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Coastal Financial Corporation Reports Third Quarter 2015 Earnings

EVERETT, Wash. – Coastal Financial Corp. (Coastal), the holding company for Coastal Community Bank (Bank) announced today their third quarter earnings, noting that the Bank's total assets reached an all-time high of \$604.2 million. President and CEO, Eric Sprink said "With year-to-date net income growing to \$2.5 million, compared to \$1.6 million for the same period in 2014; the bank continues to flourish. Coastal's assets have grown 20.8% annually over the past four years, and we continue to grow our business carefully through strong customer relationships."

Second Quarter Highlights:

- **3rd Quarter net income** increased 58% to \$832,000 compared to \$526,000 for the same period in 2014.
- **Year-to-date income** of \$2.5 million represents a 49% increase over the same period in 2014.
- **Total assets** grew an annualized 14% to \$604.2 million compared to \$546.5 million at December 31, 2014.
- **Total deposits** grew an annualized 15% to \$525.7 million compared to \$472.2 million at December 31, 2014.
- **Non-interest bearing deposits** grew an annualized 30% to \$170.3 million compared to \$138.9 million at December 31, 2014.
- **Net loans** are up 14% year over year to \$470.2 million.
- **Capital ratios** continued to substantially exceed regulatory requirements with total risk based capital at 12.22%, above the 10% well-capitalized regulatory requirement.

Added Sprink, "Our Marysville branch opened in early August and is experiencing a great response as both existing and new customers open accounts. This builds on the success enjoyed by the Evergreen Way branch which opened in January. Additionally, during the third quarter the bank overall continued to enjoy significant increases in core deposits reaching another new high of \$430.3 million or 82% of total deposits. The deposits in these accounts all represent solid relationships that our staff has built with clients, adding significant value to the balance sheet."

In late September, the FDIC published its Summary of Deposit Reports, which details deposits in bank branches as of June 30th each year. Coastal's deposits in Snohomish County grew 20% from June 30, 2014 to June 30, 2015, solidifying their #1 position for community banks headquartered in the County and making it the 7th largest bank by deposits (see enclosed chart).

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.

Coastal Financial Corporation notes that some statements in this release look forward in time, and involve risks and uncertainties that may affect the company's actual results of operations. Certain statements in this release 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.

FDIC Summary of Deposits
6/30/2015



COASTAL
COMMUNITY BANK

State:	County:				
WASHINGTON	SNOHOMISH				
	Inside of				
	Market				

Institution Name	Deposits	Market		Market	% Change
	\$0	Share %	2015	Share	2014 to
			Rank	2014	2015

Bank of America, National Association	1,947,674	20.17%	1	19.90%	0.27%
JPMorgan Chase Bank, National Association	1,345,813	13.93%	2	13.80%	0.13%
Wells Fargo Bank, National Association	1,223,351	12.67%	3	12.00%	0.67%
MUFG Union Bank, National Association	637,162	6.60%	4	7.52%	-0.92%
U.S. Bank National Association	600,613	6.22%	5	5.86%	0.36%
Opus Bank	514,869	5.33%	6	5.31%	0.02%
Coastal Community Bank	459,923	4.76%	7	4.31%	0.45%
KeyBank National Association	434,360	4.50%	8	4.88%	-0.38%
Heritage Bank	432,699	4.48%	9	5.12%	-0.64%
Washington Federal, National Association	396,958	4.11%	10	4.61%	-0.50%
1st Security Bank of Washington	271,044	2.81%	11	2.06%	0.75%
Banner Bank	159,206	1.65%	12	1.65%	0.00%
Pacific Crest Savings Bank	152,585	1.58%	13	1.44%	0.14%
BBCN Bank	137,129	1.42%	14	1.49%	-0.07%
Umpqua Bank	125,984	1.30%	15	1.60%	-0.30%
Mountain Pacific Bank	125,233	1.30%	16	1.36%	-0.06%
HomeStreet Bank	120,611	1.25%	17	1.21%	0.04%
The Bank of Washington	116,308	1.20%	18	1.11%	0.09%
Peoples Bank	94,284	0.98%	19	0.81%	0.17%
Columbia State Bank	89,288	0.92%	20	0.89%	0.03%
UniBank	89,070	0.92%	21	0.94%	-0.02%
Prime Pacific Bank, National Association	87,459	0.91%	22	1.03%	-0.12%
Skagit Bank	39,327	0.41%	23	0.44%	-0.03%
Sound Community Bank	35,286	0.37%	24	0.36%	0.01%
AmericanWest Bank	21,811	0.23%	25	0.32%	-0.09%

Number of Institutions in the Market: 25	9,658,047				
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Source: FDIC.gov Annual Summary of Deposits