAL CORPORATION

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Coastal Financial Corporation Reports Fourth Quarter 2014 Earnings

Coastal Community Bank Prepares for Expansion While Experiencing Substantial Growth in Loan, Deposit, and Net Income

EVERETT, Wash. – Coastal Financial Corp. (Coastal), the holding company for Coastal Community Bank (Bank), today reports 2014 Q4 net income of \$703,000 as strong loan and deposit growth continues. Bank success fuels expansion plans in Snohomish County.

CEO and President Eric Sprink stated, “As we pause to review our results for 2014, there are many accomplishments to be proud of, both in financial results and community support and recognition. Our bankers are focused on helping their clients and their communities. It is cause for celebration to see their hard work has paid off in every single area; our bank and its neighborhoods are stronger as a result.”

2014 Highlights:

- **Net income** increased 15% to \$2.3 million compared to \$2.0 million in 2013.
- **4th Quarter net income** increased 15% to \$703,000 compared to \$609,000 for the same period in 2013.
- **Total assets** grew 27% to \$546.5 million compared to \$428.9 million on December 31, 2013.
- **Net loans** grew 20% to \$425.6 million compared to \$355.0 million on December 31, 2013.
- **Total deposits** grew 28% to \$472.2 million compared to \$370.1 million on December 31, 2013.
- **Non-interest bearing deposits** grew 23% to \$138.9 million compared to \$113.3 million on December 31, 2013. They represent almost 30% of our total deposit base.

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- **Capital ratios** continued to substantially exceed regulatory requirements for a well-capitalized financial institution, with total risk based capital at 13.59%, well above the 10% well-capitalized regulatory requirement. \$12 million of capital was raised in 2014.
- **New Account Openings** reached record levels with close to 4,000 new checking and savings accounts opened in 2014.
- **Employee Volunteer Hours** reach highest levels, surpassing 9700 volunteer hours in 2014.

“Safely growing our bank to \$500 million in assets is a significant milestone,” adds Sprink. “This has only been possible because of the strong customer relationships our bankers develop. We continue to carefully and thoughtfully focus on building a sustainable bank that our shareholders, staff, and customers can be proud of.”

In support of this growth and ongoing demand, the bank opened its 11th branch at 5415 Evergreen Way in early January with more expansion planned in 2015. At a time when larger banks are shrinking their branch footprint in Snohomish County, Coastal reconfirms its commitment by increasing its investment in local neighborhoods. The Evergreen Way building will also serve as a new company headquarters, housing all administrative and support departments while offering leasable business space on the first floor to other community businesses.

More information on the bank and its products and services can be viewed online at 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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