



COASTAL
COMMUNITY BANK

**Community Reinvestment Act
Strategic Plan
2026 - 2028**

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SECTION I. INTRODUCTION

A. Bank Overview

Headquartered in Everett, Coastal Community Bank (Coastal or CCB) is a Washington-based financial institution that has been serving customers since 1997. It operates as a subsidiary of Coastal Financial Corporation, a bank holding company also headquartered in Everett. With 14 full-service branches across Snohomish (12), Island (1), and King (1) counties, the Bank provides a full range of banking services to individuals, small- and medium-sized businesses, and professionals throughout the Greater Puget Sound area. CCB is a member of the Federal Reserve System (FRS) with deposits insured by the Federal Deposit Insurance Corporation (FDIC) and is listed on the Nasdaq under the stock symbol CCB.

Coastal emphasizes relationship-based banking, focusing on trust and personalized service. The Bank supports local businesses and non-profits through donations and volunteer programs. Furthermore, Coastal prides itself on being “un-bankey,” meaning it prioritizes customer needs over traditional banking norms.

Important Coastal features and offerings include the following:

- **Business Banking:** Coastal Community Bank offers business checking accounts, savings accounts, certificates of deposit, and money market accounts. It also provides commercial loans, Small Business Administrative (SBA) loans (504 and 7a), lines of credit, and treasury management solutions.
- **Personal Banking:** Consumer products include personal checking accounts, savings accounts, certificates of deposit, individual retirement accounts, and home loans.
- **Banking-as-a-Service (BaaS):** Through its CCBX division, the Bank partners with broker dealers and digital financial service providers (collectively referred to as Fintech partners) to offer banking services, including both home mortgage and small business lending, nationwide.
- **Technology and Accessibility:** Coastal Community Bank provides online and mobile banking, allowing customers to manage their accounts, pay bills, and access statements securely.

CCB has experienced growth in several key financials. Financial data from year-end (YE) 2023 and 2024 Call Reports, as well as the latest data from the June 30, 2025 Call Report, are provided below.

Key Financial Data (\$000)				
Financial	12/31/2023	12/31/2024	% Change	06/30/2025
Total Assets	3,749,496	4,118,001	9.83	4,477,147
Total Deposits	3,365,879	363,315	7.94	3,957,575
Total Securities	150,364	47,321	(68.53)	45,577
Total Loans	3,026,092	3,507,165	15.90	3,600,804
Total Equity Capital	333,406	436,126	30.81	462,376
Net Interest Income	241,371	268,549	11.26	153,726
Total Revenue	448,023	581,998	29.90	260,205
Net Income	47,108	48,035	1.97	22,094

Source: Call Reports

Coastal’s loan portfolio is comprised mostly of commercial lending (commercial real estate and commercial industrial loans), ranging from 33.56 percent to 40.47 percent, and consumer lending, ranging from 23.07 percent to 35.19 percent. Following close behind is residential lending (one- to four-family and multifamily), ranging from 22.14 percent to 27.52 percent. The composition of the loan portfolio is provided below.

Loan Portfolio Composition						
Loan Type	12/31/2023		12/31/2024		06/30/2025	
	\$000	% of Total Loans	\$000	% of Total Loans	\$000	% of Total Loans
Construction & Land Development	157,094	5.19	148,198	4.23	194,150	5.39
Farmland	11,043	0.36	10,453	0.30	12,422	0.34
1-4 Family Residential	463,426	15.31	469,771	13.39	433,630	12.04
Multifamily Residential	369,493	12.21	411,990	11.75	363,697	10.10
Non-Farm, Non-Residential	923,004	30.50	952,358	27.15	934,763	25.96
Total Real Estate Loans	1,924,060	63.58	1,992,770	56.82	1,938,662	53.84
Agricultural	136	0.00	73	0.00	39	0.00
Commercial and Industrial	242,488	8.01	224,606	6.40	319,736	8.88
Consumer	815,186	26.94	1,208,772	34.47	1,267,080	35.19
Other	51,522	1.70	87,398	2.49	81,838	2.27
Less: Unearned Income	(7,300)	(0.24)	(6,454)	(0.18)	(6,551)	(0.18)
Total Loans	3,026,092	100.00	3,507,165	100.00	3,600,804	100.00

Source: Call Reports

B. Branch Network

As previously stated, the Bank’s branch network consists of 14 full-service banking locations in the Washington counties of Snohomish (12), Island (1), and King (1). Each office is equipped with drive-through facilities and automated teller machines (ATMs). Additionally, CCB maintains a stand-alone ATM in Snohomish County. The table below displays the office/ATM locations along with the county and census tract category in which they are located.

Office Locations		
County	Location	Census Tract Category
Full-Service Offices		
Snohomish	Evergreen Way Everett*	Middle
	Downtown Everett	Middle
	Silver Lake Everett	Moderate
	Edmonds	Middle
	Monroe	Upper
	Snohomish	Moderate
	Smokey Point	Middle
	Marysville	Low
	Stanwood	Middle
	Arlington	Middle
	Darrington	Moderate
	Sultan	Moderate
King	Woodinville	Middle
Island	Camano Island	Upper

Office Locations		
County	Location	Census Tract Category
Stand-Alone ATM		
Snohomish	Gold Bar	Moderate

Sources: Bank Records, 2025 FFIEC Geocoding; *Headquarters, includes administrative offices

As shown above, one office is located in a low-income tract and four offices and the stand-alone ATM are located in moderate-income tracts. While the other nine offices are located in a middle- or upper-income census tracts, five are bordered and/or in close proximity to moderate-income census tracts.

The Bank currently does not have plans to expand or reduce its branch infrastructure. The existing branch network continues to meet the needs of our customers and aligns with our strategic objectives.

C. Strategic Plan Election

Coastal Community Bank has elected to pursue the Community Reinvestment Act (CRA) Strategic Plan option to fulfill its obligations under the CRA for several compelling reasons. This decision reflects our commitment to proactively and effectively address the unique credit needs of the communities we serve while ensuring compliance with regulatory requirements.

The CRA Strategic Plan option allows Coastal to tailor its community reinvestment efforts to the specific needs of its assessment area. By adopting this framework, we aim to:

- *Align our efforts with community priorities:* The Strategic Plan enables us to focus on key economic and social drivers within the local community, ensuring that our initiatives directly address the most pressing challenges.
- *Enhance accountability and transparency:* The Plan sets measurable and time-bound goals, allowing both the Bank and the community to evaluate progress and impact effectively.
- *Maximize flexibility and innovation:* The Strategic Plan option provides the flexibility to create innovative solutions tailored to local needs, which is especially important for the diverse and evolving demographics within our assessment area.

The traditional CRA large institution examination evaluates performance based on three tests: the Lending Test (50 percent weight), the Investment Test (25 percent weight), and the Service Test (25 percent weight). While this method ensures consistency, it poses specific challenges for our Bank as the most weight is attributed to the Lending Test. Given that the vast majority of our CRA- and HMDA¹-reportable loans, particularly CCBX-originated loans, are located outside our assessment area, our Assessment Area Concentration performance metrics could adversely affect our overall CRA rating.

To achieve a satisfactory rating under the CRA large institution examination, Coastal would be required to meet internal assessment area lending thresholds that are misaligned with our current business model, and thus, the geographic distribution of our loan portfolio.

¹ Home Mortgage Disclosure Act

The CRA Strategic Plan option offers several advantages that address challenges inherent in the traditional examination framework:

- *Customizable benchmarks:* The Strategic Plan allows the Bank to define specific performance metrics that align with the community's needs and our operational strengths.
- *Focused community impact:* By prioritizing initiatives with measurable outcomes in housing, small business lending, and financial education, we can ensure that our resources are utilized efficiently and effectively to improve local conditions.
- *Proactive collaboration:* Developing the CRA Strategic Plan involves direct engagement with community stakeholders, fostering partnerships, and building trust within the region.

Coastal is deeply committed to promoting economic growth and social equity within its assessment area. By electing the CRA Strategic Plan option, we demonstrate our dedication to:

- Providing fair and affordable access to credit, especially for underserved populations.
- Investing in community development (CD) projects that support housing, infrastructure, and job creation.
- Delivering meaningful service through financial literacy programs and accessible banking solutions.

The CRA Strategic Plan option provides Coastal with the opportunity to shape a focused and impactful approach to community reinvestment. This path aligns with our values, operational priorities, and the needs of the communities we serve. By adopting this strategy, we aim to achieve meaningful and measurable outcomes that benefit our community while fulfilling our CRA obligations.

SECTION II. THE BANK'S COMMITMENT TO CRA

CCB's Board of Directors (Board) and Executive Management team fully recognize and appreciate the importance of CRA. We are committed to serving the credit needs of all members of the communities, including those residing in low- and moderate-income (LMI) neighborhoods, consistent with safe and sound operations. It is the policy of Coastal to make credit available to all qualified applicants. To accomplish this, the Bank complies with both the spirit and letter of all federal and state fair lending laws and regulations governing activities of the Bank. These laws include the Fair Housing Act, the Equal Credit Opportunity Act (ECOA), and its implementation of Regulation B, as well as laws, which are closely related and serve the same goal including the CRA and the Home Mortgage Disclosure Act (HMDA).

Previously, CCB did not have an established CRA Committee; however, the Bank formally launched the CRA & Fair Lending Committee in Q2 2025, which will now be responsible for overseeing the implementation and monitoring of CRA Strategic Plan objectives. The Board of Directors and Executive Management are regularly informed of CRA performance and initiatives through scheduled Board meetings and quarterly Committee meetings. CRA reporting encompasses updates on the Bank's internal lending, investment, donation, and service goals, addresses any issues related to CRA performance, and outlines proposed products or programs designed to strengthen the Bank's CRA program.

The Board provides oversight of the Bank’s CRA Program, including, but not limited to, the CRA Policy, community development and involvement, and compliance with technical requirements (e.g., data integrity).

The Board will receive written progress reports from the Bank’s CRA Officer regarding the Bank’s performance and monitoring of its lending, investments, and service goals relating to the Plan. The Board will be notified annually regarding the Bank’s measurable results relative to the CRA Strategic Plan commitments.

To effectively execute the CRA Strategic Plan, the Bank will take steps to further elevate and strengthen CRA visibility, support, and resources throughout the Bank. In addition, we are:

- Improving lending strategies and reporting methods which will effectively support CRA Strategic Plan objectives;
- Increasing levels of qualified investments and CD grants;
- Communicating service expectations to all employees;
- Developing new CRA performance reports for the Board and Executive Management; and
- Expanding CRA and CD training and resources for all appropriate levels of bank personnel.

All bank personnel will be encouraged to support and assist in the execution of the CRA Strategic Plan. Specific importance will be placed on the contributions of the lending staff, branch management, community engagement and finance, especially with respect to the Bank’s small business, HMDA, and CD lending; qualified investments; and CD service activities.

The following table summarizes CCB’s CRA Program Governance by role and responsibilities.

CRA Program Governance	
Roles	Responsibilities
Board of Directors (or Board designated committee)	Maintain oversight of the Bank’s CRA Program, regulations, regulatory guidance, and CRA-related policies.
	Require, as necessary, internal CRA Action Plan goals to be reviewed and updated to reflect any future regulatory changes, branch closures, branch openings, mergers, acquisitions, or other relevant changes.
	Review reports and program updates at least quarterly.
Chief Risk Officer (CRO)	Meet periodically with the CRA Officer to review the Bank’s CRA performance and progress in meeting the internal CRA Plan goals and the CRA Strategic Plan goals.
	Escalate issues or concerns to the Board or a committee of the Board as appropriate.
	Assess and ensure appropriate resources and staffing are made available to manage CRA compliance.
CRA Officer	Responsible for managing the CRA Program to ensure the Bank’s adherence to applicable laws and regulations.
	Chair the CRA & Fair Lending Committee
	Monitor, review, and update the Bank’s internal CRA Plan goals and CRA Strategic Plan goals on an annual basis.
	Participate in bank-wide committees, providing CRA performance metrics, assessing the effectiveness of the Bank’s CRA Program, and monitoring the Bank’s progress in meeting established goals.

CRA Program Governance	
Roles	Responsibilities
	Conduct and report on CRA Self-Assessment in advance of regulatory performance evaluations.
	Develop appropriate forms and documents to report CRA activities relating to lending, investments, and CD outreach efforts.
	Assist management in developing appropriate strategies, products, and services to support the achievement of the internal CRA Plan goals and CRA Strategic Plan goals.
	Work with bank managers to ensure effective and complete identification and documentation of CRA activities.
Lines of Business and Control Functions (includes CCB, CCBX and Strategic Partners)	Support and adhere to lending, investment, and service effort goals established in the Bank’s internal CRA Action Plan and CRA Strategic Plan.
	Understand the impacts of applicable laws, rules, and regulations, and how they relate to businesses activities
	Develop and maintain procedures and other effective controls which adhere to CRA-related policies.
Second Lines of Defense	Perform applicable compliance monitoring and testing.
	Report results to the CRA Officer.
Internal Audit	Report independent audit results to the Board of Directors (or committee of the Board).

SECTION III. THE BANK’S ASSESSMENT AREA

In accordance with 12 C.F.R. § 228.41, Coastal Community Bank has designated two assessment areas in which it intends to help meet the area’s credit needs.

King-Snohomish Assessment Area – This assessment area consists of King County which comprises the Seattle-Bellevue-Kent, WA Metropolitan Division (MD) 42644, and Snohomish County which comprises the Everett, WA MD 21794. Both MDs are part of the larger Seattle-Tacoma-Bellevue, WA Metropolitan Statistical Area (MSA) 42660.

Island Assessment Area consists of Island County which is located in a non-MSA.

These defined assessment areas (shown on the following map) meet the technical requirements of the regulations, as they include whole geographies, do not reflect illegal discrimination, and do not arbitrarily exclude LMI areas.



For the purposes of this Strategic Plan, the two assessment areas were combined. Section V of this Plan includes detailed demographic, housing, and economic data for the combined assessment area.

SECTION IV. PUBLIC PARTICIPATION

Coastal Community Bank has undertaken efforts to assess the credit and other needs of the assessment areas and to seek public participation in the development of this CRA Strategic Plan. Federal Reserve Board (Federal Reserve or FRB) regulations governing public participation fall into two categories: (1) the informal seeking of public participation in the development of the proposed strategic plan, and (2) the formal solicitation of public comment by publication in a newspaper of general circulation in the assessment areas. The Bank has complied fully with both sets of requirements as detailed below.

A. Public Participation and Informal Suggestions

In preparation for this Plan, Coastal Community Bank informally sought input and suggestions from local community organizations (community contacts) serving the assessment area communities. Additionally, research was conducted to further learn of the needs and opportunities that exist within the assessment area counties. This research included recent Housing and Urban Development's (HUD) Consolidated Plans,² Community Health Needs Assessments,³ and Regulatory CRA Performance Evaluations.

² Consolidated Plans are designed to help states and local jurisdictions assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions. The consolidated planning process serves as the framework for a community-wide dialogue to identify housing and community development priorities.

³ Community Health Needs Assessments are conducted ever 3-5 years to better understand the community's health needs, top health priorities, inequities, strengths, design programs, support local community-based organizations, and advocate for funding to address those needs to improve public health.

Community Contacts

The following 11 organizations were surveyed to gain direct insight into the assessment area’s needs and opportunities.

Community Contact Organizations		
Organization	Location	Service Area
Cocoon House	Everett, WA	Snohomish County
Downtown Everett Association	Everett, WA	Downtown Everett, WA
Habitat For Humanity of Snohomish County	Lynnwood, WA	Snohomish County
Homes and Hope Community Land Trust	Lynnwood, WA	Snohomish County
Housing Authority Snohomish County	Everett, WA	Snohomish County
Housing Consortium of Everett and Snohomish County	Everett, WA	Snohomish County
Local Initiatives Support Corporation Puget Sound	Seattle, WA	Washington State
Stanwood-Camano Area Foundation	Stanwood, WA	Stanwood (Snohomish County) Camano Island (Island County)
The Village on Casino Road	Everett, WA	Casino Road neighborhood in South Everett
Volunteers of America Western Washington	Everett, WA	Washington State, primarily North Puget Sound Region
Workforce Snohomish	Everett, WA	Snohomish County

The contacts identified the following as the most pressing needs:

- Affordable Housing
- Housing Rehabilitation
- Job Creation / Workforce Development
- Bilingual Services
- Financial Literacy
- Services for Elderly

Affordable housing was the most frequently cited need among those listed above. The following excerpts from the organizations offer valuable perspectives into the housing issues affecting the assessment area.

- *Our housing crisis continues to reach critical levels as increasing demand and constrained supply of housing units have caused home prices and rents to skyrocket in recent years. Home prices in our region have far outpaced the growth in household income pushing homeownership out of reach, exacerbating housing instability and pushing more of our neighbors into homelessness.*
- *Snohomish County has a rapidly growing and expanding economy, with numerous high-tech and living-wage jobs being created. The crunch is increasing housing costs and the resulting financial pain that households are experiencing. We need more “doors,” and the existing ones that aren’t safe, need to be repaired. Especially among seniors and rural households!*
- *Washington State is experiencing a deep and growing housing crisis. The state must build more than 1.1 million new homes by 2044, with at least half affordable to low- and moderate-income households. The greatest need is in the Puget Sound region, where land is scarce, costs have skyrocketed, and production timelines have slowed dramatically.*

These pressures are squeezing out renters and prospective homeowners, especially in communities that have been historically underinvested.

- *Snohomish County’s economic growth is strong, but housing affordability has become a significant threat to the area’s equitable prosperity and opportunity. Median incomes are rising, unemployment remains low, and job creation is steady, yet home prices and rents continue to climb beyond the reach of many working families. Data from the Puget Sound Regional Council (PSRC) and the Economic Alliance of Snohomish County (EASC) confirm a critical gap in affordable housing, especially for low-income households, older adults, and historically underserved communities.*

Other economic-related insights include the following:

- *People with low-incomes (disabled, elderly and low skill workers) struggle substantially with affordability of basic needs.*
- *[The] economic divide is especially pronounced in rural communities and among populations navigating systemic barriers. High housing and transportation costs, limited access to childcare and healthcare, and the “benefits cliff” all restrict upward mobility for families trying to build more secure futures.*
- *Many residents continue to work, but earn wages insufficient to meet the high and ever-rising cost of living in our region. Many working households still need to rely on Medicaid, food assistance, utility subsidies, and other financial supports, underscoring the widening gap between high-income earners and the thousands of working families still struggling to cover basic needs.*
- *It is hard to find employment within our community and businesses often struggle to find success.*

The contacts also identified the following opportunities for financial institutions to support the area:

- In-Kind Support
- Board Participation
- Investments
- Loans
- Technical Assistance

Consolidated Plans

Reviews of the [King County Consolidated Plan: 2020-2024](#) and [Snohomish County Consolidated Plan: 2020-2024](#) identified similar needs and opportunities among the two counties, as shown in the table below.⁴ Several of the housing-related needs are echoed in Section V (Performance Context) of this Strategic Plan.

⁴ A Consolidated Plan for Island County was not available.

Consolidated Plans – Identified Needs and Opportunities		
Identified Need	King County	Snohomish County
Housing		
Affordable Housing (rental and homeownership)	X	X
Housing Rehabilitation (rental and owner-occupied)	X	X
Rental Assistance	X	X
Fair Housing Activities	X	X
Community Development		
Public infrastructure and facilities improvements		X
Public services support for homeless/low-income/special needs residents	X	X
Public Transportation	X	X
Economic Development	X	X
Job Skill Training	X	X
Homeless, Elderly, and Disabled Populations		
Homeless Outreach and Services	X	X
Emergency Shelters		X
Transitional Housing	X	X
Rapid Rehousing Assistance	X	X
Permanent Housing with Support	X	X
Homelessness Prevention	X	X
Adult Care Homes		X
Food Security	X	

Sources: HUD Consolidated Plans for King and Snohomish counties

Community Health Needs Assessments

The [Island County Community Health Assessment: 2024](#), [King County Community Health Needs Assessment: 2024/2025](#), and [Snohomish County Community Health Assessment: 2022](#) were also considered by the Bank which identified the following needs and opportunities.

Community Health Needs Assessments – Identified Needs and Opportunities			
Identified Need	Island County	King County	Snohomish County
Housing			
Affordable and Safe Housing	X	X	X
Rent and Utility Assistance		X	
Healthcare			
Access, Affordability, and Delivery	X	X	X
Mental Health	X	X	X
Senior Health	X		
Dental Health			X
Prenatal Care		X	X
Food Insecurity and Access			
Food banks and meal programs	X	X	X
Agriculture and Gardening Support		X	
Low-cost or free meal delivery options		X	
Equity and Social Determinants of Health			
Poverty and Economic Insecurity		X	X
Access to employment		X	
Language Access	X	X	X

Community Health Needs Assessments – Identified Needs and Opportunities			
Identified Need	Island County	King County	Snohomish County
Discrimination		X	
Support for Children and Youth			
Affordable Childcare	X	X	X
Funding for early learning programs		X	
Free meals for all students in school		X	

Sources: Community Health Need Assessments for Island, King, and Snohomish counties

CRA Performance Evaluations

Four recent CRA Performance Evaluation of institutions operating within Coastal Community Bank’s assessment area were also reviewed. These reviews, all conducted by the FDIC, included:

- [1st Security Bank of Washington](#)
- [Banner Bank](#)
- [Seattle Bank](#)
- [Timberland Bank](#)

The identified needs and opportunities are summarized below.

CRA Performance Evaluations – Identified Needs and Opportunities				
Identified Need	1 st Security Bank of WA	Banner Bank	Seattle Bank	Timberland Bank
<i>Assessment Area County(s)</i>	<i>King & Snohomish</i>	<i>King & Snohomish</i>	<i>King & Snohomish</i>	<i>King</i>
Needs				
Affordable Housing	X	X	X	X
Housing Counseling			X	
Grants and Grant Writing Assistance			X	
Financial Literacy		X	X	
Alternative Financing for Small Business			X	
CD Participation/Loans		X		X
Small Business Lending		X		
Start-Up Financing		X		
Flexible Financing Programs				X
Community Services/Outreach				X
Housing Rehabilitation	X			
Social Services	X			

Sources: FDIC CRA Performance Evaluations

Coastal Community Bank is committed to helping the assessment area communities meet these identified needs and participate in opportunities through CD loans, donations, and/or service opportunities, when possible and in alignment with its business strategy, objectives, and product offerings.

B. Formal Public Comment Process

The Bank solicited formal public comments on its Strategic Plan by publishing notice in at least one newspaper of general circulation in the assessment area, as required by 12 C.F.R. §228.27(d)(2).

The notice, shown below, was published on October 3, 2025 in *The Seattle Times* newspaper.

**Notice of Community Reinvestment Act
(CRA) Strategic Plan**

Under the Community Reinvestment Act (CRA), any bank that intends to adopt a CRA Strategic Plan must announce the plan and invite written public feedback for at least 30 days. Accordingly, Coastal Community Bank, ("Coastal Bank" or "Coastal") hereby notifies the public of its intent to submit its CRA Strategic Plan to the Federal Reserve Bank (FRB).

Written comments from the public are encouraged. To obtain a copy of the draft plan at no cost, individuals may request it from the CRA Officer using the contact methods below. The comment period closes November 3, 2025, after which the plan will be submitted to the FRB for approval. Coastal will carefully review every comment and may incorporate suggestions at its discretion. Please share your written comments on our plan or contact us with any questions here:

Coastal Community Bank
Attention: Cinnamon Chambers,
SVP CRA Officer
PO Box 12220, Everett WA 98206
Phone: 425-349-9295
Email:
CRApubliccomments@coastalbank.com

The 30-day public comment period closed on November 3, 2025. No comments were received from the public on the proposed Plan.

SECTION V. THE BANK'S CRA PERFORMANCE CONTEXT

The FRB applies the various CRA tests and standards in the context of seven factors collectively referred to as a bank's CRA "performance context." The FRB also considers whether to approve a proposed strategic plan within those same "performance context" factors (12 C.F.R. §228.21(b)). While the Bank's CRA performance context elements are discussed throughout this Strategic Plan, a summary of the factors outlined in 12 C.F.R. §228.21(b)(1) - (7) is provided below.

As previously stated, the assessment area consists of the counties of Island, King, and Snohomish in Washington State. Island County is located in a non-MSA, King County composes the Seattle-Bellevue-Kent, WA MD 42644, and Snohomish County composes the Everett, WA MD 21794. Combined, these counties cover 4,411 square miles in the western portion of the State. Profiles or "County Spotlights" of the individual counties from the [Washington State Association of Counties](#) (WSAC) are provided below.

- Island County encompasses Camano and Whidbey Islands as well as several small uninhabited islands. Coupeville, located on Whidbey Island, is the historical county seat, while Oak Harbor is the county's largest town and hosts the county's primary employer, the United State Naval Air Station. Due to its proximity to the robust job market located in Seattle and its surrounding cities, many residents of Island County commute to jobs outside of the county by ferry. Almost all of the county's economic activity is related to the Navy, while previously prominent industries like fishing remain popular tourist and leisure activities. Many residents of Island County are retirees or part-time residents, leading to the emergence of real estate as a growing industry within the County.

- King County is the most populous county and has the most active economy within Washington State. The County hosts a variety of industries, including professional and business services, government, health services, leisure, hospitality, manufacturing, and education. Seattle, the County’s largest city and its seat, is the center of most of King County’s commerce and attracts a wide variety of residents. Seattle is home to some of the State’s most recognizable landmarks, including the Space Needle and Pike Place Market, attracting both in-state and international visitors year round. Some of the State’s most successful businesses are also located in the County including Starbucks, Amazon, Microsoft, Boeing, and Google. The flourishing tech industry has resulted in an influx of young people to the area, contributing to a diverse and vibrant city culture.
- Snohomish County is one of the fastest-growing counties in Washington. The County is a booming hub for the State’s largest manufacturing and technology industries. As home for Boeing’s largest part manufacturing plant, Snohomish County has seen immense growth in the past few decades as the aerospace industry has attracted people to the Puget Sound. Everett, the county seat and one of the State’s largest cities, has quickly become a commuter community closely connected to Seattle and continues to grow as the County expands. Snohomish County features a wide variety of recreational activities. The County hosts three federally recognized Native American tribes: the Stillaguamish, the Sauk-Suiattle, and the Tulalip.

A. Demographic Data

Demographic data for the assessment area, including population, census tracts, households, families, housing units, businesses, and farms, is detailed below. Data on housing affordability, unemployment, and other economic indicators are also provided.

Population and Census Tracts: According to the United States Census’ 2020 American Community Survey (ACS), the assessment area has a population of approximately 3.2 million people and contains 694 census tracts of which 25.21 percent are designated as low- and moderate-income.

Population and Census Tracts				
Income Category	Population		Census Tracts	
	#	% Col	#	% Col
Low	169,036	5.31	37	5.33
Moderate	657,666	20.65	138	19.88
Middle	1,335,594	41.94	286	41.21
Upper	975,726	30.64	216	31.12
Unknown	46,467	1.46	17	2.45
Totals	3,184,489	100.00	694	100.00

Source: 2020 ACS US Census

A listing of the assessment area’s census tracts can be found in Appendix.

Households and Families: There are approximately 1.2 million households in the assessment area, of which 25.04 percent are located in LMI census tracts. Based on household income, 39.84 percent earn income levels classified as LMI and 7.85 percent earn incomes below the poverty level.

Household Demographics								
Income Category	by Tract Income		by Household Income		Below Poverty Level		Receiving Public Assistance	
	#	% Col	#	% Col	#	% Row	#	% Row
Low	67,065	5.43	286,245	23.19	11,779	17.56	3,069	4.58
Moderate	242,000	19.61	205,475	16.65	25,804	10.66	10,531	4.35
Middle	521,572	42.26	226,015	18.31	38,260	7.34	12,079	2.32
Upper	383,766	31.09	516,467	41.85	17,929	4.67	6,388	1.66
Unknown	19,799	1.60	NA	NA	3,055	15.43	357	1.80
Totals	1,234,202	100.00	1,234,202	100.00	96,827	7.85	32,424	2.63

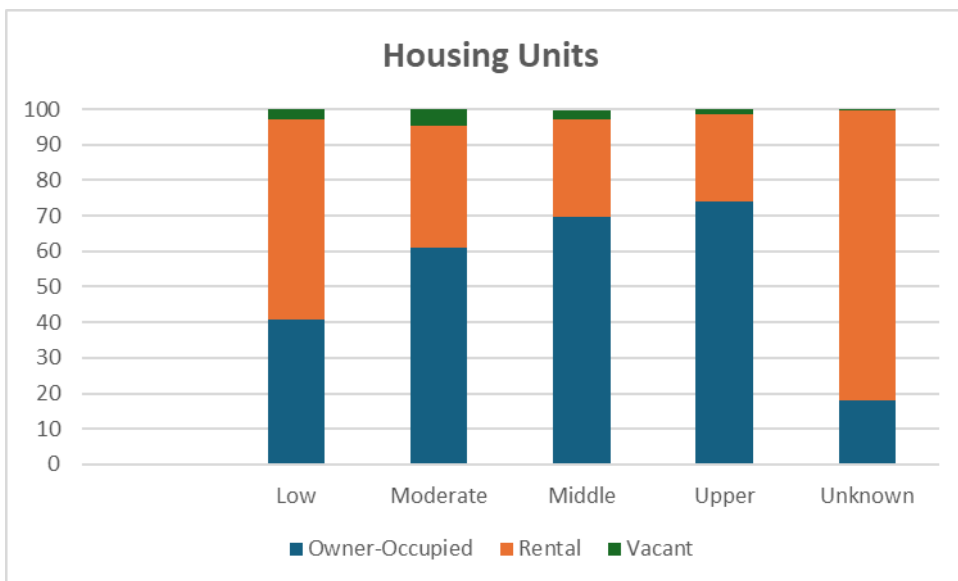
Source: 2020 ACS US Census

Of the total households, 765,513 are classified as families, 38.40 percent of which are considered LMI and 5.01 percent earn incomes below the poverty level.

Family Demographics						
Income Category	by Tract Income		by Family Income		Below Poverty Level	
	#	% Col	#	% Col	#	% Row
Low	35,465	4.63	157,081	20.52	6,044	17.04
Moderate	148,452	19.39	136,905	17.88	11,961	8.06
Middle	325,897	42.57	164,765	21.52	14,017	4.30
Upper	251,412	32.84	306,762	40.07	5,881	2.34
Unknown	4,287	0.56	NA	NA	411	9.59
Totals	765,513	100.00	765,513	100.00	38,314	5.01

Source: 2020 ACS US Census

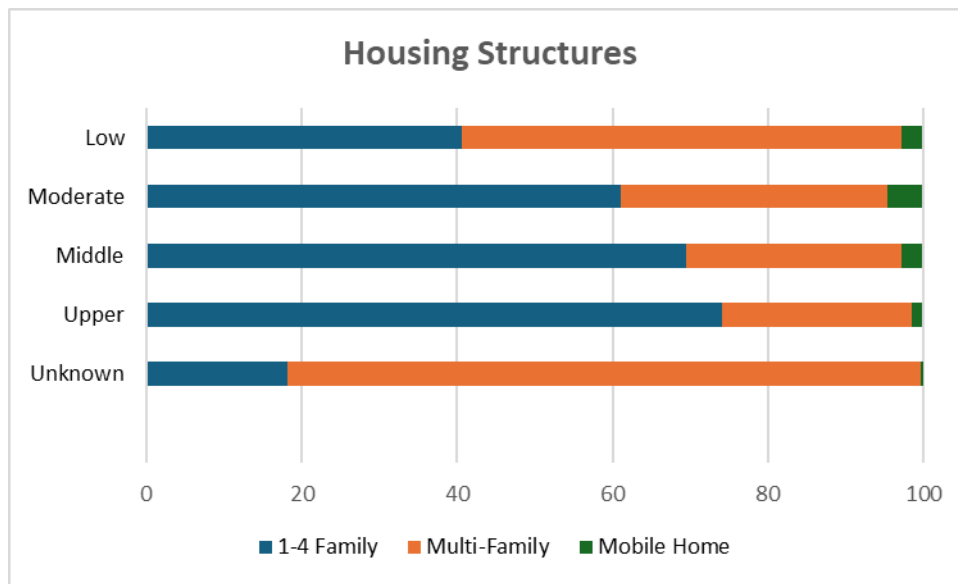
Housing Units: The assessment area contains approximately 1.3 million housing units of which 56.30 percent are owner-occupied units, 38.01 percent are rental units, and 5.69 percent are vacant units. Within the low-income census tracts, the majority of the housing units are rental, while housing units in the moderate-income tracts are almost evenly distributed among owner-occupied and rental.



Housing Units										
Income Category	Total Units	Owner-Occupied Units			Rental Units			Vacant Units		
	#	#	% Col	% Row	#	% Col	% Row	#	% Col	% Row
Low	71,160	20,817	2.83	29.25	46,248	9.30	64.99	4,095	5.50	5.75
Moderate	255,783	122,652	16.65	47.95	119,348	23.99	46.66	13,783	18.50	5.39
Middle	552,297	327,485	44.45	59.30	194,087	39.02	35.14	30,725	41.24	5.56
Upper	408,207	262,331	35.60	64.26	121,435	24.41	29.75	24,441	32.81	5.99
Unknown	21,257	3,508	0.48	16.50	16,291	3.28	76.64	1,458	1.96	6.86
Totals	1,308,704	736,793	100.00	56.30	497,409	100.00	38.01	74,502	100.00	5.69

Source: 2020 ACS US Census

Additional demographic information shows 66.90 percent of the housing units are one- to four-family (1-4) units, 30.39 percent are multifamily units, and 2.60 percent are mobile homes. Within the low-income tracts, multifamily properties at 56.59 percent account for the majority of the housing units.



Housing Structures*										
Income Category	Total Units	1-4 Family			Multi-Family			Mobile Home		
	#	#	% Col	% Row	#	% Col	% Row	#	% Col	% Row
Low	71,160	28,906	3.30	40.62	40,271	10.12	56.59	1,907	5.61	2.68
Moderate	255,783	156,011	17.82	60.99	87,947	22.11	34.38	11,619	34.16	4.54
Middle	552,297	384,130	43.88	69.55	152,564	38.36	27.62	14,824	43.58	2.68
Upper	408,207	302,594	34.56	74.13	99,622	25.05	24.40	5,600	16.46	1.37
Unknown	21,257	3,854	0.44	18.13	17,341	4.36	81.58	62	0.18	0.29
Totals	1,308,704	875,495	100.00	66.90	397,745	100.00	30.39	34,012	100.00	2.60

Source: 2020 ACS US Census; *excludes "other" housing units

Housing and Affordability: Below are the [FFIEC's 2024 estimated median family income \(MFI\)](#) for the non-MSA and the MDs in which the assessment area counties are located and the income ranges by category.

Median Family Income and Ranges					
MSA/MD	MFI	Income Category			
		Low	Moderate	Middle	Upper
Non-MSA (Island)	\$90,000	< \$45,000	\$45,000 to < \$72,000	\$72,000 to < \$108,000	≥ \$108,000
Seattle-Bellevue-Kent (King)	\$158,700	< \$79,350	\$79,350 to < \$126,960	\$126,960 to < \$190,440	≥ \$190,440
Everett (Snohomish)	\$129,700	< \$64,850	\$64,850 to < \$103,760	\$103,760 to < \$155,640	≥ \$155,640

Source: FFIEC 2024 Estimated MFI

The following table shows the median home prices obtained from the [National Association of REALTORS®](#) for a single-family home during the fourth quarter 2024. To demonstrate housing affordability, these median prices are shown as a multiple of the MFIs (using the high-end from the figures above) for low- and moderate-income persons. Within the assessment area counties, median home prices are 11.35 to 13.78 times the MFI for a low-income person and 7.09 to 8.61 times for a moderate-income person. Generally, prices that are more than five times a person’s income are considered not affordable.

Housing Affordability				
Location	Median Home Price	Median Family Income	Price per Income Category	
			Low	Moderate
Island County	620,196	90,000	13.78	8.61
King County	900,412	158,700	11.35	7.09
Snohomish County	740,560	129,700	11.42	7.14

Sources: National Association of REALTORS® as of Q4 2024; FFIEC 2024 MFI

Data obtained from the [Federal Reserve Bank of New York](#) at the county and national levels shows year-over-year changes in home prices from April 2023 to April 2024 within the assessment area counties, ranging from +7.2 percent in Island County to +9.3 percent in Snohomish County, outpaced the +5.3 percent growth throughout the United States. Over the past year from April 2024 to April 2025, overall home prices increased but at much slower rates. Changes for both King and Snohomish counties at +2.2 percent and +2.3 percent were equivalent to price changes in the United States at +2.0 percent, while Island County at +0.8 percent was lower.

Home Price Changes		
Location	% Change	
	April 2023 to April 2024	April 2024 to April 2025
Island County	+7.2	+0.8
King County	+7.5	+2.2
Snohomish County	+9.3	+2.3
United States	+5.3	+2.0

Source: FRB of NY

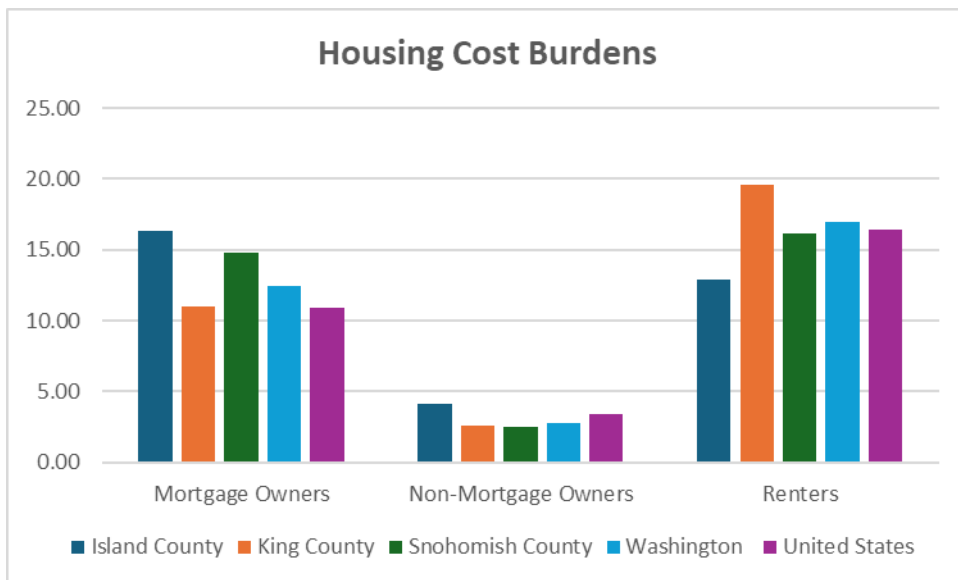
Affordability for both owner-occupied (with and without a mortgage) and rental households is further illustrated by housing cost burdens. A household whose total housing costs are 30 percent or more of its income is considered to be a cost burden. According to the 2019-2023 ACS, mortgage owners with a housing cost burden in King County (10.99 percent) was below Washington State (12.43 percent) but was in-line with the United States (10.89 percent). The

housing cost burden in both Island (16.37 percent) and Snohomish (14.83 percent) counties exceeded Washington State and the United States.

The percentage of non-mortgage owners suffering from high housing cost burdens are much less. Both King and Snohomish counties (2.59 percent and 2.47 percent, respectively) were in-line with Washington State (2.81 percent), all of which were below the United States (3.44 percent). Similar to mortgage owners, the percentage of non-mortgage owners in Island County (4.14 percent) exceeded Washington State and the United States.

The percentage of cost-burdened renters in King County (19.62 percent) exceeded those in Washington State (16.93 percent) and the United States (16.40 percent). Burdened renters in Snohomish County (16.14 percent) was comparable to the State and the United States, while Island County (12.92 percent) was below both benchmarks.

The graph and table below displays the percentage of owners and renters that spend 30 percent or more of household income on housing costs.



Housing Cost Burdens			
Location	Mortgage Owners	Non-Mortgage Owners	Renters
Island County	16.37	4.14	12.92
King County	10.99	2.59	19.62
Snohomish County	14.83	2.47	16.14
Washington	12.43	2.81	16.93
United States	10.89	3.44	16.40

Source: 2019-2023 ACS US Census via SparkMap.org

The housing cost burden and lack of affordable rental homes throughout the United States is further supported by the National Low Income Housing Coalition’s (NLIHC) March 2025 report entitled [*The Gap: A Shortage of Affordable Homes*](#). Relevant report excerpts are included below.

The nation’s lowest-income renters face a long-standing, systemic shortage of affordable and accessible housing attributable to the inherent limitations of the private market and inadequate public subsidies. This shortage of affordable housing impacts nearly every community in the U.S. and constitutes a crisis that is detrimental to the wellbeing of millions of people, including low-wage workers, seniors, people with disabilities, and single-adult caregivers of young children and family members with disabilities.

The nation’s 10.9 million extremely low-income^[5] renter households face a shortage of 7.1 million affordable and available rental homes, resulting in only 35 affordable and available homes for every 100 extremely low-income renter households.

Black, Latino, and American Indian or Alaska Native households are disproportionately extremely low-income renters and are disproportionately impacted by the housing shortage. Eighteen percent of Black non-Latino households, 17% of American Indian or Alaska Native households, and 13% of Latino households are extremely low-income renters compared to only 6% of white, non-Latino households.

From a local standpoint, the [Coalition's](#) website includes the following data for Washington State and the Seattle-Tacoma-Bellevue, WA MSA.⁶

Renter-Households and Rental Homes		
Data	Washington	MSA
ELI Renter Households	238,086	135,155
Affordable & Available Rental Home Deficit	-166,912	-97,778
Affordable & Available Rental Units per 100 Households	30	28

Source: ACS and ACS Public Use Microdata Sample (PUMS) via NLIHC

Businesses and Farms: There are 478,746 businesses and 8,614 farms operating in the assessment area, the vast majority of which at 92.21 percent and 97.33 percent, respectively have revenues of \$1.0 million or less.

Business and Farm Demographics								
Income Category	Total by Tract		Revenue ≤ \$1 Million		Revenue > \$1 Million		Revenue Not Reported	
	#	% Col	#	% Col	#	% Col	#	% Col
Businesses								
Low	28,142	5.88	24,449	5.54	1,187	10.45	2,506	9.67
Moderate	80,202	16.75	73,340	16.61	1,865	16.42	4,997	19.28
Middle	195,653	40.87	180,157	40.81	4,765	41.95	10,731	41.40
Upper	167,722	35.03	157,219	35.61	3,350	29.49	7,153	27.59
Unknown	7,027	1.47	6,301	1.43	191	1.68	535	2.06
Totals	478,746	100.00	441,466	100.00	11,358	100.00	25,922	100.00
% of Total Businesses:				92.21		2.37		5.41

⁵ Extremely Low-Income (ELI) is defined as household with incomes at or below the federal poverty guideline or 30 percent of area median income, whichever is higher.

⁶ The MSA is comprised of King, Pierce, and Snohomish counties.

Business and Farm Demographics								
Income Category	Total by Tract		Revenue ≤ \$1 Million		Revenue > \$1 Million		Revenue Not Reported	
	#	% Col	#	% Col	#	% Col	#	% Col
Farms								
Low	335	3.89	324	3.86	2	1.82	9	7.50
Moderate	1,377	15.99	1,342	16.01	14	12.73	21	17.50
Middle	3,999	46.42	3,894	46.45	50	45.45	55	45.83
Upper	2,845	33.03	2,770	33.04	43	39.09	32	26.67
Unknown	58	0.67	54	0.64	1	0.91	3	2.50
Totals	8,614	100.00	8,384	100.00	110	100.00	120	100.00
% of Total Farms:				97.33		1.28		1.39

Source: D&B (06/2024)

Of the classifiable business establishments, the largest sector by industry is Services at 36.19 percent, followed by Finance, Insurance, and Real Estate at 10.56 percent and Retail Trade at 8.06 percent.

Businesses by Industry		
Industry	#	% Col
Agriculture, Forestry, & Fishing	8,614	1.77
Mining	159	0.03
Construction	28,905	5.93
Manufacturing	10,168	2.09
Transportation, Communication	19,397	3.98
Wholesale Trade	11,057	2.27
Retail Trade	39,289	8.06
Finance, Insurance, & Real Estate	51,443	10.56
Services	176,388	36.19
Public Administration	1,970	0.40
Non-Classifiable Establishments	139,970	28.72
Totals	487,360	100.00

Source: D&B (06/2024)

Small Business Credit Survey: In March 2025, the Small Business Credit Survey (SBCS), a collaboration of all 12 Federal Reserve Banks, published its [2025 Report on Employer Firms: Findings from the 2024 Small Business Credit Survey](#). The survey, fielded from September to November 2024, reached more than 7,600 small employer firms⁷ and collected information about the performance, challenges, and credit-seeking experiences of businesses across the United States. While state and county data are not available, the following statements extracted from the report’s summaries and data points provide insight into small business conditions.

- *The net share of firms reporting revenue growth declined year-over-year (46% in 2023 vs. 38% in 2024). All performance indices have recovered from their pandemic-era lows but remain below pre-pandemic levels.*
- *Compared to a year earlier, firms were more likely to cite challenges reaching customers and growing sales (53% in 2023 vs. 57% in 2024) and less likely to report issues with supply chains (41% in 2023 vs. 29% in 2024).*

⁷ firms with fewer than 500 employees

- *Rising costs of goods, services, and wages remained the most commonly reported financial challenge (77% in 2023 vs. 75% in 2024). Firms were more likely to identify weak sales (44% in 2023 vs. 48% in 2024) and paying operating expenses (52% in 2023 vs. 56% in 2024) as challenges.*
- *The share of firms with debt was mostly steady compared to 2023 (61% in 2023 vs. 62% in 2024), and the share with more than \$100,000 in debt remained substantially elevated from pre-pandemic years (31% in 2019 vs. 39% in 2024).*
- *About 8 in 10 firms use a bank as their primary financial services provider: 45% large bank,⁸ 35% small bank,⁹ 9% credit union, and 7% financial company/non-bank.*
- *Use of financing credit included: 58% credit card, 50% loan, 34% line of credit, 14% trade credit, 13% lease, 6% merchant cash advance, and 2% factoring.*
- *More than half of firms (59%) sought some type of financing in the 12 months prior to the survey. Firms most often applied for financing to meet operating expenses (56%). Other reasons for financing included: 46% expand business, pursue new opportunities, or acquire business assets; 40% have available credit for future use as needed; 27% make repairs or replace capital assets; and 27% refinance or pay down debt.*
- *Financing of less than \$50,000 was sought by 40% of applicants.*
- *Nearly 4 in 10 firms sought a loan, line of credit, or merchant cash advance in the 12 months prior to the survey.*
 - *37% loan, line of credit, or merchant cash advance¹⁰*
 - *31% credit card*
 - *15% trade credit*
 - *10% lease*
 - *2% factoring*
- *Applicants most often sought financing at large banks (39%), small banks (29%), and online lenders (24%). Applicants most often sought financing at large banks, but fewer did so in 2024 (39%) compared to 2023 (44%).*

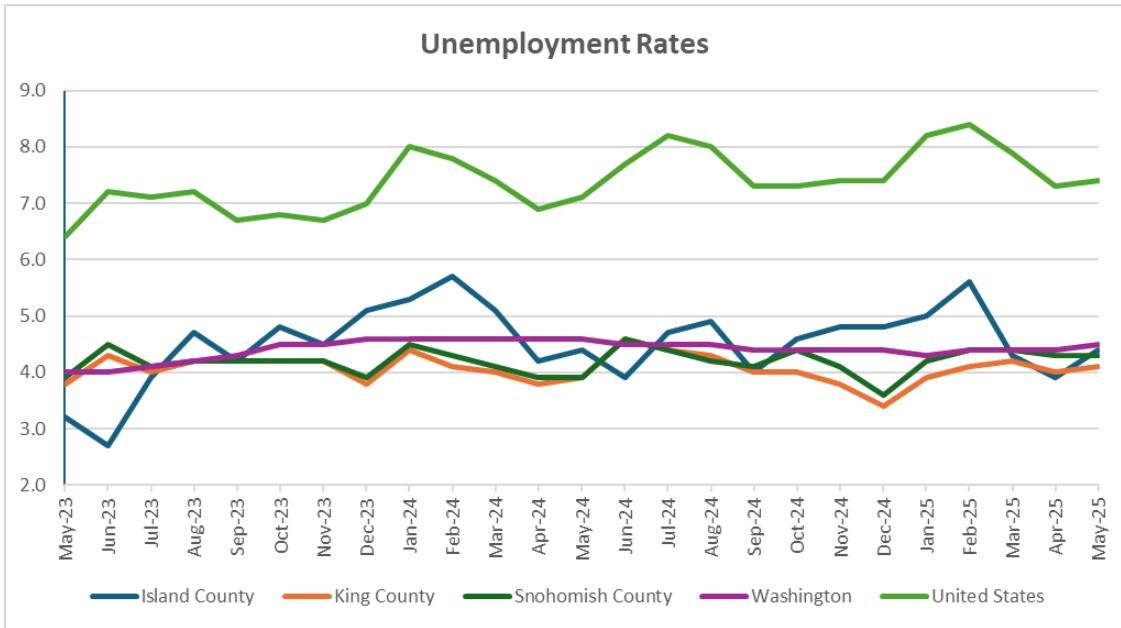
Unemployment: Obtained from the [Bureau of Labor Statistics](#) (BLS) from May 2023 to May 2025, unemployment rates for the three assessment area counties are displayed in the graph below with the specific rates included in the table. Rates are also provided for Washington State and the United States for comparison purposes. As shown, King and Snohomish counties had similar unemployment rates during the stated period. Both experienced their lowest unemployment rates of 3.4 percent and 3.6 percent, respectively, in December 2024 and their highest rates at

⁸ Large banks are defined by the SBCS as those with at least \$10 billion in total assets.

⁹ Small banks are defined by the SBCS as those with less than \$10 billion in total assets.

¹⁰ Application rate by loan/line type: 40% business line of credit, 33% business loan, 20% SBA loan or line, 11% auto or equipment loan, 9% merchant cash advance, 7% mortgage/real estate loan, 7% home equity loan or line, 7% personal loan.

4.6 percent each in June 2024; fluctuations of 1.2 points and 1.0 point. Island County had greater fluctuations, 3.0 points, in its unemployment rates which ranged from a low of 2.7 percent in June 2023 to a high of 5.7 percent in February 2024. Rates in the State of Washington remained stable during the period, ranging from 4.0 percent in May and June 2024 to 4.6 percent from December 2023 through May 2024. The rates for the counties and the State were below those for the Nation, which experienced the lowest rate of 6.4 percent in May 2023 and the highest rate of 8.4 percent in February 2025.



Unemployment Rates					
Month-Year	Island County	King County	Snohomish County	Washington	United States
May-25	4.4	4.1	4.3	4.5	7.4
Apr-25	3.9	4.0	4.3	4.4	7.3
Mar-25	4.3	4.2	4.4	4.4	7.9
Feb-25	5.6	4.1	4.4	4.4	8.4
Jan-25	5.0	3.9	4.2	4.3	8.2
Dec-24	4.8	3.4	3.6	4.4	7.4
Nov-24	4.8	3.8	4.1	4.4	7.4
Oct-24	4.6	4.0	4.4	4.4	7.3
Sep-24	4.0	4.0	4.1	4.4	7.3
Aug-24	4.9	4.3	4.2	4.5	8.0
Jul-24	4.7	4.4	4.4	4.5	8.2
Jun-24	3.9	4.6	4.6	4.5	7.7
May-24	4.4	3.9	3.9	4.6	7.1
Apr-24	4.2	3.8	3.9	4.6	6.9
Mar-24	5.1	4.0	4.1	4.6	7.4
Feb-24	5.7	4.1	4.3	4.6	7.8
Jan-24	5.3	4.4	4.5	4.6	8.0
Dec-23	5.1	3.8	3.9	4.6	7.0
Nov-23	4.5	4.2	4.2	4.5	6.7
Oct-23	4.8	4.2	4.2	4.5	6.8
Sep-23	4.2	4.2	4.2	4.3	6.7
Aug-23	4.7	4.2	4.2	4.2	7.2

Unemployment Rates					
Month-Year	Island County	King County	Snohomish County	Washington	United States
Jul-23	3.9	4.0	4.1	4.1	7.1
Jun-23	2.7	4.3	4.5	4.0	7.2
May-23	3.2	3.8	3.9	4.0	6.4

Source: BLS

Economic Indicators: Employment Growth indicators obtained from the FDIC’s [Washington - State Profile](#) show non-farm businesses experienced employment growth rates of 1.4 percent in the first quarter of 2025, which followed a 1.2 percent growth in 2024 and 2.0 percent growth in 2023. Industries contributing to the growth include both Private Service-Providing and Government.

Employment Growth Rates (% change from year ago, unless noted)	Q1-25	Q4-24	Q1-24	2024	2023
Total Nonfarm (share of trailing four quarter employment in parentheses)	1.4%	1.2%	1.0%	1.2%	2.0%
Manufacturing (7%)	-0.8%	-3.0%	1.5%	0.2%	2.0%
Other (non-manufacturing) Goods-Producing (6%)	-4.6%	-2.7%	-3.0%	-2.7%	-0.7%
Private Service-Providing (70%)	2.1%	1.4%	0.3%	0.9%	1.8%
Government (17%)	1.8%	4.2%	5.4%	4.5%	3.8%

Source: BLS (not seasonally adjusted) via FDIC State Profile¹¹

Construction-related indicators show that home permits for single-family homes have fluctuated. Permits declined by -12.2 percent in 2023 and somewhat recovered in 2024 with an increase of +5.8 percent but have fallen again by -5.2 percent during the first quarter of 2025.

Other Indicators (% change of 4-qtr moving total, unless noted)	Q1-25	Q4-24	Q1-24	2024	2023
Single-Family Home Permits	-5.2%	5.8%	7.3%	5.8%	-12.2%
Multifamily Building Permits	-1.7%	-6.2%	-35.7%	-6.2%	-31.9%
Home Price Index (change from year ago)	4.5%	5.1%	4.5%	4.7%	1.0%
Nonbusiness Bankruptcy Filings per 1000 people (quarterly annualized level)	N/A	1.00	0.98	1.03	0.81

Sources: Bureau of the Census, Federal Housing Finance Agency, Administrative Office of the U.S. Courts, Bureau of the Census via FDIC State Profile¹²

B. Business Model and Product Offerings

Coastal is a community-focused financial institution that operates primarily in Snohomish, King, and Island counties. The Bank’s primary mission is to meet the credit needs of its communities, including LMI neighborhoods, as mandated by the CRA.

As the Bank’s primary funding sources are deposits from customers in the Greater Puget Sound area as well as from Fintech partners, Coastal’s core business focuses on providing a wide range of banking services to small- and medium-sized businesses, professionals, and individuals. Coastal operates its CCBX division, which provides BaaS to Fintech partners. These partners offer digital financial services, including checking and savings accounts, various lending products, and secured and unsecured debit and credit cards. This model allows the Bank to broaden access to consumer credit and small business needs across the country.

¹¹ Per FDIC State Profile’s [Definitions, Data Sources, and Calculation Methodologies](#), growth rates show the percentage change from the year-ago quarter in columns one, two, and three. Growth rates in columns four and five show the percentage change from the prior calendar year.

¹² Per FDIC State Profile’s [Definitions, Data Sources, and Calculation Methodologies](#), Single-Family Home Permits and Multifamily Building Permits are calculated as a percentage change from one year ago of the four-quarter moving total.

This innovative approach has enabled the Bank to serve consumer and small business credit needs across a broad geographical area, facilitating financial inclusion and expanding access to credit. However, this model presents inherent challenges in satisfying traditional CRA obligations, particularly the regulatory standard of originating a majority of loans within the Bank's defined assessment area(s). Despite these challenges, Coastal demonstrates excellent CRA performance.

Coastal Community Bank is committed to community and business banking, providing financial solutions important for the daily operation of businesses, including fraud management, ACH, online banking, sweeps, and more.

C. Needs and Opportunities

The Bank has drawn upon various sources in formulating its assessment of needs and opportunities within the communities. Management will continue to work with its current community partners to help meet those needs discussed in Section IV as well as continue to search for additional opportunities.

D. Institutional Capacity and Constraints

Coastal Community Bank does not have any major legal, financial, regulatory, and/or economic constraints that would impact the Bank's ability to lend, invest, or serve the communities in which it operates.

E. Competitive Factors

Nationwide banks, mortgage companies, and credit unions all compete in the counties for deposits, home mortgage loans, small business loans, and small farm loans. Mortgage companies play a significant role in the home mortgage arena while national banks play a significant role in small business.

Deposits: According to the FDIC's [Deposit Market Share Reports](#), as of June 30, 2025, a total of 44 depository institutions operated 580 branches and held \$127.2 billion in deposits. The top five institutions, all national banks with a total of 377 banking offices, held 71.77 percent of total deposits (based on dollar volume). Coastal Community Bank, with approximately \$4.0 million in deposits, achieved a market rank of 8th with a share of 3.11 percent.

Home Mortgage Lending: In 2024, 555 lenders originated 56,900 home mortgage loans totaling \$34.1 billion. One credit union, three mortgage companies, and one national bank held the top rankings and accounted for 32.07 percent of the total loans (based on loan volume). Coastal achieved a 114th ranking with a market share of 0.11 percent.

Small Business Lending: In 2023 (the most recent data available), 140 lenders originated/purchased 84,776 small business loans totaling \$2.4 billion. The top market rankings were held by five nationwide banks and accounted for 79.74 percent of total loans (based on loan volume). CCB was ranked 20th among these lenders, with a market share of 0.28 percent.

Small Farm Lending: In 2023 (the most recent data available), 15 lenders originated/purchased 352 small farm loans totaling \$8.5 million. The top market rankings were held by five nationwide banks and accounted for 90.91 percent of total loans (based on

loan volume). Coastal Community Bank was not included in the market share data as the Bank did not report any applicable loans.

F. The Bank’s Past Performance and the Performance of Similarly Situated Lenders

1. Past CRA Performance

Coastal Community Bank achieved a “Satisfactory” CRA rating during the March 7, 2022 Performance Evaluation conducted by the FRB. At the time, the Bank was evaluated under the Intermediate Small Bank procedures. The individual ratings assigned and the applicable scope periods for the tests are displayed below.

CRA Performance Evaluation Ratings and Scope		
Performance Test	Rating	Scope
Lending	Satisfactory	01/01/2017 – 12/31/2021
Community Development	Satisfactory	09/26/2017 – 03/07/2022

The major factors contributing to the rating included:

- A reasonable loan to deposit ratio.
- A majority of loans were originated within the Bank’s assessment areas.
- An excellent geographic distribution of small business loans.
- An excellent geographic distribution of home purchase loans.
- A majority of small business loans in amounts of \$250,000 or less.
- An adequate level of responsiveness to the community development needs of its assessment areas.

The Evaluation also noted CCB’s recent partnership with Fintech firms and stated minimal lending activity did not impact the review.

2. Performance of Similarly Situated Lenders

In preparation for this Strategic Plan, Bank Management reviewed regulator-approved CRA Strategic Plans and CRA Performance Evaluations to determine the reasonableness of Coastal Community Bank’s established goals. The following seven institutions, all operating under strategic plans, each with their own unique, non-traditional business models, served as the benchmarks while establishing our goals.

Similarly Situated Lenders						
Bank	Headquarters	Regulator	Source ¹ / Period	Rating	Total Assets ²	Assessment Area
Green Dot Bank	Provo, UT	FRB	SP - 2024-2028	-	\$3.8 B	UT - Juab, Utah
			PE - 2021-2023	Oustanding	\$4.8 B	
The Bancorp Bank, NA	Sioux Falls, SD	OCC	SP - 2023-2025	-	Not Stated	SD - Lincoln, McCook, Minnehaha, Turner
			PE - 2021-2022	Satisfactory	\$7.9 B	DE - New Castle PA - Bucks, Chester, Delaware, Montgomery, Philadelphia
Pathward, NA	Sioux Falls, SD	OCC	SP - 2024-2026	-	\$7.5 B	SD - Lincoln, McCook, Minnehaha, Turner
			PE - 2021-2023	Satisfactory	\$7.5 B	
SoFi Bank, NA	Cottonwood Heights, UT	OCC	SP - 2023-2027	Satisfactory	\$4.4 B	UT - Box Elder, Davis, Juab, Morgan, Salt Lake, Summit, Tooele, Utah, Wasatch, Weber CA - El Dorado, Nevada, Placer, Sacramento, Yolo, Yuba City
Sallie Mae Bank	Salt Lake City, UT	FDIC	PE - 2020-2022	Oustanding	\$27.7 B	UT - Davis, Salt Lake, Tooele, Utah, Weber
Nelnet Bank	Draper, UT	FDIC	PE - 2020-2022	Oustanding	\$884.1 M	UT - Box Elder, Davis, Morgan, Salt Lake, Tooele, Weber
Optum Bank, Inc.	Draper, UT	FDIC	PE - 2020-2022	Oustanding	\$15.7 B	UT - Salt Lake

1 - Strategic Plan (SP) or Performance Evaluation (PE)

2 - As stated in SP or PE

While the asset sizes and operational business strategies vary among these institutions, the goals and methodology stated in the approved strategic plans were considered when establishing goals for this Plans. Institutions whose goals align with those of Coastal Community are included in Section VI-C-3 for comparative analysis.

G. The Bank's CRA Public File

Coastal's CRA Public File is maintained in compliance with the requirements of 12 C.F.R. §228.43. No complaints related to the Bank's CRA performance have been received.

SECTION VI. THE BANK'S CRA STRATEGIC PLAN AND MEASURABLE GOALS

A. The Strategic Plan's Proposed Effective Date

It is anticipated that the Bank will receive approval from the FRB for this Plan during fourth quarter 2025. Based on this assumption, the proposed effective date of the Bank's CRA Strategic Plan is January 1, 2026.

B. The Term of the Bank's Strategic Plan

The term of Coastal Community Bank's CRA Strategic Plan is January 1, 2026 through December 31, 2028. The Plan sets forth annual interim measurable goals under which the FRB can evaluate the Bank's performance, as required by 12 C.F.R. §228.27(c)(1). Management will amend the Plan if a material change occurs in the Bank's operations, business strategy, product offerings, geography, or volume projections that would have an impact on the goals enumerated in this document. Management recognizes that any amendments may be subject to public notice and approval by the Federal Reserve Bank.

C. The Bank's Measurable Goals

Coastal Community Bank has elected to develop a CRA Strategic Plan as this option enables the Bank to tailor its CRA goals and objectives to address the needs of its community consistent with its business strategy and business models.

1. Overview

Coastal Community Bank's CRA Strategic Plan establishes measurable goals for both Satisfactory and Outstanding performance for the three-year period of 2026 to 2028. Performance will be monitored at least quarterly, enabling Bank Management and the Board to evaluate progress and make timely adjustments to strategies or tactics as needed. The goals may also be revised if circumstances such as changes in the Bank's assessment area, merger or acquisition activity, or other contextual factors materially affect performance expectations.

In setting the Plan, the Bank Management considered its asset size, business model, financial capacity, and growth outlook. The Bank's CRA Strategic Plan establishes measurable three-year goals across three dimensions of community development:

Goal 1: New Community Development Activity

Such activities include annual origination or purchase of small business loans, CRA-qualified loans, renewals, investments, grants, and donations. Targets are tied to Average Assets, with overages carried forward.

Goal 2: Cumulative Community Development Activity

A rolling measure that includes new small business loans, CD originations, CD renewals, new investments, grants, donations, and the year-end balance of prior investments. With a \$40.0 million carry-forward of existing investments, cumulative goals are expressed as a percentage of Average Assets.

Goal 3: Community Development Services

Annual service hour targets achieved through employee volunteerism, executive technical assistance, and financial education workshops delivered via nonprofit partnerships.

Together, these goals ensure a balanced approach to CRA performance, aligning the Bank's resources with regulatory expectations and the needs of its assessment area while maintaining accountability through measurable and transparent benchmarks.

CD activities related to loans, investments, grants, and donations—including activities in cooperation with community development financial institutions (CDFIs), community development entities (CDEs), minority- or women-owned financial institutions (MWFIs), or low-income credit unions (LICUs)—will primarily occur within the Bank's assessment area but may also extend to the broader statewide or regional area (BSRA) that includes the assessment area.

To inform goal setting, the Bank engaged with community leaders, development groups, and nonprofit stakeholders to better understand challenges facing LMI communities. These insights were evaluated alongside the Bank's products, market strategy, and overall business model. The resulting goals are benchmarked against commitments in other CRA Strategic Plans previously referenced and are designed to be both ambitious and achievable, given the Bank's financial position and leadership expertise.

The Bank anticipates that the majority of resources dedicated to meeting its goals will consist of CD loans, qualified investments and, supplemented by grants/donations and CD services. This approach reflects both the Bank's Pacific Northwest deposit- and lending-base, as well as its predominantly outside-assessment area BaaS activities. Accordingly, the Plan emphasizes CD lending and investments as the primary channels for meeting CRA performance standards and for making a meaningful contribution to the credit needs of the communities served.

2. Parameters

CD lending, qualified investments, including grants/donations and CD services activities may include, but are not limited to:

- Increase the number, amount, and variety of CD loans in the assessment area, including loans for the rehabilitation or construction of affordable housing and multifamily properties serving LMI persons.

- Support community revitalization and stabilization through targeted financing for commercial and industrial developments, healthcare, educational facilities and shopping centers that serve or benefit LMI individuals or communities. Provide financing for the construction or rehabilitation of community facilities located in LMI geographies or primarily serving LMI individuals, which may include environmental clean-up, redevelopment, or remediation of hazards such as lead-based paint.
- Offer loans to nonprofit organizations addressing LMI housing or other CD needs.
- Support renewable energy or energy-efficiency improvements that help reduce operational costs and maintain affordability for housing or community facilities serving LMI individuals.
- Increase qualified investments in the assessment area, including specialized community development funds, Small Business Investment Companies (SBICs), Low Income Housing Tax Credits (LIHTC), equity investments for startups and small businesses meeting SBA size standards, and tax credits.
- Make in-kind donations, such as office space, to qualified CD organizations.
- Provide term loans and refinances for multifamily housing with affordable rents for LMI tenants, whether located in LMI tracts or with proper documentation of LMI tenancy in other tracts.
- Purchase mortgage-backed securities (MBSs) collateralized by loans or mortgages originated to LMI borrowers residing in the Bank's assessment area or the BSRA.
- Invest in bonds or municipal obligations that support affordable housing or other categories of CD.
- Provide qualified community development investments in the form of grants or charitable contributions to organizations that support community development initiatives within a broader statewide or regional area that includes the bank's assessment area. Support CD services like the Federal Home Loan Bank Affordable Housing Program (AHP), financial education with Banzai, and similar initiatives.

Regarding small business lending, Coastal will:

- Monitor Small Business lending annually
- Review lending patterns at the CRA & Fair Lending Committee
- Engage community partners to identify gaps in small business credit access
- Evaluate opportunities to strengthen AA-specific lending over time
- Track enterprise-wide lending that meets CRA's Small Business and CD definitions

The Bank acknowledges that the Community Reinvestment Act prioritizes responsiveness to the credit and community development needs within an institution's assessment areas (AAs). Consistent with the Interagency CRA Questions and Answers (Q&A §___.12(h)-6), the Bank understands that consideration of community development activities outside of its AAs is appropriate only after the Bank has demonstrated meaningful responsiveness to community development needs and opportunities within its AAs.

The Bank's primary focus will remain on supporting community development activities within its designated assessment areas of King, Snohomish, and Island Counties, as well as activities conducted within a broader statewide or regional area that includes those AAs. Consistent with CRA guidance, the Bank may also support organizations whose purpose, mandate, or

function includes serving geographies that encompass the Bank's AAs, even where the Bank's AAs may not receive an immediate or direct benefit.

The Bank will prioritize community development lending, investments, and services that directly benefit its assessment areas or organizations whose service areas include those assessment areas. Activities outside the AAs or the broader statewide or regional area will only be considered once the Bank demonstrates that it is responsive to community development needs within its AAs. The substantial majority of Coastal's community development activities will benefit its AAs or organizations serving those AAs. Activities outside those areas are expected to represent a limited portion of total community development activity during the plan period.

3. Measurable Goals

The Bank's detailed annual goals for the 2026-2028 Plan period are set forth below. To ensure alignment with the Bank's growth trajectory, the metrics for Goals 1 and 2 utilize Average Assets. Average Assets for any given plan year will be calculated by averaging the dollar amounts of Total Assets reported on line 9 of Schedule RC-K (Quarterly Averages) on the Bank's filed Consolidated Reports of Condition and Income (Call Reports) for each of the prior year's four quarters. This allows the Bank to define its target goals at the beginning of each new plan year, providing greater stability in Bank Management's CD activity planning each year.

Goal 1: New Community Development Activity - Loans, Investments, Grants, and Donations

The Bank will demonstrate its commitment to meeting Community Development needs through the origination or purchase of CRA eligible loans, including small business loans, the origination or purchase of new CRA-qualified CD loans, the renewal and re-underwriting of existing CD loans (counted once per year), new qualified investments, eligible grants, and charitable donations. In addition, any amount in excess of the Bank's established "Outstanding" goal in a given year will be credited toward the subsequent year's goal.

The Bank has established targets expressed as a percentage of Average Assets, with measurable dollar equivalents based on projected growth in average assets during the planned period. For each year from 2026 through 2028, the Satisfactory goal is set at 1.40 percent of Average Assets, and the Outstanding goal is set at 1.85 percent of Average Assets.

This goal reflects the Bank's intention to align annual CD lending, investments, and grants with both regulatory expectations and the needs of its assessment area, while ensuring consistent growth in activity tied to the Bank's balance sheet expansion.

Goal 1: New Community Development Activity		
CRA eligible activities, including new small business loans (originated, renewed or purchased), new CD Loans (originated or purchased), CD Loan Renewals (1 loan per year), Investments, Grants, Donations, Excess over Outstanding goal toward following year's goal ¹		
Plan Year	Satisfactory	Outstanding
	% Average Assets ²	
2026	1.40	1.85
2027	1.40	1.85
2028	1.40	1.85

1 - Small Business lending will be exclusively from the Bank's assessment area. CD loans, investments, grants, and donations—including those with CDFIs, CDEs, MWFIs, or LICUs—will be executed primarily within the assessment area but may also include activities in the BSRA that includes the assessment area.

2 - Average of Total Assets reported on line 9 of Call Report Schedule RC-K for each of the prior year's four quarters.

The Bank recognizes that grantmaking is a vital complement to CD loans and investments. While CD lending and investments remain the core of CRA performance, grants provide the flexibility to strengthen nonprofit organizations that directly serve LMI communities but may not have access to traditional financing. As such, the Bank will dedicate a portion of the goal percentage stated above to two distinct grant channels:

1. **General CRA Grants:** These funds will support nonprofit organizations and community partners engaged in activities that align with CRA's definitions of CD, including:
 - o Affordable housing development and preservation for LMI households,
 - o Community services such as food security, shelters, and youth programs,
 - o Economic development programs assisting small businesses with revenues under \$1.0 million, and
 - o Financial education and homeownership counseling targeted to LMI individuals.

2. **Capital Investment Grants:** Multi-year commitments will be provided to qualified nonprofit partners (up to five) to help support organizational capacity, infrastructure, or other capital needs that strengthen long-term service delivery. While recipients have not yet been identified, they will fall within the categories above and will be selected based on their capacity to generate sustainable community impact.

The Grant Program will be managed under the CRA Program to ensure all recipients are properly vetted, align with regulatory standards, and qualify as CD partners. Oversight will include monitoring of disbursements, evaluation of impact, and reporting to the CRA & Fair Lending Committee.

By dedicating a portion of resources to both general and capital investment grants, the Bank underscores its commitment to not only meeting CRA goals but also strengthening the nonprofit ecosystem that delivers essential services to LMI communities across its assessment area.

As noted earlier, the Bank's measurable goals were also developed considering commitments outlined in peer institution's CRA strategic plans or as stated in performance evaluations. The

table below compares Coastal’s Goal 1 with six peer institutions that have a similar goal. Among these, Coastal is closest in asset size to Green Dot Bank and SoFi Bank. While the location and included activities¹³ vary for each institution’s goal—such as the activities are limited to the assessment area or a broader area and inclusion or exclusion of in-area small business lending or grants—Coastal’s approach aligns most closely with those of Green Dot Bank.

Peer institutions’ goals, expressed as a percentage of average assets, range from 0.25 percent to 0.74 percent for a Satisfactory rating and 0.36 percent to 0.91 percent for an Outstanding rating. Coastal’s goal is notably higher, exceeding the top end of the Satisfactory range by over 47 percent and over 50 percent of the Outstanding range.

New CD Loans & Investments Goal based on Average Assets ¹					
Bank	Source ²	Stated Total Assets	Satisfactory Goal	Outstanding Goal	% Increase Between Goals
Coastal Community Bank	SP	\$4.5 B	1.40%	1.85%	32.14%
Green Dot Bank	SP	\$3.8 B	0.40%	0.60%	50.00%
The Bancorp Bank, NA	PE	\$7.9 B	0.35%	0.45%	28.57%
SoFi Bank, NA ³	SP	\$4.4 B	0.25%	0.36%	44.00%
Sallie Mae Bank ⁴	PE	\$27.7 B	0.74%	0.91%	22.97%
Nelnet Bank	PE	\$884.1 M	0.50%	0.60%	20.00%
Optum Bank, Inc.	PE	\$15.7 B	0.40%	0.60%	50.00%

1 - Average Assets were based on either the current (2) or prior (2) Plan Year or were not clearly stated (2).

2 - Strategic Plan (SP) or Performance Evaluation (PE)

3 - Displayed goal is the high-end of range.

4 - Displayed goals reflect a combination of Goal 2 (AA) and Goal 4 (Regional Area).

Goal 2: Cumulative Community Development Activity - Loans, Investments, Grants, and Donations

In addition to annual new activity, the Bank will be measured on its cumulative volume of small business loans, CRA-qualified loans, investments, grants, and donations over the plan period. The cumulative measure will include:

- New small business loans originated or purchased,
- New CD loans originated or purchased,
- Renewed and re-underwritten CRA-qualifying loans (counted once per year),
- Eligible grants and donations made during the plan year,
- New CRA-qualified investments, and
- The YE balance of existing CRA-qualified investments purchased in prior years.

To establish a meaningful baseline, the Bank has included \$40.0 million in outstanding qualified investments as of the beginning of the plan period.

The cumulative goals are expressed as a percentage of Average Assets, with thresholds set at 2.00 percent for Satisfactory performance and 2.45 percent for Outstanding performance for each year from 2026 through 2028.

¹³ Not all the of the peer strategic plans or performance evaluations clearly stated location or types of activities.

This cumulative framework ensures that the Bank’s CRA performance reflects not only new annual activity but also the sustained impact of ongoing CD lending and investments. The approach balances year-over-year growth with recognition of longer-term commitments, providing accountability to both regulators and community stakeholders.

Goal 2: Cumulative CD Activity		
CRA eligible activities, including new small business loans (originated, renewed or purchased), new CD loans (originated or purchased), CD Loan Renewals (1 loan per year), Investments, Grants, Donations, and Existing Investments (YE balance; purchased in prior years) ¹		
Plan Year	Satisfactory	Outstanding
	% of Average Assets ²	
2026	2.00	2.45
2027	2.00	2.45
2028	2.00	2.45

1 - Small Business lending will be exclusively from the Bank’s assessment area. CD loans, investments, grants, and donations—including those with CDFIs, CDEs, MWFIs, or LICUs—will be executed primarily within the assessment area but may also include activities in the BSRA that includes the assessment area.

2 - Average of Total Assets reported on line 9 of Call Report Schedule RC-K for each of the prior year’s four quarters.

Four peer institutions established a similar cumulative goal, with Green Dot Bank’s parameters being the closest to Coastal’s. As shown below, the peer institutions’ goals range from 1.10 percent to 2.15 percent for a Satisfactory rating and 1.45 percent to 2.69 percent for an Outstanding rating. The Bank’s goal falls at the high-end of these ranges, second to Sallie Mae Bank’s combined percentage encompassing its assessment area and regional area.

Cumulative CD Loans & Investments Goal based on Average Assets ¹					
Bank	Source ²	Stated Total Assets	Satisfactory Goal	Outstanding Goal	% Increase Between Goals
Coastal Community Bank	SP	\$4.5 B	2.00%	2.45%	22.50%
Green Dot Bank	SP	\$3.8 B	1.40%	1.80%	28.57%
Sallie Mae Bank ³	PE	\$27.7 B	2.15%	2.69%	25.12%
Nelnet Bank	PE	\$884.1 M	1.20%	1.45%	20.83%
Optum Bank, Inc. ⁴	PE	\$15.7 B	1.10%	1.45%	31.82%

1 - Average Assets were based on either the current (2) or prior (2) Plan Year.

2 - Strategic Plan (SP) or Performance Evaluation (PE)

3 - Displayed goals reflect a combination of Goal 1 (AA) and Goal 3 (Regional Area).

4 - Displayed goal is the high-end of range.

Goal 3: Community Development Services

Coastal is committed to supporting its communities through meaningful CD service activities. With fourteen branches, including five located LMI geographies, the Bank is prepared to partner with the appropriate specialized organizations, to offers services and technical expertise intended to support LMI individuals, small businesses, and nonprofit organizations.

While the Bank’s branch network provides a strong foundation for delivering CD services within its assessment area, Coastal, under its unique business model and its national distribution of employees under a “Work from Anywhere” arrangement, also recognizes the importance of engaging its remote workforce in meaningful activities that support CRA

objectives. As of Q3 2025, approximately 60 percent of the Bank’s 513 employees held non-management or fully remote roles. Although these positions may not traditionally participate in board service or branch-based outreach, they represent a significant resource for advancing the Bank’s mission of community engagement.

By allowing and encouraging remote employees to participate in qualifying CD service opportunities, the Bank demonstrates that its commitment to community development extends beyond the geographic boundaries of its assessment area. Remote staff are supported in dedicating work hours to financial education initiatives, virtual mentoring, and other CRA-eligible service activities facilitated through nonprofit partnerships. Leveraging the opportunity to design our service efforts to benefit LMI individuals and organizations regardless of location, extends the Bank’s impact to communities that may not otherwise be directly served by its physical branch network.

This approach underscores two key principles:

1. **Maximizing Human Capital for Community Impact:** By mobilizing its distributed workforce, the Bank ensures that every employee has an opportunity to contribute to CRA-eligible activities, reinforcing a culture of responsibility and civic engagement.
2. **Commitment Beyond Regulatory Minimums:** While CRA regulations focus on assessment area activities, Coastal’s decision to leverage remote employees for service opportunities reflects a broader philosophy—that community development is an organizational value, not merely a compliance requirement. This practice strengthens the Bank’s relationships with nonprofit partners, broadens the reach of financial education, and creates measurable impact across multiple communities.

Based on the Bank’s CD service log for 2022 through 2025, Coastal provided a total of 4,022 qualifying CD service hours, of which 3,901 hours (97.73 percent) were performed within the assessment area.

Qualified CD Service Hours 2022-2025 ¹				
Year	Total	In-AA	Outside-AA	In-AA %
2022	999.10	985.10	14.00	98.60%
2023	910.70	856.70	54.00	94.07%
2024	1,624.35	1,616.35	8.00	99.51%
2025 ²	412.00	406.00	6.00	98.05%
Totals	3,610.15	3,528.15	82.00	97.5%

1 - Exam-Scope Baseline Qualified CD Service hours

2 - January 1, 2025, through September 30, 2025

Community Development Service hours will not be reduced as a result of including remote employee activity. The Bank will maintain an Assessment Area CD service floor equal to at least the Bank’s 2022–2024 AA average (approximately 1,150 hours annually).

Remote/Outside-Assessment Area qualifying CD services will be tracked and reported in addition to that Assessment Area floor and will not be used as a substitute for Assessment Area CD service delivery.

Through these efforts, the Bank affirms that its dedication to community development is not limited by geography. Instead, it reflects a company-wide culture of service, inclusivity, and

accountability that aligns with both regulatory standards and the broader expectations of community stakeholders.

Community Development Services Goal for Satisfactory and Outstanding performance reflect the Bank’s nationwide employment model and recognizes not all employees—especially entry-level staff—can perform eligible community development services. Therefore, the goals include a built-in assumption that management-level and CRA-trained staff will complete a higher share of eligible hours. This subset of employees that possess the appropriate skill sets equate to 60 percent of full-time equivalent employees (FTEs) working inside the assessment area and 40 percent for those outside. This approach ensures goals are realistic, measurable, and consistent with the Bank’s operating model.

Goal 3: Community Development Services		
Participating FTEs equate to 60% of employees located inside the assessment area and 40% located outside of the assessment area		
Plan Year	Hours per Participating FTE ¹	
	Satisfactory	Outstanding
2026	6	8
2027	6	8
2028	6	8

1 - The number of FTEs on December 31st of the previous year-end Call Report, Schedule RI Memoranda, line 5, multiplied by location subsets specified above.

With an established history of employee volunteerism and in finding unique or innovative ways to provide eligible service, the Bank will meet its service goals through a combination of employee volunteer hours, executive participation on boards and committees of community development organizations, and financial education initiatives delivered through the Bank’s partnerships with a nonprofit provider such as Banzai. These activities are consistent with CD initiatives and are directly tied to the Bank’s strategy of expanding access to financial services and supporting economic development within its assessment area. The CRA Officer tracks annual service hours and, when necessary, requests increased volunteer efforts with support from Senior Management and the Board of Directors.

Key CD Service activities may include, but are not limited to:

- Provide community development services by delivering financial education workshops, in collaboration with Banzai, to students at schools where the majority of the student body is eligible for the Federal Free and Reduced Price Lunch program, ensuring the primary purpose of the activity benefits low- and moderate-income individuals. Providing a multilingual financial education portal to nonprofit partners serving LMI populations, through partnership with Banzai.
- Encouraging Bank officers and executives to provide technical assistance by serving on boards, advisory committees, or in leadership roles for community development organizations.
- Offering employees paid time to participate in CD-related volunteer opportunities, coordinated through the Bank’s Community Engagement team.

Each peer institution established a community service hours goal; however, the table below summarizes the goals of four institutions that are based on hours per FTE.¹⁴ Sallie Mae Bank’s FTE service goal was excluded because the hours reported in its CRA Performance Evaluation had significant unexplained fluctuations over the three-year review period. Unlike Coastal Community Bank, the peer institutions—except SoFi Bank¹⁵—do not maintain a retail branch network. Accordingly, service hours for the peer institutions are generally performed within their assessment area(s) or in a broader geographic area. Both Green Dot Bank and Coastal operate under a “Work from Anywhere” model, which is reflected in the parameters of their respective goals.

As shown below, the peer institutions’ goals range from 1.00 to 6.50 hours per FTE for a Satisfactory rating and 1.25 to 8.00 hours per FTE for an Outstanding rating. The Bank’s Satisfactory and Outstanding goals fall near or at the high-end of the applicable ranges.

Community Development Service Hours					
Bank	Source ¹	Satisfactory	Outstanding	% Increase Between Goals	Location
Coastal Community Bank	SP	6.00 per FTE	8.00 per FTE	33.33%	Assessment Area & Nationwide
Green Dot Bank	SP	6.50 per FTE	8.00 per FTE	23.08%	Assessment Area & Nationwide
The Bancorp Bank, NA	SP	1.00 per FTE	1.25 per FTE	25.00%	Assessment Area
Pathward, NA	SP	1.00 per FTE	1.25 per FTE	25.00%	Assessment Area
Optum Bank, Inc. ²	PE	4.50 per FTE	6.00 per FTE	33.33%	State

1 - Strategic Plan (SP) or Performance Evaluation (PE)

4. Execution and Accountability

The Bank will achieve its CRA Plan goals by:

- Designating community development representatives to work with the CRA Officer in building partnerships with CDFIs, housing developers, and community-based organizations.
- Reviewing product offerings in consultation with community partners to ensure relevance to LMI borrowers and communities.
- Refining investment strategies to prioritize CRA-qualified opportunities aligned with identified community needs.
- Providing enhanced reporting to Executive Management and the Board, enabling proactive oversight and course correction.

Oversight of these activities is the responsibility of the CRA & Fair Lending Committee, which ensures transparency, consistency, and accountability across the organization.

5. Conclusion

These Strategic Plan goals provide a balanced and measurable framework for CRA performance. By focusing on new and cumulative community development lending and investments, supported by service hour commitments and active engagement of both branch-based and remote employees, Coastal demonstrates its ability and intent to meet the credit and community development needs of its assessment area.

¹⁴ as of either the prior year-end or the average of the prior year

¹⁵ NelNet Bank maintains one office in Utah and three in California.

The Bank's approach reflects both regulatory expectations and its broader mission to serve as a partner in strengthening economic opportunity, affordable housing, and financial literacy across its communities.

SECTION VII. REQUEST FOR APPROVAL OF STRATEGIC PLAN

A. Regulatory Criteria for Approval

The Bank respectfully submits that it has fulfilled all of the regulatory requirements for strategic plans, including those governing development of the plan, public participation in the plan, and the plan's measurable goals. As established herein, the Bank's CRA performance context thoroughly supports the Bank's measurable goals. The Bank believes that Board approval of the Strategic Plan and its measurable goals as set forth in above are appropriate under the regulator criteria for evaluation of a strategic plan outlined in 12 C.F.R. §228.27(g)(3)(i)-(iii):

Criteria for evaluating the plan. The Board evaluates a plan's measurable goals using the following criteria, as appropriate:

- (i) The extent and breadth of lending or lending-related activities, including, as appropriate, the distribution of loans among different geographies, businesses and farms of different sizes, and individuals of different income levels, the extent of community development lending, and the use of innovative or flexible lending practices to address credit needs;*
- (ii) The amount and innovativeness, complexity, and responsiveness of the bank's qualified investments; and*
- (iii) The availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of the bank's community development services.*

Coastal Community Bank's measurable goals meet these requirements in a number of ways. The Bank followed strategic plan application requirements, consulted specific regulatory guidance, considered its business strategy and product mix, engaged experienced third-party consultants, and evaluated its CRA performance context as it developed the Plan's measurable goals. Additionally, the Bank notified the public of its intention to apply for a strategic plan and invited the public to comment.

B. Request for Approval

For the reasons set forth above, the Bank respectfully requests the Federal Reserve Board's approval of this CRA Strategic Plan.

C. Election of Alternative CRA Assessment Method

If, through unforeseen circumstances, the Bank is unable to meet substantially all of the goals enumerated in this Plan to achieve a "Satisfactory" rating, then the Bank's CRA performance shall be evaluated based on the Large Bank Performance Standards set forth in 12 C.F.R. §228.21.



SECTION VIII. CONTACT INFORMATION

Any questions or comments regarding this Strategic Plan may be addressed to the following:

Primary Contact:	Eric Sprink, CEO
Secondary Contacts:	Beth Sarvela, EVP / COO
	Cinnamon Chambers, SVP / CRA Officer
Address:	5415 Evergreen Way Everett, WA 98203
Email:	CRAPublicComments@coastalbank.com

Appendix - Assessment Area Census Tract Listing

Island County									
9701.00	9704.01	9706.01	9708.00	9711.00	9714.00	9717.00	9720.00		
9702.00	9704.02	9706.02	9709.00	9713.01	9715.00	9718.00	9721.00		
9703.00	9705.00	9707.00	9710.00	9713.02	9716.00	9719.00	9922.01		
King County									
0001.01	0042.01	0072.03	0104.02	0219.04	0239.01	0262.00	0294.05	0308.01	0322.15
0001.02	0042.02	0073.01	0105.01	0219.05	0239.02	0263.00	0294.06	0308.02	0322.16
0002.01	0043.01	0073.02	0105.02	0219.06	0240.01	0264.00	0294.07	0309.01	0322.17
0002.02	0043.02	0073.03	0106.01	0220.01	0240.02	0265.00	0294.08	0309.02	0322.18
0003.00	0044.01	0074.03	0106.02	0220.03	0241.00	0266.00	0295.04	0310.00	0322.19
0004.02	0044.02	0074.04	0107.01	0220.05	0242.00	0267.00	0295.05	0311.01	0322.20
0004.03	0045.00	0074.05	0107.02	0220.06	0243.01	0268.01	0295.06	0311.02	0322.21
0004.04	0046.00	0074.06	0108.00	0221.01	0243.02	0268.02	0295.07	0312.02	0322.22
0005.00	0047.01	0075.01	0109.00	0221.02	0244.00	0270.00	0295.08	0312.04	0322.23
0006.01	0047.02	0075.02	0110.01	0222.01	0245.00	0271.00	0296.02	0312.06	0322.24
0006.02	0047.03	0075.03	0110.02	0222.03	0246.01	0272.00	0296.03	0312.07	0322.25
0007.00	0048.00	0076.00	0111.01	0222.04	0246.02	0273.00	0296.04	0312.08	0323.07
0008.00	0049.01	0077.00	0111.02	0222.05	0247.01	0274.00	0297.01	0313.01	0323.11
0009.00	0049.02	0078.00	0112.00	0223.00	0247.03	0275.00	0297.02	0313.02	0323.13
0010.00	0050.00	0079.01	0113.00	0224.01	0247.04	0276.00	0298.03	0314.00	0323.15
0011.00	0051.00	0079.02	0114.01	0224.02	0248.00	0277.01	0298.04	0315.01	0323.16
0012.01	0052.01	0080.02	0114.02	0225.01	0249.01	0277.02	0298.05	0315.02	0323.17
0012.02	0052.02	0080.03	0115.00	0225.02	0249.02	0278.00	0298.06	0316.01	0323.18
0013.00	0053.03	0080.04	0116.01	0226.03	0249.04	0279.01	0299.01	0316.03	0323.19
0014.00	0053.04	0081.01	0116.02	0226.04	0249.05	0279.02	0299.02	0316.04	0323.20
0015.00	0053.05	0081.02	0117.00	0226.05	0250.01	0280.00	0300.03	0316.05	0323.21
0016.00	0053.06	0082.00	0118.01	0226.06	0250.05	0281.00	0300.05	0317.04	0323.22
0017.01	0053.07	0083.00	0118.02	0227.01	0250.06	0282.00	0300.06	0317.05	0323.23
0017.02	0054.01	0084.01	0119.01	0227.02	0250.07	0283.00	0300.07	0317.07	0323.24
0018.00	0054.02	0084.02	0119.02	0227.03	0250.08	0284.02	0300.08	0317.08	0323.25
0019.00	0056.00	0085.00	0120.00	0228.02	0251.01	0284.03	0301.01	0317.09	0323.26
0020.00	0057.00	0086.00	0121.00	0228.03	0251.03	0285.00	0301.02	0317.10	0323.27
0021.00	0058.01	0087.00	0201.00	0228.04	0251.04	0286.00	0302.01	0318.00	0323.28
0022.00	0058.03	0088.00	0202.00	0228.05	0252.01	0287.00	0302.03	0319.04	0323.30
0024.00	0058.04	0089.00	0203.01	0229.01	0252.02	0288.01	0302.04	0319.06	0323.31
0025.00	0059.01	0090.00	0203.02	0229.02	0253.02	0288.02	0303.04	0319.08	0323.32
0026.00	0059.02	0091.00	0204.01	0230.00	0253.03	0289.01	0303.05	0319.09	0323.33
0027.00	0060.00	0092.00	0204.02	0231.00	0253.04	0289.02	0303.06	0319.10	0324.01
0028.00	0061.00	0093.00	0205.00	0232.01	0254.01	0290.01	0303.08	0319.11	0324.02
0029.00	0062.00	0094.00	0206.00	0232.02	0254.02	0290.03	0303.09	0319.12	0325.00
0030.00	0063.00	0095.00	0207.00	0233.00	0255.00	0290.04	0303.10	0319.13	0326.01
0031.00	0064.00	0096.00	0208.00	0234.01	0256.01	0291.01	0303.11	0320.02	0326.03
0032.01	0065.00	0097.01	0209.00	0234.03	0256.02	0291.02	0303.12	0320.03	0326.04
0032.02	0066.00	0097.02	0210.00	0234.04	0257.02	0292.03	0303.13	0320.05	0326.05
0033.01	0067.01	0098.01	0211.00	0235.00	0257.03	0292.05	0303.14	0320.06	0327.03
0033.02	0067.02	0098.02	0213.00	0236.01	0257.04	0292.06	0304.03	0320.07	0327.04
0034.00	0067.03	0099.00	0214.00	0236.03	0258.03	0292.07	0304.04	0320.08	0327.05
0035.00	0068.00	0100.01	0215.00	0236.04	0258.04	0292.08	0304.05	0320.10	0327.06
0036.01	0069.00	0100.02	0216.00	0237.01	0258.05	0293.04	0304.06	0320.11	0328.00

King County (Continued)									
0036.02	0070.01	0101.01	0217.01	0237.02	0258.06	0293.05	0304.07	0321.02	9901.00
0038.00	0070.02	0101.02	0217.02	0238.01	0260.01	0293.06	0305.01	0321.03	
0039.00	0071.01	0102.00	0218.02	0238.05	0260.03	0293.07	0305.03	0321.04	
0040.00	0071.02	0103.01	0218.03	0238.06	0260.04	0293.08	0305.04	0322.07	
0041.01	0072.01	0103.02	0218.04	0238.07	0261.01	0293.09	0306.00	0322.11	
0041.02	0072.02	0104.01	0219.03	0238.08	0261.02	0294.03	0307.00	0322.13	
Snohomish County									
0401.00	0416.05	0419.04	0506.00	0518.04	0519.35	0521.19	0525.06	0528.10	0535.11
0402.00	0416.06	0419.05	0507.00	0519.12	0519.36	0521.20	0526.03	0529.03	0536.03
0403.00	0416.07	0419.06	0508.00	0519.13	0519.37	0521.21	0526.04	0529.04	0536.04
0404.00	0416.09	0419.07	0509.00	0519.14	0519.38	0521.22	0526.05	0529.05	0536.05
0405.00	0416.10	0420.01	0510.00	0519.16	0520.04	0522.03	0526.06	0529.06	0536.06
0407.00	0417.01	0420.03	0511.00	0519.17	0520.05	0522.04	0526.07	0531.01	0537.00
0408.00	0417.03	0420.04	0512.00	0519.18	0520.06	0522.06	0527.01	0531.02	0538.01
0409.00	0417.04	0420.05	0513.01	0519.21	0520.07	0522.07	0527.06	0532.01	0538.02
0410.00	0418.05	0420.06	0513.02	0519.22	0520.08	0522.08	0527.07	0532.02	0538.03
0411.00	0418.08	0501.01	0514.01	0519.26	0520.09	0522.10	0527.08	0533.01	9400.01
0412.01	0418.09	0501.02	0514.02	0519.27	0520.10	0522.11	0527.09	0533.02	9400.02
0412.02	0418.10	0502.00	0515.00	0519.28	0521.04	0523.01	0527.10	0534.00	9900.02
0413.01	0418.12	0503.00	0516.01	0519.29	0521.05	0523.02	0527.11	0535.05	9901.00
0413.03	0418.13	0504.02	0516.02	0519.30	0521.07	0524.01	0528.03	0535.06	
0413.04	0418.14	0504.03	0517.01	0519.31	0521.08	0524.02	0528.05	0535.07	
0414.00	0418.15	0504.04	0517.02	0519.32	0521.12	0525.02	0528.07	0535.08	
0415.00	0418.16	0505.01	0518.02	0519.33	0521.13	0525.04	0528.08	0535.09	
0416.01	0419.01	0505.02	0518.03	0519.34	0521.14	0525.05	0528.09	0535.10	