

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): March 27, 2024

**CAPITAL BANCORP, INC.**

(Exact name of registrant as specified in its charter)

Maryland  
(State or other jurisdiction of incorporation or organization)

001-38671  
(Commission file number)

52-2083046  
(IRS Employer Identification No.)

2275 Research Boulevard, Suite 600, Rockville, Maryland 20850  
(Address of principal executive offices) (Zip Code)

(301) 468-8848  
Registrant's telephone number, including area code

Not Applicable  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	CBNK	NASDAQ Stock Market

**Item 8.01 Other Events.**

On March 28, 2024, Capital Bancorp, Inc. ("Capital") and Integrated Financial Holdings, Inc. ("IFHI") issued a joint press release announcing the execution of an Agreement and Plan of Merger and Reorganization, dated as of March 27, 2024, by and between Capital and IFHI, pursuant to which, upon the terms and subject to the conditions set forth therein, Capital and IFHI will merge, with Capital continuing as the surviving entity. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

In addition, Capital is providing supplemental information regarding the proposed transaction in the form of an investor presentation. A copy of the investor presentation is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

**Forward-Looking Statements**

This Current Report on Form 8-K and the exhibits filed herewith include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to Capital's and IFHI's beliefs, goals, intentions, and expectations regarding the proposed transaction and anticipated financial results; our estimates of future costs and benefits of the actions we may take; our assessments of interest rate and other market risks; our ability to achieve our financial and other strategic goals; the expected timing of completion of the proposed transaction; the expected costs of the transaction; the expected cost savings, synergies and other anticipated benefits from the proposed transaction; and other statements that are not historical facts.

Forward-looking statements are typically identified by such words as "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," "should," "will," and other similar words and expressions, and are subject to numerous assumptions, risks, and uncertainties, which change over time. These forward-looking statements include, without limitation, those relating to the terms, timing and closing of the proposed transaction.

Additionally, forward-looking statements speak only as of the date they are made; Capital and IFHI do not assume any duty, and do not undertake, to update such forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events, or otherwise, except as required by law. Furthermore, because forward-looking statements are subject to assumptions and uncertainties, actual results or future events could differ, possibly materially, from those indicated in such forward-looking statements as a result of a variety of factors, many of which are beyond the control of Capital and IFHI. Such statements are based upon the current beliefs and expectations of the management of Capital and IFHI and are subject to significant risks and uncertainties outside of the control of the parties. Caution should be exercised against placing undue reliance on forward-looking statements. The factors that could cause actual results to differ materially include, but are not limited to, the following: the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the definitive merger agreement between Capital and IFHI; the outcome of any legal proceedings that may be instituted against Capital or IFHI; the possibility that the proposed transaction will not close when expected or at all because required regulatory, shareholder or other approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all, or are obtained subject to conditions that are not anticipated (and the risk that required regulatory approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the proposed transaction); the ability of Capital and IFHI to meet expectations regarding the timing, completion and accounting and tax treatments of the proposed transaction; the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of the common stock of Capital; the possibility that the anticipated benefits of the proposed transaction will not be realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy and competitive factors in the areas where Capital and IFHI do business; certain restrictions during the pendency of the proposed transaction that may impact the parties' ability to pursue certain business opportunities or strategic transactions; the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; diversion of management's attention from ongoing business operations and opportunities; the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in the merger within the expected timeframes or at all and to successfully integrate IFHI's operations and those of Capital; such integration may be more difficult, time consuming or costly than expected; revenues following the proposed transaction may be lower than expected; IFHI's and Capital's success in executing their respective business plans and strategies and managing the risks involved in the foregoing; the dilution caused by Capital's issuance of additional shares of its capital stock in connection with the proposed transaction; effects of the announcement, pendency or completion of the proposed transaction on the ability of IFHI and Capital to retain customers and retain and hire key personnel and maintain relationships with their suppliers, and on their operating results and businesses generally; risks related to the potential impact of general economic, political and market factors on the companies or the proposed transaction and other factors that may affect future results of IFHI and

Capital; the effects of inflation on IFHI, Capital and the proposed transaction; the impact of changing interest rates on IFHI and Capital; and the other factors discussed in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of Capital's Annual Report on Form 10-K for the year ended December 31, 2023 and in other reports Capital files with the U.S. Securities and Exchange Commission (the "SEC").

#### **Additional Information and Where to Find It**

In connection with the proposed transaction, Capital will file a registration statement on Form S-4 with the SEC. The registration statement will include a joint proxy statement of Capital and IFHI, which also constitutes a prospectus of Capital, that will be sent to Capital's and IFHI's shareholders seeking certain approvals related to the proposed transaction.

The information contained herein does not constitute an offer to sell or a solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. INVESTORS AND SECURITY HOLDERS OF CAPITAL AND IFHI AND THEIR RESPECTIVE AFFILIATES ARE URGED TO READ, WHEN AVAILABLE, THE REGISTRATION STATEMENT ON FORM S-4, THE JOINT PROXY STATEMENT/PROSPECTUS TO BE INCLUDED WITHIN THE REGISTRATION STATEMENT ON FORM S-4 AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT IFHI, CAPITAL AND THE PROPOSED TRANSACTION. Investors and security holders will be able to obtain a free copy of the registration statement, including the joint proxy statement/prospectus, as well as other relevant documents filed by Capital with the SEC containing information about IFHI and Capital, without charge, at the SEC's website (<http://www.sec.gov>). In addition, copies of documents filed with the SEC by Capital will be made available free of charge in the "Investor Relations" section of Capital's website, <https://www.capitalbankmd.com>, under the heading "SEC Filings;" and investors may obtain free copies of the joint proxy statement/prospectus (when available) by contacting Integrated Financial Holdings, Inc., Attn: Steven E. Crouse, 8450 Falls of Neuse Road, Suite 202, Raleigh, NC 27615, telephone: (919) 861-8018.

#### **Participants in Solicitation**

IFHI, Capital, and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction under the rules of the SEC. Information regarding Capital's directors and executive officers is available in its definitive proxy statement, which was filed with the SEC on April 4, 2023, and certain other documents filed by Capital with the SEC. Other information regarding the participants in the solicitation of proxies in respect of the proposed transaction and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC. Free copies of these documents, when available, may be obtained as described in the preceding paragraph.

#### **Item 9.01. Financial Statements and Exhibits**

##### **(d) Exhibits**

- 99.1 [Press Release of Capital Bancorp, Inc. and Integrated Financial Holdings, Inc., dated March 28, 2024.](#)
- 99.2 [Investor Presentation of Capital Bancorp, Inc., dated March 28, 2024.](#)
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

**CAPITAL BANCORP, INC.**

Date: March 28, 2024

By: /s/ Jay Walker  
Jay Walker  
Chief Financial Officer

March 28, 2024

**Capital Bancorp, Inc. Announces Acquisition of Integrated Financial Holdings, Inc.**

***Further Diversifies CBNK with a Niche C&I Business that is Capital Efficient, High-Return and Generates Meaningful Fee Income***

Rockville, MD -- Capital Bancorp, Inc. ("CBNK" or "Capital") (NASDAQ: CBNK) and Integrated Financial Holdings, Inc. ("IFH") (OTCQX: IFHI) today announced that they have entered into a definitive merger agreement under which CBNK will acquire IFH in a cash and stock transaction valued at \$66 million, exclusive of the value of a dividend to be received by IFH shareholders at or immediately prior to closing.

Under the terms of the merger agreement, IFH shareholders will, subject to certain adjustments, receive \$5.36 in cash and 1.115 shares of CBNK common stock for each share of IFH common stock. Based on the closing price of Capital common stock of \$20.00 on March 26, 2024, the implied per share purchase price, inclusive of the cash consideration, is \$27.66. At or immediately prior to the closing, IFH is expected to distribute its minority equity interest in Dogwood State Bank to IFH shareholders in the form of a dividend equal to approximately 0.469 shares of Dogwood State Bank for each share of IFH common stock, a value of \$7.69/share or approximately \$18 million based on the closing price of Dogwood State Bank on March 26, 2024. At closing, Capital shareholders will own approximately 84% and IFH shareholders will own approximately 16% of the combined company.

This transaction adds another high-return vertical to Capital's business model, further complementing its existing set of commercial and consumer businesses and contributing to a highly diversified and differentiated earnings mix across various local, regional and national businesses.

***Creating a Nationwide Leader in Government Guaranteed Lending and Servicing***

The transaction will create a best-in-class nationwide lender in government guaranteed lending across both U.S. Department of Agriculture ("USDA") and U.S. Small Business Administration ("SBA") government guaranteed lending. Including Windsor Advantage's industry leading government guaranteed servicing platform, Capital is well positioned to capitalize on this growing niche.

"Capital has a track record of creating value by investing in teams and lines of businesses that generate strong returns for shareholders. This acquisition represents a continuation of our strategy to build a highly diversified business that generates best-in-class returns for our shareholders and allows us to better serve our customers" said Ed Barry, Chief Executive Officer of Capital Bank. "IFH's expertise originating and servicing USDA and SBA loans fits well with our strategic objectives and will allow us to serve a market with substantial need and growth potential."

"We are excited for this partnership with Capital and for the benefits that it brings to both banks. With a larger balance sheet and our combined lending and deposit-gathering capabilities we believe that we can secure and grow our position as a leader in nationwide government guaranteed lending," said Marc McConnell, Chairman, President and CEO of IFH.

### ***Financial and Strategic Benefits of the Merger***

- 1) **Meaningfully grows commercial loan book:** ~38% of the pro forma loan book will consist of C&I and owner-occupied CRE
- 2) **Balanced pro forma business mix:** ~70% contribution from commercial and ~30% contribution from consumer on a net income basis based on illustrative adjusted full year 2023 earnings
- 3) **Financially compelling:** expected to produce 17% EPS accretion in 2025 with manageable tangible book value dilution of ~5% earned back in approximately ~1.8 years
- 4) **Significant accretion to returns profile:** expected to be ~260bps accretive to CBNK's already high return on tangible common equity in 2025
- 5) **Increases Fee Income:** Pro forma fee income contribution will exceed ~20% of total revenue
- 6) **Robust pro forma capital ratios:** Modest capital ratio dilution; Strong pro forma capital generation; Pro forma tangible common equity / tangible assets ratio of 11.0%

### ***Leadership***

Upon closing of the transaction, Marc McConnell, Chairman, President and CEO of IFH, will join the board of directors of Capital Bancorp, Inc. and Capital Bank. A. Riddick Skinner, EVP of Government Lending at IFH will join Capital Bank as Head of Government Guaranteed Lending Program. Melissa Marsal, EVP and Chief Operating Officer of IFH, will join Capital Bank in a leadership role. Mike Breckheimer, EVP and Chief Strategy Officer at IFH, will join Capital Bank as Head of Windsor Advantage.

### ***Approvals***

The transaction with IFH has been unanimously approved by both IFH's and CBNK's boards of directors and is expected to be completed in the second half of 2024, subject to approval of Capital's and IFH's shareholders, regulatory approvals and the satisfaction of other customary closing conditions.

### ***Advisors***

Stephens Inc. served as financial advisor and Squire Patton Boggs (US) LLP served as legal advisor to CBNK. Raymond James & Associates, Inc. served as financial advisor and Wyrick Robbins Yates & Ponton LLP served as legal advisor to IFH.

### ***About Integrated Financial Holdings, Inc.***

Integrated Financial Holdings, Inc. is a financial holding company based in Raleigh, North Carolina. Integrated Financial Holdings had assets of approximately \$548 million at December 31, 2023. The company is the holding company for West Town Bank & Trust, an Illinois state-chartered bank. West Town Bank & Trust provides banking services through its full-service office located in the greater Chicago area. IFH is also the parent company of Windsor Advantage, LLC, a loan service provider that offers community banks and credit unions with a comprehensive outsourced U.S. Small Business Administration 7(a) and U.S. Department of Agriculture lending platform. IFH is registered with and supervised by the Federal Reserve. West Town Bank & Trust's primary regulators are the Illinois Department of Financial and Professional Regulation and the FDIC.

***About Capital Bancorp, Inc.***

Capital Bancorp, Inc., Rockville, Maryland is a registered bank holding company incorporated under the laws of Maryland. Capital's wholly-owned subsidiary, Capital Bank, N.A., is the fourth largest bank headquartered in Maryland at December 31, 2023. Capital Bancorp has been providing financial services since 1999 and now operates bank branches in four locations in the greater Washington, D.C. and Baltimore, Maryland markets. Capital Bancorp had assets of approximately \$2.2 billion at December 31, 2023 and its common stock is traded in the NASDAQ Global Market under the symbol "CBNK." More information can be found at Capital's website [www.CapitalBankMD.com](http://www.CapitalBankMD.com) under its investor relations page.

***Forward-Looking Statements***

This release includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to Capital's and IFH's beliefs, goals, intentions, and expectations regarding the proposed transaction and anticipated financial results; our estimates of future costs and benefits of the actions we may take; our ability to achieve our financial and other strategic goals; the expected timing of completion of the proposed transaction; the expected costs of the transaction; the expected cost savings, synergies and other anticipated benefits from the proposed transaction; and other statements that are not historical facts.

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that any announcements relating to the proposed transaction could have adverse effects on the market price of the common stock of Capital; the possibility that the anticipated benefits of the proposed transaction will not be realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy and competitive factors in the areas where Capital and IFH do business; certain restrictions during the pendency of the proposed transaction that may impact the parties' ability to pursue certain business opportunities or strategic transactions; the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; diversion of management's attention from ongoing business operations and opportunities; the possibility that the parties may be unable to achieve expected synergies and operating efficiencies in the Merger within the expected timeframes or at all and to successfully integrate IFH's operations and those of Capital; such integration may be more difficult, time consuming or costly than expected; revenues following the proposed transaction may be lower than expected; IFH's and Capital's success in executing their respective business plans and strategies and managing the risks involved in the foregoing; the dilution caused by Capital's issuance of additional shares of its capital stock in connection with the proposed transaction; effects of the announcement, pendency or completion of the proposed transaction on the ability of IFH and Capital to retain customers and retain and hire key personnel and maintain relationships with their suppliers, and on their operating results and businesses generally; risks related to the potential impact of general economic, political and market factors on the companies or the proposed transaction and other factors that may affect future results of IFH and Capital; the effects of inflation on IFH, Capital and the proposed transaction; the impact of changing interest rates on IFH and Capital; and the other factors discussed in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of Capital's Annual Report on Form 10-K for the year ended December 31, 2023 and in other reports Capital files with the SEC.

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available free of charge in the "Investor Relations" section of Capital's website, <https://www.capitalbankmd.com>, under the heading "SEC Filings;" and investors may obtain free copies of the joint proxy statement/prospectus (when available) by contacting Integrated Financial Holdings, Inc., Attn: Steven E. Crouse, 8450 Falls of Neuse Road, Suite 202, Raleigh, NC 27615, telephone: (919) 861-8018.

***Participants in Solicitation***

IFH, Capital, and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction under the rules of the SEC. Information regarding Capital's directors and executive officers is available in its definitive proxy statement, which was filed with the SEC on April 4, 2023, and certain other documents filed by Capital with the SEC. Other information regarding the participants in the solicitation of proxies in respect of the proposed transaction and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC. Free copies of these documents, when available, may be obtained as described in the preceding paragraph.



CAPITAL BANCORP, INC.



## Acquisition of Integrated Financial Holdings, Inc.

*Further Diversifies CBNK with a Niche C&I Business that is Capital Efficient, High-Return and Generates Meaningful Fee Income*

March 28, 2024

# Disclaimer and Additional Statements

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## Forward-Looking Statements

This communication includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to Capital Bancorp, Inc.’s (“Capital”) and Integrated Financial Holdings, Inc. (“IFHI”) beliefs, goals, intentions, and expectations regarding the proposed transaction and anticipated financial results; our estimates of future costs and benefits of the action we may take; our assessments of interest rate and other market risks; our ability to achieve our financial and other strategic goals; the expected timing of completion of the proposed transaction; the expected costs of the transaction; the expected cost savings, synergies and other anticipated benefits from the proposed transaction; and other statements that are not historical facts.

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## Disclaimer and Additional Statements (cont.)

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### **Non-U.S. GAAP Financial Measures**

This presentation includes certain non-GAAP financial measures intended to supplement, not substitute for, comparable GAAP measures. Non-GAAP financial measures should not be considered in isolation, and should be considered as additions to, and not substitutes for or superior to, measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of the Company's non-GAAP financial measures as tools for comparison. Investors are strongly encouraged to review the consolidated financial statements in their entirety and not to rely on any single financial measure. Capital Bancorp, Inc. believes that providing certain non-GAAP financial measures provide investors with information useful in understanding performance trends and financial position. Capital Bancorp, Inc. believes that this presentation and discussion, together with the accompanying reconciliations, provides a understanding of factors affecting Capital Bancorp, Inc.'s businesses and allows investors to view performance in a manner similar to management. See the Appendix to this presentation for a reconciliation of tangible book value to its directly comparable GAAP financial measure.

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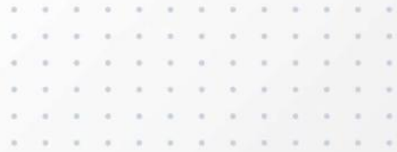
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# Agenda

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- I. TRANSACTION OVERVIEW AND STRATEGIC RATIONALE
- II. OVERVIEW OF IFH AND ASSESSING THE GROWTH OPPORTUNITY
- III. KEY MERGER FINANCIAL IMPACTS
- IV. DUE DILIGENCE
- V. CONCLUSION
- VI. APPENDIX



# I. TRANSACTION OVERVIEW AND STRATEGIC RATIONALE

## Strategic Acquisition of IFH

- Capital Bancorp, Inc. (NASDAQ: CBNK) is acquiring Integrated Financial Holdings, Inc. (OTCQX:IFHI), a \$548 million asset bank holding company
- Aggregate purchase price of \$66.5 million
  - 81% stock / 19% cash
- IFH is headquartered in Raleigh, North Carolina
- Branch-lite (single location) business model specializing in C&I, Government Guaranteed Lending (“GGL”) and renewables loan origination and servicing on a nationwide basis
- High degree of fee income (48% of revenue<sup>1</sup>) and top-tier profitability track record (1.55% core ROAA<sup>2</sup>)

**~17%**  
2025E EPS  
Accretion

**~1.8 Yrs**  
TBV per share  
Earnback (Years)

**20%+**  
Return on  
Invested Capital<sup>3</sup>

**~2 Yrs**  
EPS Pull-  
Forward (Years)<sup>4</sup>

## Transaction Materially Accelerates CBNK's Strategic Plan Initiatives

### CBNK Strategic Initiative

- Growth in the commercial bank business line
- Growth in fee income
- Build domain expertise in new product / industry verticals
- Further shift in the loan mix toward C&I and growth in regional C&I lending capabilities
- Value accretive deployment of excess capital



Source: S&P Global Market Intelligence; FactSet

<sup>1</sup> Based on IFH 2023Y core revenue; excludes one-time, non-recurring items.

<sup>2</sup> Based on IFH 2023Y core net income based on reported net income of \$11.2 million less \$4.7 million in pre-tax adjustments, tax effected at 22.5%.

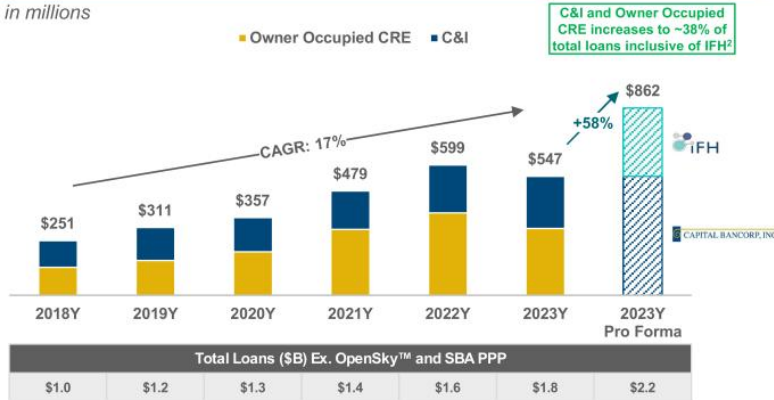
<sup>3</sup> Return on invested capital represents IFH fully-synergized net income divided by the sum of deal value plus after-tax transaction charges less excess capital at closing.

<sup>4</sup> Reflects the time it would have taken CBNK to achieve pro forma 2025 EPS on a standalone basis; based on median consensus estimates with a growth rate applied post-2025.

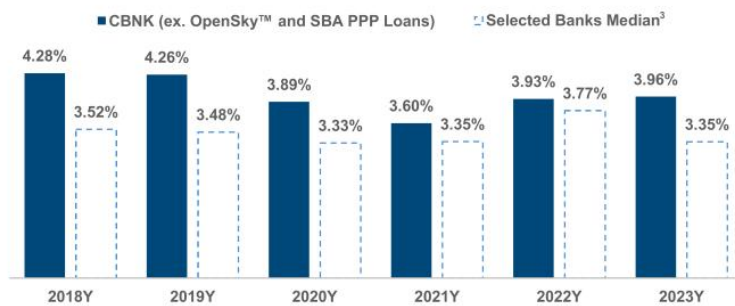
# Evolution of CBNK's Commercial Bank

## C&I and Owner Occupied CRE Loan Growth<sup>1</sup>

\$ in millions



## Net Interest Margin (ex. OpenSky™ and SBA PPP Loans)



Source: S&P Global Market Intelligence; Company Documents.

Note: Loan composition based on bank-level regulatory data. Net interest margin data represents BHC GAAP data for Selected Banks.

<sup>1</sup> SBA Paycheck Protection Program ("PPP") loans excluded from C&I loans.

<sup>2</sup> Adjusted for \$9.1mm of IFH Owner Occupied CRE reclassified as Nonowner Occupied CRE.

<sup>3</sup> Select banks with assets between \$1.5 billion and \$4.5 billion in the Mid-Atlantic (North of Richmond) and New England Region. (ACNB, BCBP, BHRB, BPRN, BWFG, EBTC, FLIC, FRBA, FRST, FVCB, HNVN, JMSB, MNSB, MRBK, MVBK, NBN, PKBK, PVBC, UNTY).

<sup>4</sup> Elite Banking was recently launched.

## CBNK Initiatives To Date

- Successfully implemented a commercial branch-lite model focused on attractive risk-adjusted return verticals
- Diversified across local, regional and national businesses
- Increased commercial funding contribution by building out deposit focused verticals including title, property management, HOA, PAC deposits and Elite Banking<sup>4</sup>

## IFH Strategic Fit

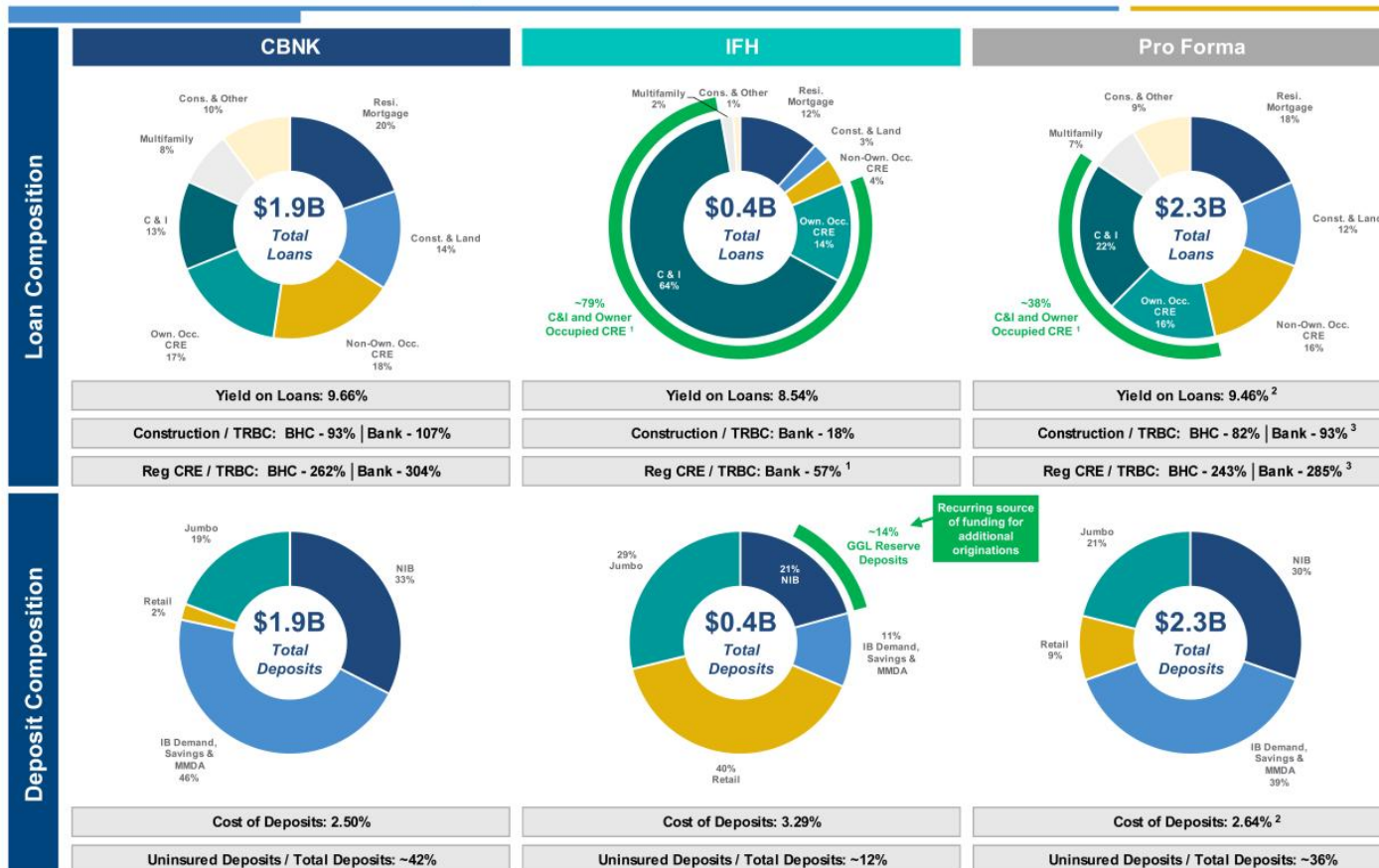
- Strategic bolt-on acquisition accelerating C&I buildout
- Ability to scale business nationwide with larger balance sheet
- Deep expertise in attractive lending area
- Capital efficient, fee-income heavy business

## Plans For What Is Next...

- Expand to attractive and opportunistic markets
- Offer additional high value-added services generating above-average risk-adjusted returns
- Continue to grow tangible book value and earnings through a diversified earnings stream
- Grow deposits organically and inorganically
- Leverage next-generation technology for continued execution of innovation-focused business plan



# Pro Forma Loans and Deposits



Source: S&P Global Market Intelligence; Company Documents.

Note: Loan composition based on bank-level regulatory data as of 2023Q4. Yield on loans based on BHC GAAP data as of 2023Q4.

Note: Deposit composition and cost of deposits based on BHC GAAP data as of 2023Q4.

Note: Uninsured deposit data per bank-level regulatory data as of 2023Q4 for CBANK and Company provided data as of 2023Q4 for IFH.

<sup>1</sup> Adjusted for \$9.1mm of IFH Owner Occupied CRE reclassified as Nonowner Occupied CRE.

<sup>2</sup> Prior to impact of accretion of purchase accounting fair value marks.

<sup>3</sup> Pro Forma Construction / TRBC and Reg CRE / TRBC represent estimated ratios at closing and includes purchase accounting and other merger related adjustments.

# Pro Forma Business Model Remains Uniquely Diversified



## Commercial Banking

**\$1.8B**  
Portfolio Loans, ex. OpenSky™ and SBA-PPP

**\$1.6B**  
Deposits<sup>1</sup>

**\$81mm**  
Revenue

- Commercial branch-lite model focused on attractive Maryland, D.C. and Northern Virginia markets
- High value-added services and targeted vertical expertise generates above-average risk-adjusted loan yields



- Nationwide Government Guaranteed Lending (GGL) business with niche expertise in Solar and Renewable Energy
- Nationwide GGL servicing platform with attractive economics
- Strong C&I pipeline with proven ability to originate \$100+ million per year of loans

## Capital Bank Home Loans

**\$200mm**  
2023 Volume<sup>2</sup>

**\$6mm**  
Revenue

- Gain on sale margin and pipeline returning to normalized levels
- Expense management has reduced losses while maintaining robust origination capabilities
- Well-positioned for stabilization or decline in rates
- Natural hedge against asset sensitivity of the balance sheet

## OpenSky™

**\$123mm**  
Loans, net

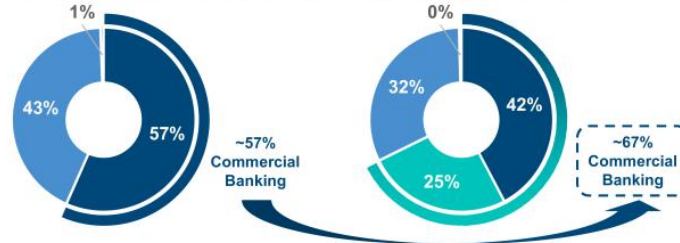
**\$174mm**  
Deposits

**\$80mm**  
Revenue

- Nationwide, secured credit card to help under-banked customers (re)establish their credit with opportunities for graduation into unsecured credit
- Building capabilities to cross-sell products and services as card-holders progress on their custom journeys

### FY 2023 Fully-Allocated Illustrative Net Income Contribution<sup>3 4</sup>

- Commercial Bank (Legacy CBNK)
- Commercial Bank (IFH + Cost Saves)
- OpenSky™
- Capital Bank Home Loans
- Other



Source: Company Documents.

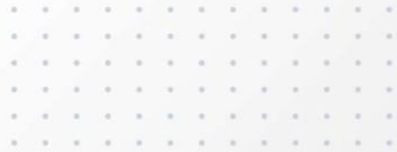
Note: CBNK financial metrics as of 12/31/2023.

<sup>1</sup> Excludes brokered CD's and intracompany deposits.

<sup>2</sup> Volume in 2021 was approximately \$1.0 billion and volume in 2022 was approximately \$300 million.

<sup>3</sup> Excludes \$1.8 million loss in Capital Bank Home Loans. Commercial Bank with IFH includes IFH 2023Y core net income of ~\$7.5 million plus \$5.3 million of fully phased-in after-tax cost savings. IFH 2023Y core net income base on reported net income of \$11.2 million less \$4.7 million in pre-tax adjustments, tax effected at 22.5%.

<sup>4</sup> This illustration includes certain expenses previously recorded directly to the Commercial Bank segment, allocated to the other segments for 2023.



## II. OVERVIEW OF IFH AND ASSESSING THE GROWTH OPPORTUNITY

# Overview of Integrated Financial Holdings, Inc. (“IFHI” / “IFH”)

- **\$548mm Financial Holding Company**

- Headquartered in Raleigh, NC

- **Two Primary Subsidiaries**

- West Town Bank & Trust and Windsor Advantage

- **West Town Bank & Trust**

- Single branch located in North Riverside, IL
  - Selectively specialized in Government Guaranteed Lending
  - More than \$1 billion in SBA / USDA originations since 2018

- **Windsor Advantage**

- Outsourced SBA and USDA platform to lending institutions nationwide
  - \$2+ billion servicing portfolio consisting of ~2,000 loans

## 2023 Financial Highlights<sup>1</sup>



Source: S&P Global Market Intelligence; Company Documents; USDA.

Note: Yield on loans and cost of deposits exclude purchase accounting and other merger related adjustments.

<sup>1</sup> 2023Y core operating revenue and core net income excludes one-time, non-recurring items. IFH 2023Y core net income based on reported net income of \$11.2 million less \$4.7 million in pre-tax adjustments, tax effected at 22.5

<sup>2</sup> In 2023 West Town Bank & Trust ranked fourth overall in USDA Business and Industry Guaranteed Loan Program (B&I) and Rural Energy for America Guaranteed Loan Program (REAP) total investment dollars.

<sup>3</sup> Loan composition represents bank-level regulatory data as of 2023Q4. Yield on loans represent BHC GAAP data as of 2023Q4.

<sup>4</sup> Deposit composition and cost of deposits represents BHC-GAAP data as of 2023Q4.

<sup>5</sup> \$9.1mm of Owner Occupied CRE reclassified as Nonowner Occupied CRE.

## 2023 Revenue Composition<sup>1</sup>

### Fee Income Mix

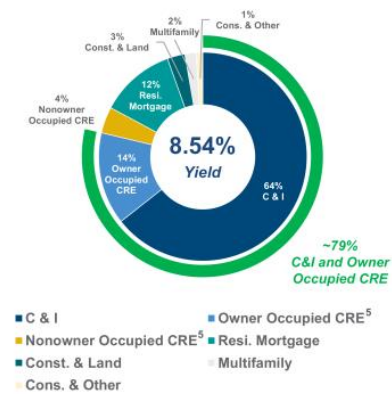


### Core Operating Revenue Mix

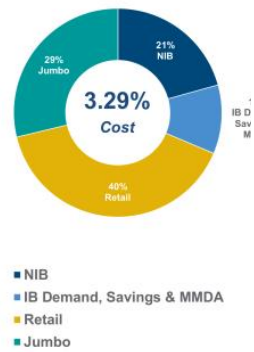


## Loan and Deposit Composition<sup>3 4</sup>

### Loan Mix



### Deposit Mix

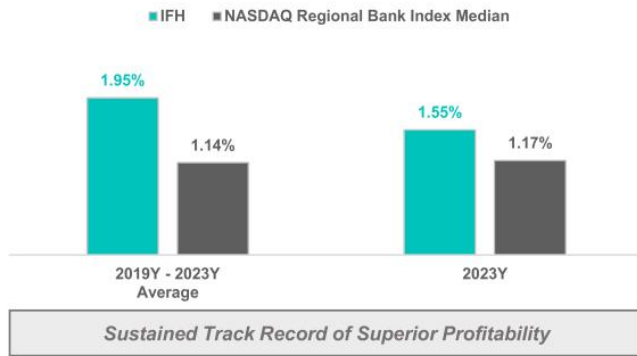


Gross Loans: \$400mm

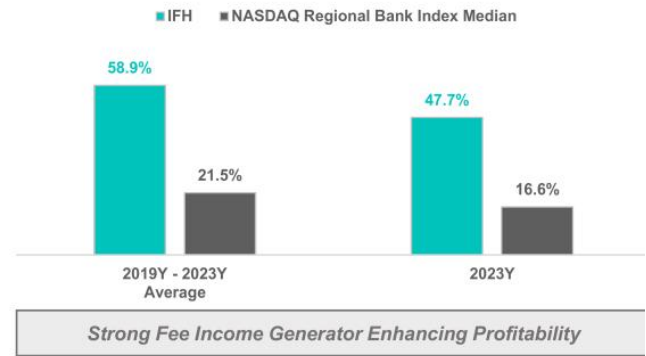
Total Deposits: \$436mm

# IFH Has a Track Record of Strong Operating Performance

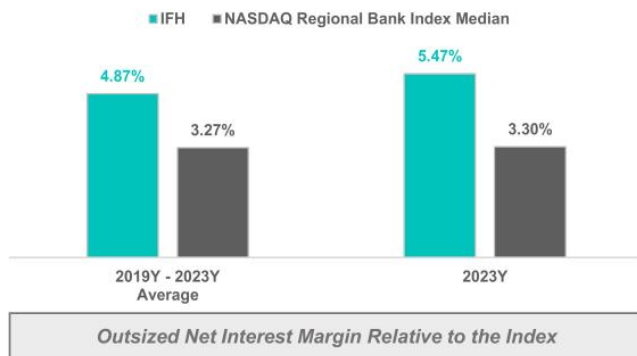
## Core ROAA<sup>1</sup>



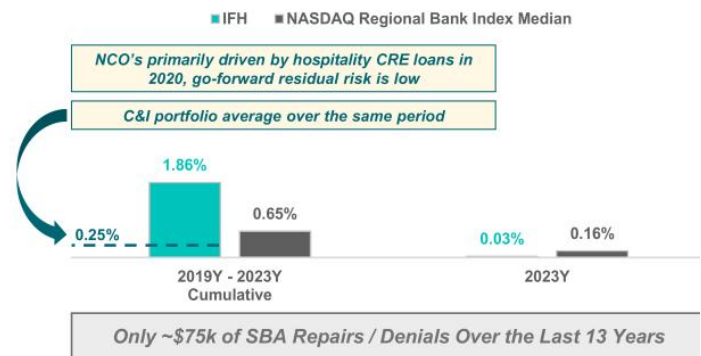
## Fee Income / Operating Revenue<sup>1</sup>



## Net Interest Margin



## Net Charge Offs / Average Loans



Source: S&P Global Market Intelligence; Company Documents.

<sup>1</sup>2023Y core operating revenue and core net income excludes one-time, non-recurring items. IFH 2023Y core net income based on reported net income of \$11.2 million less \$4.7 million in pre-tax adjustments, tax effected at 22.5

# Overview of IFH Business Segments



- Branch-lite franchise specializing in small business lending solutions
- One the Nation's top USDA business lenders with nearly \$1.0 billion in authorized loans through the USDA B&I and REAP programs since 2016
- Nationwide Government Guaranteed Lending business with niche expertise in Solar and Renewable Energy
- Strong C&I pipeline with proven ability to originate \$100+ million per year of loans



- Assist lending institutions nationwide develop and execute comprehensive SBA and USDA platforms
- Cloud-based lending platform, *ACCEL*, offers a streamlined, outsourced process for SBA loans up to \$500,000
- Extensive expertise and experience paired with commitment to compliance and execution
- \$2+ billion servicing portfolio
- Actively servicing for 90+ lenders

*Complementary Niche Lending*



*Nationwide Lending Service Provider*

Source: Company Documents.



# One of the Nation's Top USDA Business Lenders



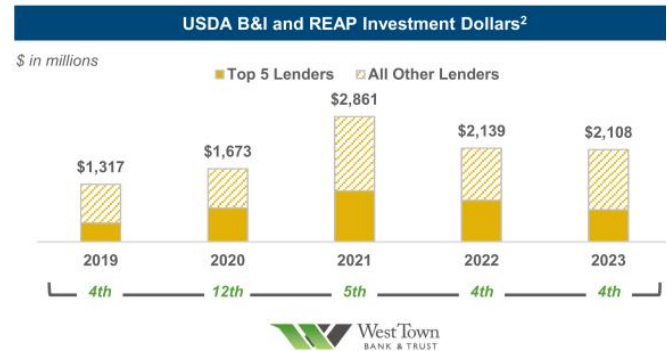
### Business and Industry Guaranteed Loan Program (B&I)

- **Purpose:** Purchase and Improve CRE, Business Acquisitions, Equipment, Debt Refinancing and Working Capital
- **Max Guaranty:** Up to 80% Loan Guaranty (Loans of \$25,000,000 or Less)
- **Borrowers:** For-Profit Businesses, Cooperatives, Individuals & Tribal Entities and Non-Profit Entities
- **Fees:** 3% Guaranty Fee on Guaranteed Portion of the Loan, 0.55% Annual Renewal Servicing Fee
- **Size Standards:** None
- **Equity:** 10% Equity for Existing Businesses 20% Equity for New Businesses

### Rural Energy for America Guaranteed Loan Program (REAP)

- **Purpose:** Purchase and Install Renewable Energy Systems and Energy Efficiency Improvements
- **Max Guaranty:** Up to 80% Loan Guaranty (Loans of \$25,000,000 or Less)
- **Borrowers:** Agricultural Producers or Rural "Small Businesses"
- **Fees:** 1% Guaranty Fee on Guaranteed Portion of the Loan, 0.25% Annual Renewal Servicing Fee
- **Size Standards:** SBA Defined "Small Business" (Ag Producer Must Derive More Than 50% of Income from Ag Products)
- **Equity:** Financial Contribution of No Less Than 25% of Total Eligible Project Cost

## Expansive Market Opportunity... Far Less Competition Among Lenders



Source: USDA; SBA.  
<sup>1</sup> USDA active lenders represents number of institutions in the U.S. that authorized at least one USDA loan through either the B&I or REAP Programs. SBA active lenders represents number of institutions that authorized at least one SBA loan through the SBA 7(a) Program.  
<sup>2</sup> West Town Bank and Trust ranking based on total investment dollars.

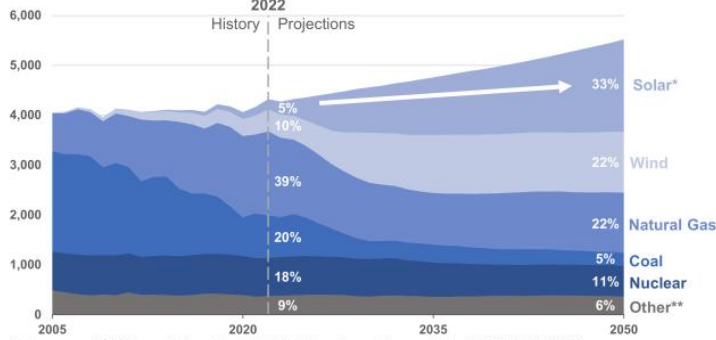


# Renewables Business Poised to Grow as Energy Transition Continues to Take Hold

## Significant Market Opportunity Given Renewables Growth

### U.S. Electricity Generation from Selected Fuels

Billion kilowatt-hours



Data source: U.S. Energy Information Administration, Annual Energy Outlook 2023 (AEO2023)  
 \*Includes utility-scale and end-use photovoltaic generation and excludes off-grid photovoltaics.  
 \*\*Includes petroleum, conventional hydroelectric power, geothermal, wood and other biomass, pumped storage, non-biogenic municipal waste in the electric power sector, refinery gas, still gas, batteries, chemicals, hydrogen, pitch, purchased steam, sulfur, and miscellaneous technologies.

## Benefits of USDA Loans

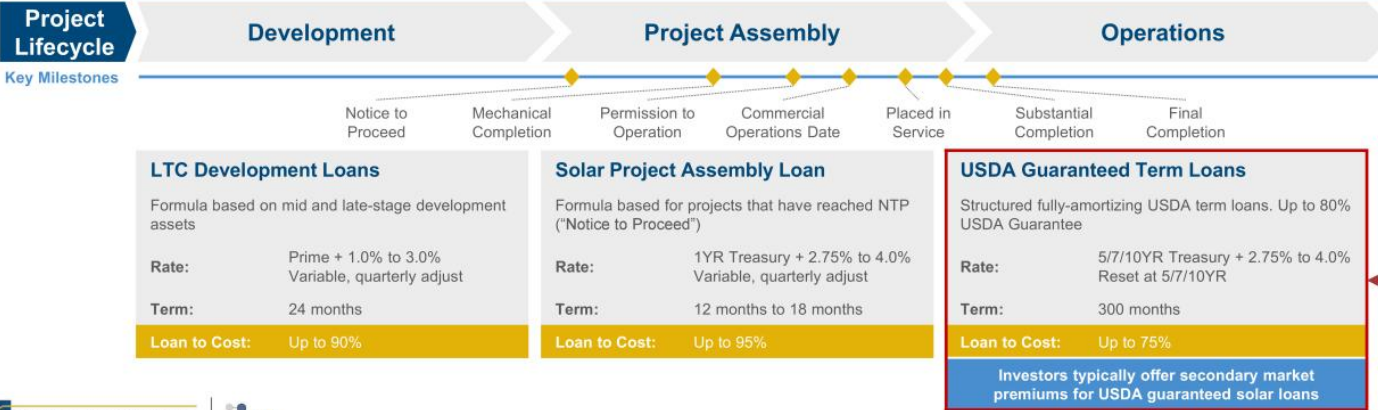
### Borrower

- ✓ Longer loan terms relative to conventional lending products
- ✓ Minimal financial covenants with a focus on payment defaults
- ✓ Guaranteed lending products offer competitive pricing
- ✓ USDA programs require matching amortization and loan terms

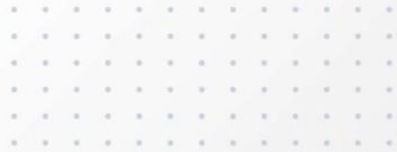
### Lender

- ✓ Up to 80% loan guarantee (US Government)
- ✓ Full discretion to sell the guaranteed portion of the loan into a liquid and lucrative secondary market at any time
- ✓ Increased loan sizes but only the unguaranteed portion of the loan is considered for legal lending purposes

## Loan Products are Designed to Provide Efficient and Effective Capital Through Every Phase of the Renewable Energy Project Lifecycle







### III. KEY MERGER FINANCIAL IMPACTS

# Transaction Summary

<b>Transaction Structure</b>	<ul style="list-style-type: none"><li>• Approximately 81% stock / 19% cash for IFH shareholders</li><li>• Fixed exchange ratio of 1.115x CBNK shares and, subject to certain adjustments, cash of \$5.36 for each IFH share</li><li>• At or immediately prior to closing, IFH will distribute its minority equity interest in Dogwood State Bank to IFH shareholders in the form of a dividend at the carrying value of approximately \$21.6 million<sup>1</sup></li><li>• IFH's options will roll into economically equivalent CBNK options</li></ul>
<b>Minimum Adjusted TCE<sup>2</sup></b>	<ul style="list-style-type: none"><li>• IFH to deliver \$60.6 million of minimum adjusted tangible common equity inclusive of pre-closing distribution at closing</li></ul>
<b>Additional Consideration at Closing</b>	<ul style="list-style-type: none"><li>• Additional consideration of up to \$0.88 per IFH share, should the tax adjusted proceeds on the sale of certain identified credits be greater than CBNK's credit mark adjusted value</li><li>• No economic impact to CBNK given these loans are marked on a pro forma basis</li></ul>
<b>Ownership</b>	<ul style="list-style-type: none"><li>• 84% CBNK / 16% IFH</li></ul>
<b>Board of Directors</b>	<ul style="list-style-type: none"><li>• One representative from IFH shall join the Board of Directors of Capital Bancorp, Inc. and Capital Bank, National Association</li></ul>
<b>Key Employees</b>	<ul style="list-style-type: none"><li>• Three IFH employees have signed employment agreements with CBNK effective upon closing of the transaction<ul style="list-style-type: none"><li>– A. Riddick Skinner, EVP of Government Lending will join Capital Bank as Head of Government Guaranteed Lending Program</li><li>– Melissa Marsal, EVP and Chief Operating Officer of IFH, will join Capital Bank in a leadership role</li><li>– Mike Breckheimer, EVP and Chief Strategy Officer will join Capital Bank as Head of Windsor Advantage</li></ul></li></ul>
<b>Timing and Approvals</b>	<ul style="list-style-type: none"><li>• Subject to receipt of approvals from CBNK's and IFH's shareholders as well as customary regulatory approvals</li><li>• Targeted closing in the second half of 2024</li></ul>

Source: Company Documents.

<sup>1</sup> Based on the current carrying value of Dogwood: Distribution of Dogwood based on the closing price of Dogwood State Bank as of 3/26/2024 would be approximately \$18 million or \$7.69 per IFH share.

<sup>2</sup> Required Adjusted Tangible Common Equity of \$60.6 million. Refer to the Agreement and Plan of Merger for complete terms. See Appendix for non-GAAP reconciliation.



# Transaction Assumptions and Financial Impacts

	per IFH share	\$ Millions	Mix
<b>Transaction Consideration</b>			
Indicative Value of CBNK Stock (1.115x exchange ratio) <sup>1</sup>	\$22.30	\$52.3	81%
Cash Consideration Paid by CBNK	\$5.36	\$12.6	19%
<b>Total Consideration Paid by CBNK to IFH Common</b>	<b>\$27.66</b>	<b>\$64.9</b>	
Value of IFH Options (rolled in economically equivalent CBNK options)		\$1.6	
<b>Total Consideration Paid by CBNK</b>		<b>\$66.5</b>	
<b>Standalone Forecast</b>	<ul style="list-style-type: none"> <li>Research analyst consensus estimates used for CBNK through 2025 with illustrative growth rate applied thereafter</li> <li>IFH forecast based on a bottoms-up build; net income forecast in-line with run rate profitability ratios and GGL origination levels</li> </ul>		
<b>Credit Mark</b>	<ul style="list-style-type: none"> <li>\$9.7 million total lifetime loan loss estimate, equivalent to 2.7% of IFH's loans<sup>2</sup> and 1.4x IFH's ACL                             <ul style="list-style-type: none"> <li>Non-PCD reserve of \$2.7 million, established Day-2 through provision expense</li> <li>Non-PCD credit mark of \$2.7 million is accreted into earnings over 4 years</li> <li>\$6.9 million reserve on PCD loans recorded at close</li> </ul> </li> <li>\$2.6 million SBA Repurchase Reserve created</li> <li>\$0.3 million Mortgage Repurchase Reserve created</li> </ul>		
<b>Fair Value Marks</b>	<ul style="list-style-type: none"> <li>Loan interest rate mark of \$8.6 million, or ~2.4% of HFI loans<sup>2</sup>, accreted over 4 years</li> <li>Reversal of deferred loan fees of \$3.9 million amortized over 4 years</li> <li>IFH's AOCI after-tax loss of \$2.1 million accreted through pro forma earnings over 4 years</li> <li>Other purchase accounting fair value adjustments total approximately \$2.1 million amortized based on estimated remaining life</li> </ul>		
<b>Intangibles Created</b>	<ul style="list-style-type: none"> <li>Core deposit intangible of \$3.4 million, or 2.5% of non-time deposits created, amortized over 10 years utilizing sum-of-the-year digits methodology</li> <li>Creation of Trade Name and Customer List intangibles totaling \$4.5 million</li> </ul>		
<b>Cost Synergies</b>	<ul style="list-style-type: none"> <li>Expected to be approximately \$7.0 million pre-tax (fully phased-in) / \$5.3 million after-tax</li> <li>Approximately 25% of IFH's core noninterest expense<sup>3</sup></li> </ul>		
<b>Transaction Costs</b>	<ul style="list-style-type: none"> <li>Expected to be approximately \$10.9 million pre-tax, / \$8.7 million after-tax, (fully reflected in Pro Forma TBV computation)</li> </ul>		
<b>Employee Agreements</b>	<ul style="list-style-type: none"> <li>Additional ~\$0.9 million pre-tax / ~\$0.7 million after-tax transaction non-cash charges related to employee agreements assumed to be expensed post close</li> </ul>		

## Pro Forma Financial Impacts

**With CECL  
"Day-One"  
Double Count**

**Without CECL  
"Day-One"  
Double Count**

**~17%**  
2025E EPS  
Accretion

**~16%**  
2025E EPS  
Accretion

**~(5%)**  
TBV per share  
Dilution at Close

**~(4%)**  
TBV per share  
Dilution at Close

**~1.8 Yrs**  
TBV per share  
Earnback (Years)

**~1.7 Yrs**  
TBV per share  
Earnback (Years)

**30%+**  
Internal Rate of Return  
(IRR)

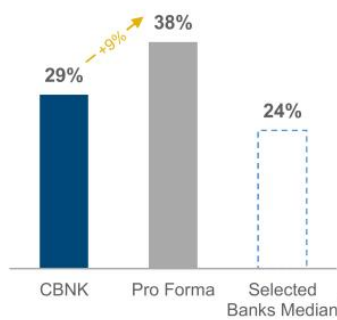
**20%+**  
Return on Invested  
Capital (ROIC)<sup>4</sup>

# Compelling Pro Forma Impacts...

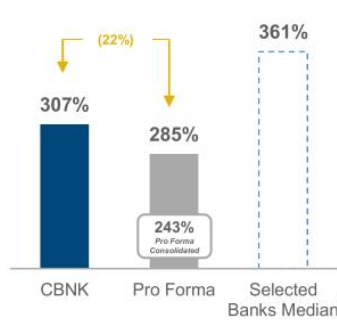
**Total Assets (\$B)<sup>2</sup>**



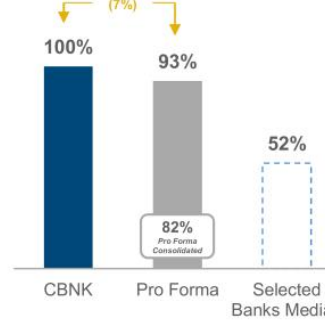
**(C&I & Owner Occ. CRE) / Loans<sup>3</sup>**



**Regulatory CRE / Total RBC<sup>4</sup>**



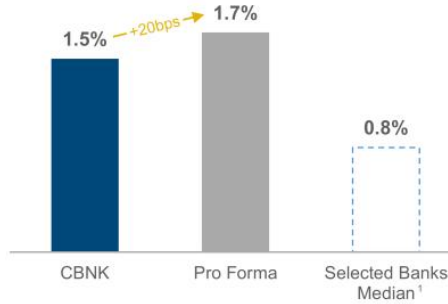
**Construction / Total RBC<sup>4</sup>**



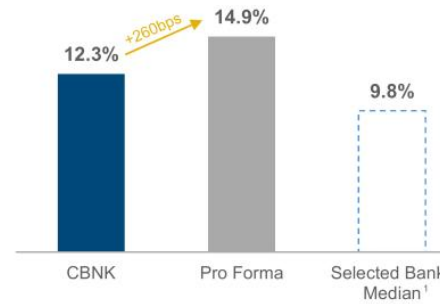
**2025 Earnings per share<sup>5</sup>**



**2025 ROAA**



**2025 ROATCE**



Source: S&P Global Market Intelligence; FactSet; Company Documents.

<sup>1</sup> Select banks with assets between \$1.5 billion and \$4.5 billion in the Mid-Atlantic (North of Richmond) and New England Region. (ACNB, BCBP, BHRB, BPRN, BWFG, EBTC, FLIC, FRBA, FRST, FVCB, HNVR, JMSB, MNSB, MRBK, MVBF, NBN, PKBK, PVBC, UNTY).

<sup>2</sup> CBNK as of 12/31/2023 actuals; Pro Forma is at Transaction Close which includes purchase accounting and other merger related adjustments.

<sup>3</sup> C&I and Owner-Occupied Commercial Real Estate Loans / Total Gross Loans based on bank-level 12/31/2023 financials.

<sup>4</sup> Bank-level data shown at Transaction Close.

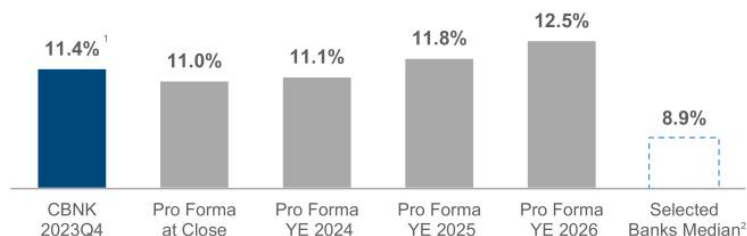
<sup>5</sup> CBNK Standalone per median consensus estimates as of 3/26/2024.

<sup>6</sup> Reflects the time it would have taken CBNK to achieve pro forma 2025 EPS on a standalone basis; based on median consensus estimates with a modest growth rate applied post-2025.

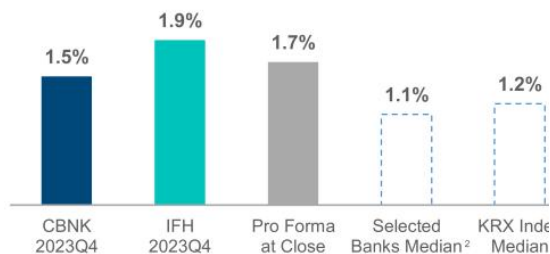
# ...And Robust Capital Levels

## Prudent Capital Management Before, During and After Transaction Close

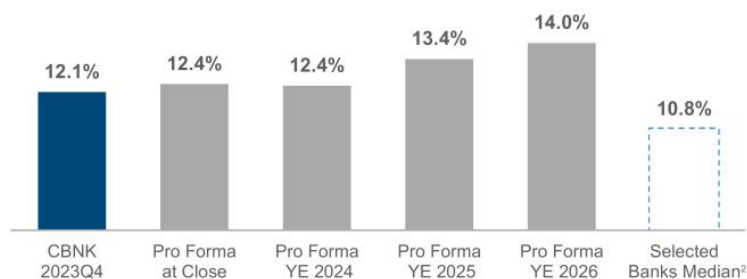
### Tangible Common Equity / Tangible Assets



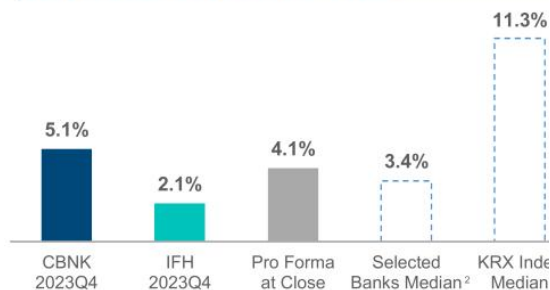
### ACL / HFI Loans



### Tier 1 Leverage Ratio



### AOCI as a % of Total GAAP Equity



Source: S&P Global Market Intelligence; FactSet; Company Documents.

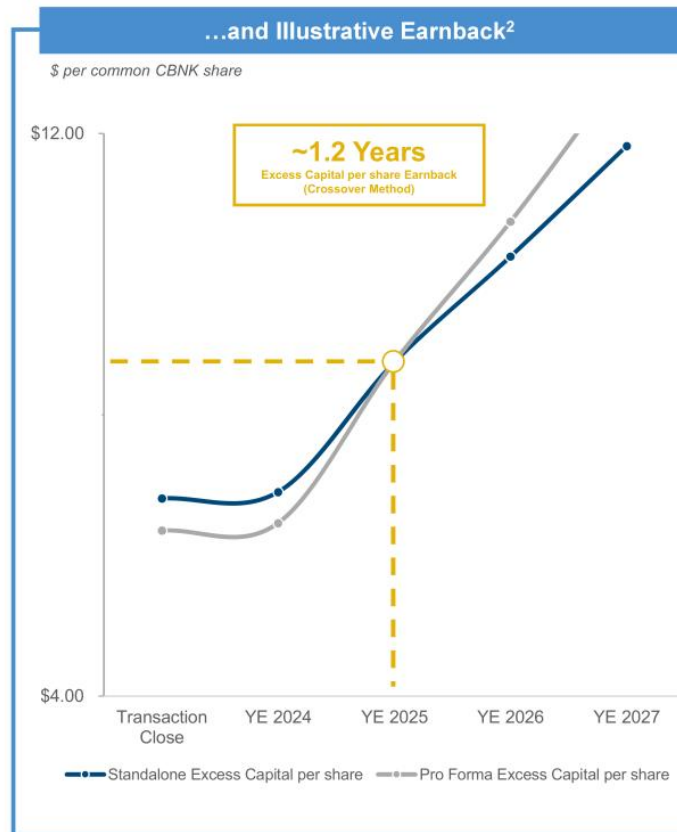
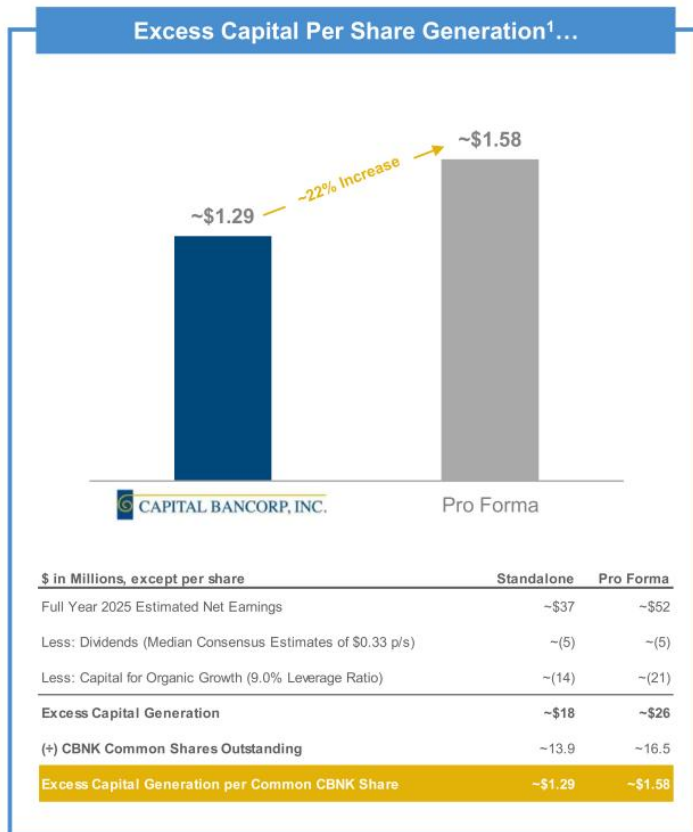
Note: CBNK consolidated financials shown.

<sup>1</sup> See Appendix for non-GAAP reconciliation.

<sup>2</sup> Select banks with assets between \$1.5 billion and \$4.5 billion in the Mid-Atlantic (North of Richmond) and New England Region. (ACNB, BCBP, BHRB, BPRN, BWFG, EBTC, FLIC, FRBA, FRST, FVCB, HNVN, JMSB, MNSB, MRBK, MVBF, NBN, PKBK, PVBC, UNTY).

<sup>3</sup> KRX Index represents KBW Regional Bank Index (KRX).

# Transaction Preserves Excess Capital Position and is Meaningfully Accretive to Pro Forma Capital Generation



Source: S&P Global Market Intelligence; FactSet; Company Documents.

Note: Market data as of 3/26/2024.

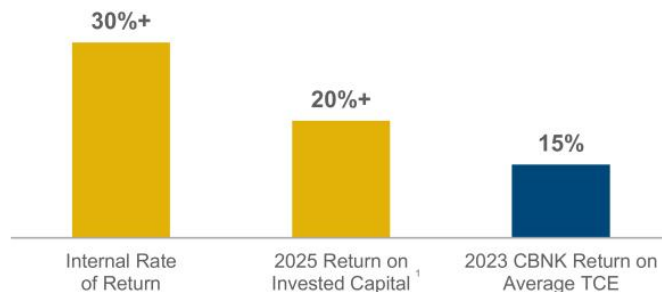
<sup>1</sup> Illustrative analysis based on CBNK median consensus estimates through 2025 with illustrative growth rate applied thereafter.

<sup>2</sup> Excess capital per share assumes 9% Consolidated Tier 1 Leverage Ratio. Exhibit not to scale.

# Significant Value Creation for Shareholders

## Compelling Shareholder Returns...

Transaction Returns Materially Exceeds Cost of Capital



## Accelerates TBV Compounding

TBVPS CAGR Post-Closing Through 2025



Source: S&P Global Market Intelligence; FactSet; Company Documents.

Note: Market data as of 3/26/2024. Note: Exhibits not to scale.

Note: CBNK forward earnings are based on median consensus estimates through 2025 with illustrative growth rate applied thereafter.

<sup>1</sup> Return on invested capital represents IFH fully-synergized net income divided by the sum of deal value plus after-tax transaction charges less excess capital at closing.

<sup>2</sup> Select banks with assets between \$1.5 billion and \$4.5 billion in the Mid-Atlantic (North of Richmond) and New England Region. (ACNB, BCBP, BHRB, BPRN, BWFG, EBTC, FLIC, FRBA, FRST, FVBC, HNVN, JMSB, MNSB, MRBK, MVBF, NBN, PKBK, PVBC, UNTY) Selected Banks and CBNK Standalone forward estimates based on median consensus estimates.

<sup>3</sup> See Appendix for non-GAAP reconciliation.

<sup>4</sup> Based on the current carrying value of Dogwood; Distribution of Dogwood based on the closing price of Dogwood State Bank as of 3/26/2024 would be approximately \$18 million.

<sup>5</sup> Inclusive of the value of rolled options. Assumes CBNK stock issuance price of \$20.00 per share. (Spot price as of 3/26/2024).

<sup>6</sup> Based on IFH 2023Q4 annualized core noninterest expense, which excludes amortization expense.

<sup>7</sup> "Fully-loaded" Transaction Charges inclusive of all estimated cash and non-cash transaction charges.

## ...and Value Creation



Calculation of Premium Paid Over IFHI Adjusted TCE	\$ in millions
IFHI TCE at 12/31/2023 <sup>3</sup>	\$82.2
Estimated Pre-Closing Distribution <sup>4</sup>	(21.6)
IFHI Adjusted TCE at 12/31/2023	60.6
Total Consideration paid by CBNK <sup>5</sup>	66.5
<b>Premium Paid Over IFHI Adjusted TCE</b>	<b>\$5.9</b>

Calculation of Capitalized Value of Cost Synergies, net	\$ in millions
Fully Phased-in After-tax Cost Synergies <sup>6</sup>	\$5.3
Assumed Cost Synergies Multiple	10x
Capitalized Value of After-tax Cost Synergies	53.3
"Fully-Loaded" After-tax Transaction Charges <sup>7</sup>	(9.4)
<b>Capitalized Value of Cost Synergies, net</b>	<b>\$43.9</b>

# Prudent Pricing Relative to Public Bank Stock Multiples...

## Trading Price to LTM Earnings Comparison<sup>1</sup>

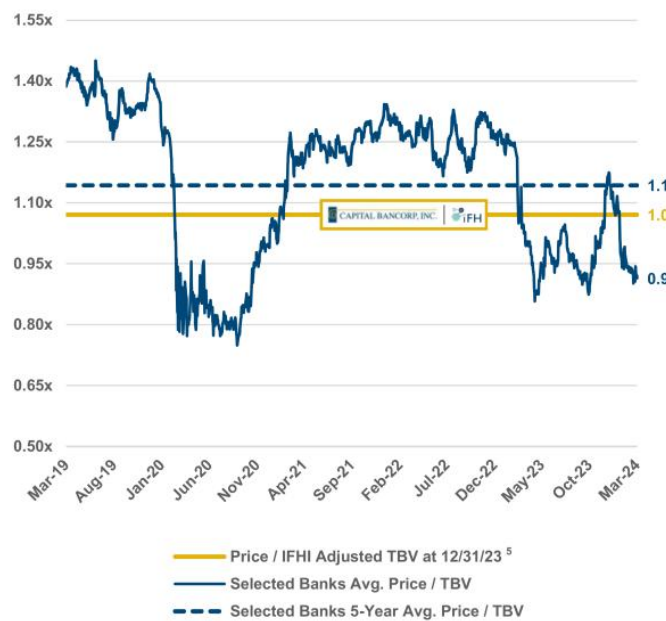
Selected Banks<sup>3</sup> average Price / Earnings shown over last five years



	Last 5 Years	YTD	Current
Select Banks Average	10.5x	10.8x	9.9x

## Trading Price to Tangible Book Value<sup>2</sup> Comparison

Selected Banks<sup>3</sup> average Price / Tangible Book Value shown over last five years



	Last 5 Years	YTD	Current
Select Banks Average	1.14x	1.00x	0.91x

Source: S&P Global Market Intelligence; FactSet; Company Documents.

Note: Market data as of 3/26/2024.

<sup>1</sup> Excludes price / last-twelve-months earnings multiples above 40.0x. IFH 2023Y core net income based on reported net income of \$11.2 million less \$4.7 million in pre-tax adjustments, tax effected at 22.5%.

<sup>2</sup> See Appendix for non-GAAP reconciliation.

<sup>3</sup> Select banks with assets between \$1.5 billion and \$4.5 billion in the Mid-Atlantic (North of Richmond) and New England Region. (ACNB, BCBP, BHRB, BPRN, BWFG, EBTC, FLIC, FRBA, FRST, FVBC, HNVR, JMSB, MNSB, MRBK, MVBK, NBN, PKBK, PVBC, UNTY)

<sup>4</sup> IFH LTM core earnings plus cost saves includes 2023Y core net income of ~\$7.5 million plus \$5.3 million of fully-phased in after-tax cost savings.

<sup>5</sup> IFH TBV at 12/31/2023 adjusted for the Pre-Closing Distribution of \$21.6 million based on the current carrying value of Dogwood; Distribution of Dogwood based on the closing price of Dogwood State Bank as of 3/26/2024 would approximately \$18 million.

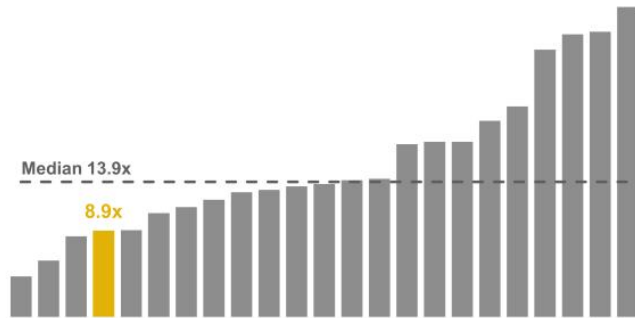


# ...and Recent Bank M&A Transactions

## Compelling Valuation Dynamics

Grey bars represent comparable M&A deals defined as nationwide bank and thrift transactions since 1/1/2022 where target assets were between \$250 million and \$1.0 billion, stock consideration was 50%+ of total consideration and deal value was disclosed. Excludes merger-of-equals transactions as defined by S&P Global Market Intelligence.

### Price / LTM Earnings<sup>1</sup>



**8.9x**  
Price /  
LTM Core EPS

**113%**  
Pay-to-Trade

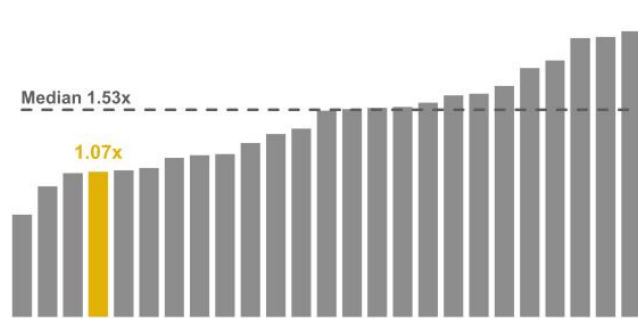
**5.2x**  
Price /  
LTM Core EPS +  
Cost Saves<sup>4</sup>

**66%**  
Pay-to-Trade

**4.9x**  
Price /  
Fully-Synergized  
LTM Core EPS<sup>5</sup>

**63%**  
Pay-to-Trade

### Price / Tangible Book Value<sup>2,3</sup>



**1.07x**  
Price /  
12/31/2023 TBV<sup>2</sup>

**98%**  
Pay-to-Trade

Source: S&P Global Market Intelligence; FactSet; Company Documents.  
Note: Market data as of 3/26/2024.

Note: Median does not include CBNK / IFH multiple.

<sup>1</sup> Excludes price / last-twelve-months earnings multiples above 40.0x. IFH 2023Y core net income based on reported net income of \$11.2 million less \$4.7 million in pre-tax adjustments, tax effected at 22.5%.

<sup>2</sup> IFH TBV at 12/31/2023 adjusted for the pre-closing distribution of \$21.6 million based on the current carrying value of Dogwood; Distribution of Dogwood based on the closing price of Dogwood State Bank as of 3/26/2024 would approximately \$18 million.

<sup>3</sup> See Appendix for non-GAAP reconciliation.

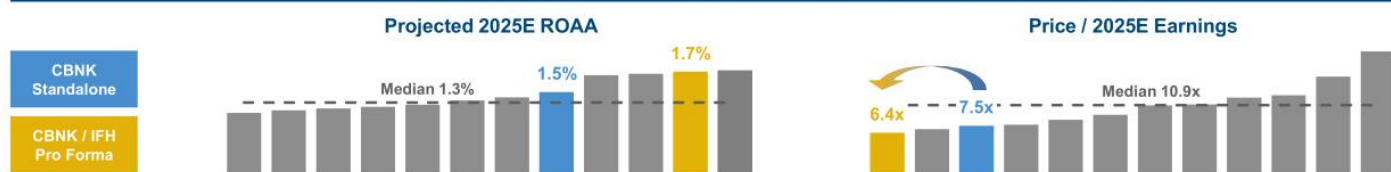
<sup>4</sup> IFH LTM core earnings plus cost saves includes 2023Y core net income of ~\$7.5 million plus \$5.3 million of fully-phased in after-tax cost savings.

<sup>5</sup> IFH last twelve-months core earnings inclusive of fully phased-in year-one cost synergies and other annualized pro forma merger adjustments.

# Combined Company Positioned for Significant Upside

		CAPITAL BANCORP, INC. + IFH			Mid-Atlantic \$1.5B - \$4.5B <sup>1</sup>	
					Median	Top Quartile
Profitability	Core ROAA	2025E	LTM	2025E	LTM	
	Core ROATCE	1.5%	1.6% <sup>2</sup>	1.7%	0.8%	1.3%
	Fee Income / Revenue	12.3%	14.1% <sup>2</sup>	14.9%	10.0%	13.7%
	Efficiency Ratio	15%	48% <sup>3</sup>	22%	10%	16%
Balance Sheet & Capital					59%	55%
	Gross Loans / Deposits	MRQ	MRQ	Closing	MRQ	
	C&I and OOCR / Gross Loans (Bank)	101%	92% <sup>2</sup>	99%	100%	96%
	TCE / TA	29%	79% <sup>4</sup>	38% <sup>4</sup>	24%	32%
		11.4% <sup>5</sup>	11.9% <sup>2</sup>	11.0%	8.9%	10.2%
	Tier 1 Leverage Ratio	MRQ - Consolidated	MRQ - Bank	Closing - Consolidated	MRQ - Consolidated <sup>6</sup>	
	CET1 Capital Ratio	12.1%	12.0%	12.4%	10.8%	11.6%
Market Data					12.8%	14.7%
	CRE / TRBC (Bank)	MRQ	MRQ	Closing	MRQ	
	Construction / Total RBC (Bank)	304%	57% <sup>4</sup>	285% <sup>7</sup>	361%	409%
	Current Price	107%	18%	93% <sup>7</sup>	52%	90%
P / 2025E EPS	\$20.00	--	\$20.00	--	--	--
	7.5x	--	6.4x	7.7x	9.0x	

## CBNK vs. Top-10 2025E ROAA Banks in the KRX Index<sup>8</sup>



Sources: S&P Global Market Intelligence; FactSet; Company Documents.

Note: Market data as of 3/26/2024. CBNK forward estimates based on median consensus estimates through 2025.

<sup>1</sup> Select banks with assets between \$1.5 billion and \$4.5 billion in the Mid-Atlantic (North of Richmond) and New England Region. (ACNB, BCBP, BHRB, BPRN, BWFG, EBTC, FLIC, FRBA, FRST, FVCB, HNVF, JMSB, MNSB, MRBK, MVBF, NBN, PKBK, PVBC, UNTY)

<sup>2</sup> Adjusted for the Pre-Closing Distribution. IFH 2023Y core net income based on reported net income of \$11.2 million less \$4.7 million in pre-tax adjustments, tax effected at 22.5%.

<sup>3</sup> IFH LTM revenue and expenses exclude one-time, non-recurring items.

<sup>4</sup> Adjusted for \$9.1 million of IFH Owner Occupied CRE ("OOCR") reclassified as Nonowner Occupied CRE.

<sup>5</sup> See Appendix for non-GAAP reconciliation.

<sup>6</sup> Bank-level regulatory data used where consolidated BHC data not available.

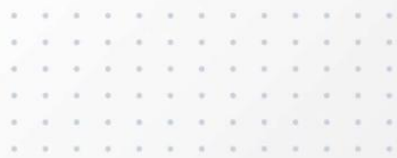
<sup>7</sup> Pro Forma Regulatory CRE / TRBC and Construction / TRBC represent estimated bank-level regulatory ratios at closing and includes purchase accounting and other merger related adjustments. On a consolidated basis, the Pro Forma Construction / TRBC would be 82% and CRE / TRBC would be 243% at Transaction Close.

<sup>8</sup> ROAA based on median consensus 2025 ROAA estimates. KRX Index represents KBW Regional Bank Index (KRX). CBNK standalone median consensus 2025 ROAA estimate ranks in the 90<sup>th</sup> percentile of the KRX Index.

# Acquisition Creates Opportunity For Additional Synergies and Growth

## Synergies Identified But Not Modeled

	<b>Leverage CBNK's Larger Balance Sheet</b>	<ul style="list-style-type: none"><li>• Ability to retain a greater portion of economics given a larger balance sheet and funding sources - allowing the bank to hold more bridge loans, which fuels further loan volumes and associated reserves</li><li>• Opportunities across the entire renewables project life cycle</li></ul>
	<b>Scaling Windsor's Accel Business</b>	<ul style="list-style-type: none"><li>• Increase underwriting and processing efficiency on smaller-ticket SBA and conventional loans by utilizing Windsor's Accel technology</li></ul>
	<b>Windsor "Bolt-Ons"</b>	<ul style="list-style-type: none"><li>• Deploy CBNK's staff and marketing support to accelerate Windsor prospecting and growth</li><li>• Potential areas of expansion for lender service provider: <i>Private Credit, ABL Monitoring, and 504 Lending</i></li></ul>
	<b>Deposit Synergies</b>	<ul style="list-style-type: none"><li>• Optionality to prepay IFH's longer-term, callable brokered deposits and replace with shorter duration deposits that more closely match the duration of the balance sheet</li><li>• Utilize IFH's Raleigh, NC location to open a deposit-taking branch which could support further growth within CBNK's Title Banking business</li><li>• New relationship opportunities across business lines</li></ul>
	<b>Other</b>	<ul style="list-style-type: none"><li>• Securitization opportunities for USDA loans in the secondary market</li><li>• Tax credits</li></ul>



## IV. DUE DILIGENCE

# Comprehensive Due Diligence Process

### Key Areas of Focus



- Credit
- Risk Management
- Funding
- Legal
- Compliance
- Finance and Accounting
- Human Resources
- Regulatory
- IT

### Due Diligence Overview

- Collaborative multi-month diligence process led by both management teams and supported by legal and financial advisors
- Comprehensive and thorough due diligence process completed by cross-functional working groups at CBNK; 3,500+ documents reviewed
- Thorough review of SBA / USDA operating procedures at IFH and potential putback risk; review was assisted by a third-party SBA consulting firm

### Extensive Credit Review<sup>1</sup>

- Comprehensive internal and third-party credit review of individual credits, underwriting process, and interest rate risk modeling

<p>Total Loans</p>  <p>~75%</p>	<p>Commercial Loans</p>  <p>~82%</p>	<p>USDA / SBA Loans</p>  <p>~82%</p>
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<sup>1</sup> Percentages represent aggregate dollar balance of loans reviewed to total loans and are approximated.

## Due Diligence & Risk Management

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### Thoughtful Integration Planning to Minimize Risk



*Low-risk transaction given prudent pricing and overall size of the acquisition*



*Outside integration support*



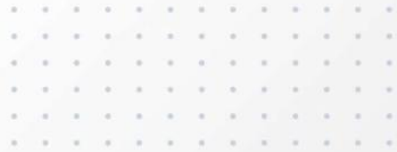
*Cultural and strategic fit between companies with planned retention of key employees*



*Thorough loan review (internal and external) with combined management efforts on select credits*



*Diversifies lending capabilities and accelerates growth into highly-desirable GGL verticals*



## V. CONCLUSION

## Transaction Rationale

### Strategically Compelling

- ✓ Diversifies CBNK with a C&I platform and multiple new lines of business
  - Nationwide Government Guaranteed Lending business with niche expertise in Solar and Renewable Energy
  - Nationwide SBA servicing platform
  - Strong pipeline of C&I loans and proven ability to originate
- ✓ Increases the pro forma company's scale and adds businesses that lend themselves to CBNK's strengths
  - Ability to grow by balance sheeting more loans if funding, capital and risk reward is attractive
  - Potential synergies - growth opportunities and cost savings
- ✓ Provides access to potential new markets for growth in Chicago, North Carolina and South Carolina

### Financially Attractive

- ✓ Strong EPS accretion of ~17% in the first year of fully realized cost savings
- ✓ Tangible book value dilution of ~5% with an earnback of ~1.8 years using the cross-over method
- ✓ Internal rate of return (30%+) exceeds company cost of capital hurdles

### Demonstrated Low Risk Profile

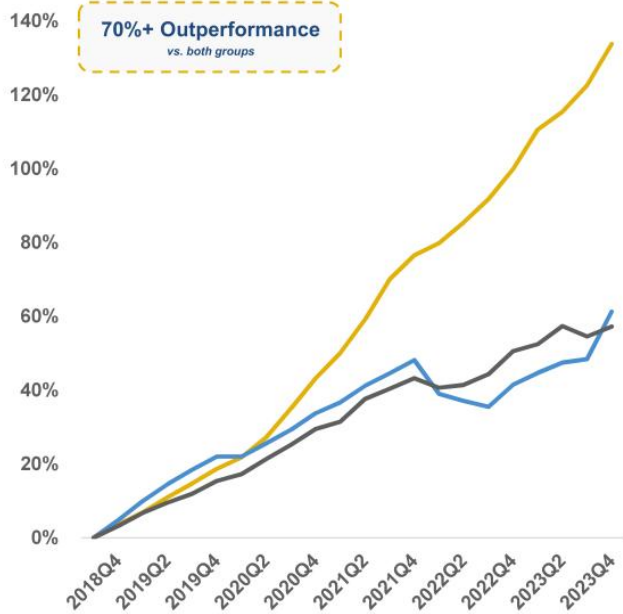
- ✓ Corporate cultures aligned and key personnel from IFH retained
- ✓ Lower risk integration given the relative sizes and standalone nature of some of IFH's businesses
- ✓ Extensive due diligence performed including review of ~75% of IFH's loan portfolio and ~82% of its GGL loan portfolio

Compelling Value Creation Opportunity for Shareholders



# Share Appreciation Outperforms Industry

TBVPS + Dividend Growth Since 2018Q3



	CAGR	% Change
CBNK	17.6%	134%
NASDAQ Regional Banking Index	9.5%	61%
Selected Banks <sup>2</sup> Median	9.0%	57%

Share Price Change Since CBNK IPO on 9/26/2018<sup>1</sup>



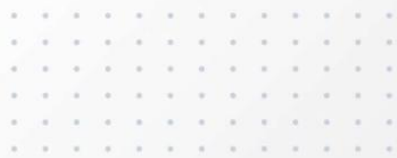
	% Chan
CBNK	61%
NASDAQ Regional Banking Index	(14)
Selected Banks <sup>2</sup> Median	(18)

Source: S&P Global Market Intelligence; FactSet.

Note: Market data as of 3/26/2024.

<sup>1</sup> CBNK IPO price of \$12.50 used as starting price for price change calculation.

<sup>2</sup> Select banks with assets between \$1.5 billion and \$4.5 billion in the Mid-Atlantic (North of Richmond) and New England Region. (ACNB, BCBP, BHRB, BPRN, BWFG, EBTC, FLIC, FRBA, FRST, FVCB, HNVR, JMSB, MNSB, MRBK, MVBF, NBN, PKBK, PVBC, UNTY).



## VI. APPENDIX

## Reconciliations to GAAP Financial Measures

(\$ in thousands, except per share data)

	CBNK	IFHI	
<b>Tangible Common Equity:</b>			
Common Shareholders' Equity (GAAP)	\$254,860	\$100,331	A
Less: Goodwill (GAAP)	0	13,161	B
Less: Other Intangibles (GAAP)	0	5,018	C
Tangible Common Shareholders' Equity (Non-GAAP)	<u>\$254,860</u>	<u>\$82,152</u>	D = A - B - C
<b>Tangible Assets:</b>			
Total Assets (GAAP)	\$2,226,176	\$547,563	E
Less: Goodwill (GAAP)	0	13,161	B
Less: Other Intangibles (GAAP)	0	5,018	C
Tangible Assets (Non-GAAP)	<u>\$2,226,176</u>	<u>\$529,384</u>	F = E - B - C
Tangible Common Equity / Tangible Assets (Non-GAAP)	11.4%	15.5%	G = D / F
<b>Tangible Book Value Per Share:</b>			
Tangible Common Shareholders' Equity (Non-GAAP)	\$254,860	\$82,152	D
12/31/23 Common Shares Outstanding	13,922,532	2,295,000	H
Tangible Book Value Per Share (Non-GAAP)	<u>\$18.31</u>	<u>\$35.80</u>	I = D / H

Source: S&P Global Market Intelligence.  
Note: Financial data as of 12/31/2023.



