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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period ended September 30, 2026 OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition Period from to
Commission file number 001-38671



CAPITAL BANCORP INC.
(Exact name of registrant as specified in its charter)

Maryland	**52-2083046**
(State or other jurisdiction of incorporation or organization)	(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)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	CBNK	NASDAQ Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated Filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 4, 2026, the Company had 16,347,193 shares of common stock, par value $0.01 per share, outstanding.

Capital Bancorp, Inc. and Subsidiaries

Form 10-Q

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PART I. CONSOLIDATED FINANCIAL INFORMATION

Item 1. CONSOLIDATED FINANCIAL STATEMENTS

Capital Bancorp, Inc. and Subsidiaries

Consolidated Balance Sheets *(unaudited)*

(in thousands, except share data)	September 30, 2026	December 31, 2025
Assets		
Cash and due from banks	**$ 15,563**	$ 30,894
Interest-bearing deposits at other financial institutions	**246,469**	224,611
Federal funds sold	**—**	60
Total cash and cash equivalents	**262,032**	255,565
Investment securities available-for-sale	**214,486**	230,083
Restricted investments	**6,360**	8,397
Loans held for sale[1]	**74,251**	25,828
Portfolio loans receivable, net of deferred fees and costs	**3,114,264**	2,959,457
Less allowance for credit losses	**(55,493)**	(54,660)
Total portfolio loans held for investment, net	**3,058,771**	2,904,797
Premises and equipment, net[1]	**17,531**	15,072
Accrued interest receivable	**23,189**	16,695
Goodwill	**25,969**	25,969
Intangible assets	**13,989**	14,771
Loan servicing assets	**1,994**	1,816
Deferred tax asset	**18,206**	14,992
Bank owned life insurance	**46,654**	45,488
Other assets	**39,121**	46,734
Total assets	**$ 3,802,553**	$ 3,606,207
Liabilities		
Deposits		
Noninterest-bearing	**$ 844,536**	$ 852,741
Interest-bearing	**2,474,599**	2,240,459
Total deposits[1]	**3,319,135**	3,093,200
Federal Home Loan Bank advances	**—**	50,000
Other borrowed funds	**2,062**	2,062
Accrued interest payable	**6,843**	8,745
Other liabilities	**43,063**	50,443
Total liabilities	**3,371,103**	3,204,450
Stockholders' equity		
Common stock, $0.01 par value; 49,000,000 shares authorized; 16,328,648 issued and outstanding at September 30, 2026; 16,373,288 issued and outstanding at December 31, 2025	**163**	164
Additional paid-in capital	**114,557**	114,604
Retained earnings	**325,944**	292,749
Accumulated other comprehensive loss	**(9,214)**	(5,760)
Total stockholders' equity	**431,450**	401,757
Total liabilities and stockholders' equity	**$ 3,802,553**	$ 3,606,207

(1) Balances include held for sale transactions in connection with the Chicago Branch Sale.

See accompanying Notes to Unaudited Consolidated Financial Statements

Capital Bancorp, Inc. and Subsidiaries

Consolidated Statements of Income *(unaudited)*

(dollars in thousands, except per share data)	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Interest income				
Loans, including fees	**$ 68,136**	$ 60,838	**$ 197,684**	$ 180,339
Investment securities available-for-sale	**1,826**	1,805	**5,099**	5,248
Federal funds sold and other	**2,330**	2,248	**7,438**	6,650
Total interest income	**72,292**	64,891	**210,221**	192,237
Interest expense				
Deposits	**18,959**	12,732	**55,551**	45,966
Borrowed funds	**255**	139	**1,265**	558
Total interest expense	**19,214**	12,871	**56,816**	46,524
Net interest income	**53,078**	52,020	**153,405**	145,713
Provision for credit losses	**4,903**	4,650	**11,502**	10,977
Provision for (release of) credit losses on unfunded commitments	**(54)**	217	**216**	217
Net interest income after provision for credit losses	**48,229**	47,153	**141,687**	134,519
Noninterest income				
Service charges on deposits	**418**	425	**1,230**	945
Credit card fees	**4,520**	4,509	**13,607**	12,529
Mortgage banking revenue	**1,849**	1,927	**5,365**	5,512
Government lending revenue	**1,474**	14	**3,604**	4,222
Government loan servicing revenue	**5,073**	4,265	**14,721**	11,477
Loan servicing rights (government guaranteed)	**523**	368	**1,312**	250
Other income (loss)	**1,182**	(440)	**2,934**	1,788
Total noninterest income	**15,039**	11,068	**42,773**	36,723
Noninterest expenses				
Salaries and employee benefits	**21,116**	17,728	**61,500**	54,255
Occupancy and equipment	**4,144**	2,849	**11,648**	8,754
Professional fees	**4,919**	2,131	**14,009**	6,665
Data processing	**7,708**	7,654	**23,026**	22,286
Advertising	**1,566**	1,714	**4,848**	4,864
Loan processing	**543**	1,114	**3,401**	2,836
Merger-related expenses	**1,577**	697	**1,577**	3,361
Operational and other card fraud related losses	**930**	923	**2,310**	2,759
Regulatory assessment expenses	**930**	740	**2,796**	2,513
Other operating	**2,289**	2,804	**7,474**	7,686
Total noninterest expenses	**45,722**	38,354	**132,589**	115,979
Income before income taxes	**17,546**	19,867	**51,871**	55,263
Income tax expense	**4,424**	4,802	**12,481**	13,130
Net income	**$ 13,122**	$ 15,065	**$ 39,390**	$ 42,133
Basic earnings per share	**$ 0.81**	$ 0.91	**$ 2.42**	$ 2.54
Diluted earnings per share	**$ 0.80**	$ 0.89	**$ 2.40**	$ 2.50
Weighted average common shares outstanding:				
Basic	**16,294,485**	16,585,538	**16,308,989**	16,611,360
Diluted	**16,482,326**	16,844,035	**16,436,525**	16,850,292

See accompanying Notes to Unaudited Consolidated Financial Statements

Capital Bancorp, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income *(unaudited)*

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net income	**$ 13,122**	$ 15,065	**$ 39,390**	$ 42,133
Other comprehensive income:				
Unrealized gain (loss) on investment securities available-for-sale	**(3,857)**	1,740	**(4,537)**	6,170
Income tax benefit (expense) relating to the items above	**921**	(424)	**1,083**	(1,497)
Other comprehensive income (loss)	**(2,936)**	1,316	**(3,454)**	4,673
Comprehensive income	**$ 10,186**	$ 16,381	**$ 35,936**	$ 46,806

See accompanying Notes to Unaudited Consolidated Financial Statements

Capital Bancorp, Inc. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity *(unaudited)*

(dollars in thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance, December 31, 2024	**16,662,626**	**$ 167**	**$ 123,566**	**$ 242,875**	**$ (11,469)**	**$ 355,139**
Net income	—	—	—	13,932	—	**13,932**
Unrealized gain on investment securities available-for-sale, net of income taxes	—	—	—	—	2,262	**2,262**
Stock options exercised, net of shares withheld for purchase price	10,396	—	43	—	—	**43**
Shares issued as compensation	6,331	—	78	—	—	**78**
Stock-based compensation	—	—	407	—	—	**407**
Cash dividends to stockholders ($0.10 per share)	—	—	—	(1,666)	—	**(1,666)**
Shares repurchased and retired	(22,185)	—	(618)	—	—	**(618)**
Balance, March 31, 2025	**16,657,168**	**$ 167**	**$ 123,476**	**$ 255,141**	**$ (9,207)**	**$ 369,577**
Net income	—	—	—	13,136	—	**13,136**
Unrealized gain on investment securities available-for-sale, net of income taxes	—	—	—	—	1,095	**1,095**
Stock options exercised, net of shares withheld for purchase price	17,958	—	(37)	—	—	**(37)**
Shares issued as compensation	34	—	1	—	—	**1**
Stock-based compensation	—	—	478	—	—	**478**
Cash dividends to stockholders ($0.10 per share)	—	—	—	(1,658)	—	**(1,658)**
Shares repurchased and retired	(93,170)	(1)	(2,556)	—	—	**(2,557)**
Balance, June 30, 2025	**16,581,990**	**$ 166**	**$ 121,362**	**$ 266,619**	**$ (8,112)**	**$ 380,035**
Net income	—	—	—	15,065	—	**15,065**
Unrealized gain on investment securities available-for-sale, net of income taxes	—	—	—	—	1,316	**1,316**
Stock options exercised, net of shares withheld for purchase price	6,417	—	(17)	—	—	**(17)**
Shares issued as compensation	834	—	17	—	—	**17**
Stock-based compensation	—	—	345	—	—	**345**
Cash dividends to stockholders ($0.12 per share)	—	—	—	(1,991)	—	**(1,991)**
Balance, September 30, 2025	**16,589,241**	**$ 166**	**$ 121,707**	**$ 279,693**	**$ (6,796)**	**$ 394,770**

See accompanying Notes to Unaudited Consolidated Financial Statements

Capital Bancorp, Inc. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity *(unaudited)*

(dollars in thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance, December 31, 2025	**16,373,288**	**$ 164**	**$ 114,604**	**$ 292,749**	**$ (5,760)**	**$ 401,757**
Net income	—	—	—	12,018	—	**12,018**
Unrealized loss on investment securities available-for-sale, net of income taxes	—	—	—	—	(620)	**(620)**
Stock options exercised, net of shares withheld for purchase price	13,214	—	87	—	—	**87**
Shares issued as compensation	22,735	—	621	—	—	**621**
Stock-based compensation	—	—	512	—	—	**512**
Cash dividends to stockholders ($0.12 per share)	—	—	—	(1,959)	—	**(1,959)**
Shares repurchased and retired	(122,757)	(1)	(3,556)	—	—	**(3,557)**
Balance, March 31, 2026	**16,286,480**	**$ 163**	**$ 112,268**	**$ 302,808**	**$ (6,380)**	**$ 408,859**
Net income	—	—	—	14,250	—	**14,250**
Unrealized gain on investment securities available-for-sale, net of income taxes	—	—	—	—	102	**102**
Stock options exercised, net of shares withheld for purchase price	4,021	—	—	—	—	**—**
Stock-based compensation	—	—	985	—	—	**985**
Cash dividends to stockholders ($0.12 per share)	—	—	—	(1,955)	—	**(1,955)**
Shares repurchased and retired	(1,213)	—	(36)	—	—	**(36)**
Balance, June 30, 2026	**16,289,288**	**$ 163**	**$ 113,217**	**$ 315,103**	**$ (6,278)**	**$ 422,205**
Net income	—	—	—	13,122	—	**13,122**
Unrealized loss on investment securities available-for-sale, net of income taxes	—	—	—	—	(2,936)	**(2,936)**
Stock options exercised, net of shares withheld for purchase price	39,360	—	729	—	—	**729**
Stock-based compensation	—	—	611	—	—	**611**
Cash dividends to stockholders ($0.14 per share)	—	—	—	(2,281)	—	**(2,281)**
Balance, September 30, 2026	**16,328,648**	**$ 163**	**$ 114,557**	**$ 325,944**	**$ (9,214)**	**$ 431,450**

See accompanying Notes to Unaudited Consolidated Financial Statements

(in thousands)	Nine Months Ended September 30, 2026	2025
Cash flows from operating activities		
Net income	**$ 39,390**	$ 42,133
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	**11,502**	10,977
Provision for credit losses on unfunded commitments	**216**	217
Provision for mortgage put-back reserve, net	**57**	53
Net amortization (accretion) on investment securities available-for-sale	**(251)**	(39)
Premises and equipment depreciation	**2,241**	900
Lease asset amortization	**1,297**	1,274
Amortization of intangible assets	**782**	784
Purchase accounting accretion, net	**(1,177)**	(8,108)
Increase in cash surrender value of BOLI	**(1,166)**	(1,149)
Net decrease (increase) in loan servicing assets	**(178)**	1,334
Executive long-term incentive plan expense	**556**	682
Stock-based compensation expense	**2,108**	1,230
Director and employee compensation paid in Company stock	**850**	1,029
Deferred income tax expense (benefit)	**(2,131)**	1,547
Fair value changes in derivative assets and liabilities	**(1,312)**	(1,331)
Decrease (increase) in valuation of loans held for sale carried at fair value	**30**	(45)
Proceeds from sales of loans held for sale	**283,826**	268,901
Originations of loans held for sale	**(268,499)**	(261,717)
Government lending revenue	**(3,604)**	(4,222)
Changes in assets and liabilities:		
Accrued interest receivable	**(6,494)**	(2,347)
Taxes payable	**799**	(4,985)
Other assets	**9,118**	321
Accrued interest payable	**(1,902)**	(1,348)
Other liabilities	**(13,894)**	(2,931)
Net cash provided by operating activities	**52,164**	43,160
Cash flows from investing activities		
Purchases of securities available-for-sale	**(50,945)**	(35,160)
Proceeds from calls and maturities of securities available-for-sale	**62,256**	32,359
Net proceeds from (purchases of) restricted investments	**2,037**	(2,578)
Net increase in portfolio loans receivable	**(224,828)**	(201,237)
Net purchases of premises and equipment	**(2,154)**	(1,953)
Net cash used in investing activities	**(213,634)**	(208,569)

See accompanying Notes to Unaudited Consolidated Financial Statements

(in thousands)	Nine Months Ended September 30, 2026	2025
Cash flows from financing activities		
Net increase (decrease) in:		
Noninterest-bearing deposits	**(8,205)**	46,615
Interest-bearing deposits	**234,493**	110,728
Federal Home Loan Bank advances	**(50,000)**	—
Dividends paid	**(6,195)**	(5,315)
Repurchase of common stock	**(3,593)**	(3,175)
Net proceeds from exercise of stock	**1,437**	85
Net cash provided by financing activities	**167,937**	148,938
Net increase (decrease) in cash and cash equivalents	**6,467**	(16,471)
Cash and cash equivalents, beginning of year	**255,565**	205,332
Cash and cash equivalents, end of period	**$ 262,032**	$ 188,861
Noncash investing and financing activities:		
Reclassification of loans to loans held for sale in conjunction with branch sale	**$ 60,176**	$ —
Recognition of right-of-use lease asset and lease liability	**$ 3,843**	$ —
Change in unrealized gains (losses) on investments	**$ (4,537)**	$ 6,170
Goodwill measurement period adjustment	**$ —**	$ 4,657
Cash paid during the period for:		
Taxes	**$ 12,912**	$ 15,940
Interest	**$ 58,718**	$ 47,872

See accompanying Notes to Unaudited Consolidated Financial Statements

Note 1 - Nature of Business and Basis of Presentation

Nature of operations:

Capital Bancorp, Inc. is a Maryland corporation and the bank holding company (the "Company") for Capital Bank, N.A. (the "Bank"). The Company's primary operations are conducted by the Bank, which is headquartered in Rockville, Maryland. The Company operates three additional divisions including, OpenSky™, Windsor Advantage, LLC ("Windsor Advantage™") and Capital Bank Home Loans ("CBHL").

The Company serves businesses, not-for-profit associations, entrepreneurs and others throughout Washington D.C., Baltimore, other Maryland markets, Delaware, Florida, Illinois and North Carolina through seven commercial bank branches, one mortgage banking office, three loan production offices, three government loan servicing offices, and one credit card operations office. The Bank is principally engaged in providing commercial, real estate, and credit card loans along with other banking services, and attracting deposits.

The Company issues credit cards through OpenSky™, a digitally-driven, nationwide credit card platform providing secured, partially secured, and unsecured credit solutions. Windsor Advantage™, a wholly-owned subsidiary of the Company, is a loan service provider that offers community banks and credit unions a comprehensive U.S. Small Business Administration ("SBA") 7(a) and U.S. Department of Agriculture ("USDA") lending platform. The Company originates residential mortgages for sale in the secondary market through CBHL, the Bank's residential mortgage banking arm.

In addition, the Company owns all of the stock of Capital Bancorp (MD) Statutory Trust I (the "Trust"). The Trust is a special purpose non-consolidated entity organized for the sole purpose of issuing trust preferred securities.

Basis of presentation:

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with rules and regulations of the Securities and Exchange Commission ("SEC") and conform to general practices within the banking industry. The consolidated financial statements include the activity of the Company and its wholly-owned subsidiaries, the Bank, Windsor Advantage™, and Church Street Capital, LLC ("CSC"). The statements do not include all of the information and footnotes required by GAAP for complete financial statements. All adjustments have been made which, in the opinion of management, are necessary for a fair presentation of the results for the interim periods presented. Such adjustments are all of a normal and recurring nature. All significant inter-company accounts and transactions have been eliminated in consolidation. The results of operations for the three and nine months ended September 30, 2026 are not necessarily indicative of the results that may be expected for the full year. The December 31, 2025 consolidated balance sheet was derived from audited financial statements. These unaudited interim consolidated financial statements should be read in conjunction with the Company's audited financial statements and the notes thereto as of December 31, 2025, included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

The Company reports its activities as four divisions and reporting segments: Commercial Banking, OpenSky™, Windsor Advantage™, and Capital Bank Home Loans. In determining the appropriateness of segment definition, the Company considers components of the business about which financial information is available and regularly evaluated relative to resource allocation and performance assessment.

Note 1 - Nature of Business and Basis of Presentation (continued)

Significant accounting policies:

The preparation of consolidated financial statements in accordance with GAAP requires estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. The primary reference point for the estimates is on historical experience and assumptions believed to be reasonable regarding the value of certain assets and liabilities that are not readily available from other sources. Estimates are evaluated on an ongoing basis. Actual results may materially differ from these estimates under different assumptions or conditions. The Company's significant accounting policies are described in the "Notes to the Consolidated Financial Statements" included in our Annual Report on Form 10-K for the year ended December 31, 2025. There have been no changes to our significant accounting policies during the three and nine months ended September 30, 2026.

Recently Issued Accounting Pronouncements:

In October 2023, the FASB issued Accounting Standards Update 2023-06, "Disclosure Improvements: Codification Amendments Response to the SEC's Disclosure Update and Simplification Initiative" ("ASU 2023-06"). ASU 2023-06 incorporates several U.S. SEC disclosure requirements under Regulations S-K and S-X. The amendments in the ASU are intended to clarify or improve disclosure and presentation requirements of a variety of Codification Topics, allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the requirements, and align the requirements in the Codification with the SEC's regulations. These requirements are similar to, but require additional information than, generally accepted accounting principles. These new updates modify the disclosure or presentation requirements of a variety of Topics in the Codification. Entities should apply the amendments in ASU 2023-06 prospectively. For entities subject to the SEC's existing disclosure requirements and for entities that have to file or provide financial statements with or to the SEC for the purpose of selling or issuing securities that do not have contractual limits on transfer, the effective date for each amendment will be the date on which the SEC removes that related disclosure from its rules. As a result, the effective date will be different for each individual disclosure based on the effective date of the SEC's deletion of the related disclosure. Early adoption is prohibited. For all other entities, the effective date will be two years later. Early adoption is permitted for these entities, but not before the provisions of the ASU become effective for entities subject to SEC's regulation. The effective dates of the amendments are predicated on the SEC removing its related disclosure requirements from its regulations. However, if by June 30, 2027, the SEC has not removed the related disclosure from its regulations, the amendments will be removed from the Codification and not become effective for any entity. We are currently in the process of evaluating this guidance.

In November 2024, the FASB issued Accounting Standards Update 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses" ("ASU 2024-03"). ASU 2024-03 requires public entities to provide disaggregated disclosures, in the notes to the financial statements, of certain categories of expenses that are included in expense line items on the face of the income statement. ASU 2024-03 is effective for the Company for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company will update its expense disclosures upon adoption.

In September 2025, the FASB issued Accounting Standards Update 2025-06 "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software" ("ASU 2025-06"). ASU 2025-06 makes targeted improvements to Subtopic 350-40 to increase the operability of the recognition guidance considering different methods of software

Note 1 - Nature of Business and Basis of Presentation (continued)

development. ASU 2025-06 is effective for the Company for fiscal years beginning after December 15, 2027, and interim reporting periods in those years, with early adoption permitted. The Company will update its software capitalization policy upon adoption.

In November 2025, the FASB issued Accounting Standards Update 2025-08 “Financial Instruments - Credit Losses (Topic 326): Purchased Loans” (“ASU 2025-08”), which expands the gross-up approach applied to purchased credit deteriorated (“PCD”) loans in an acquisition to certain purchased financial assets, including certain seasoned loans that do not meet the definition of PCD. Upon adoption of this guidance, qualifying seasoned loans acquired in future transactions would be recorded by grossing up the purchase price for the initial allowance for credit losses rather than recognizing the allowance through provision expense at acquisition. As a result, future acquisitions may not generate the same level of initial provision expense and related earnings volatility associated with the historical accounting treatment. The guidance would be effective for the Company for fiscal years beginning after December 15, 2026, with early adoption permitted, and is to be applied prospectively. The Company is currently evaluating the impact of this standard and has not elected early adoption.

In November 2025, the FASB issued Accounting Standards Update 2025-09, “Derivatives and Hedging (Topic 815): Hedge Accounting Improvements” (“ASU 2025-09”). ASU 2025-09 is intended to clarify guidance on hedge accounting and to address several incremental hedge accounting issues arising from the global reference rate reform initiative. The guidance would be effective for the Company for fiscal years beginning after December 15, 2026, with early adoption permitted, and is to be applied prospectively. The Company is currently evaluating the impact of this standard and has not elected early adoption.

In November 2025, the FASB issued Accounting Standards Update 2025-11, "Interim Reporting" ("ASU 2025-11"). ASU 2025-11 is intended to improve the navigability of the guidance in ASC 270, Interim Reporting, and establishes a principle under which an entity must disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for the Company for interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact the adoption of ASU 2025-11 may have on the Company’s consolidated financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

Reclassifications:

Certain reclassifications have been made to amounts reported in prior periods to conform to the current period presentation. The reclassifications had no material effect on net income, total assets, total liabilities, or total stockholders' equity, or cash flows from operating activities.

Certain prior period amounts in the consolidated statements of changes in stockholders’ equity have been reclassified to conform to the current period presentation. These reclassifications were made within total stockholders’ equity and had no impact on previously reported net income, earnings per share, or total stockholders’ equity.

Note 1 - Nature of Business and Basis of Presentation (continued)

Subsequent events:

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements. Non-recognized subsequent events are events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date. For further information on a subsequent event related to the Company's quarterly dividend, refer to Note 14.

Note 2 - Pending Merger Agreement

On September 29, 2026, the Company and Peoples Bancorp, Inc. ("Peoples"), the parent company of Peoples Bank, entered into an Agreement and Plan of Merger (the "Merger Agreement"). The Merger Agreement provides that, upon the terms and subject to conditions set forth therein, Capital will merge with and into Peoples (the "Merger"), with Peoples continuing as the surviving corporation in the Merger. The Merger Agreement has been unanimously approved by the boards of directors of Peoples and Capital.

At the effective time of the Merger (the "Effective Time"), each outstanding share of the Company's common stock, other than shares excluded under the Merger Agreement, will be converted into the right to receive 1.11 shares of Peoples' common stock, with cash paid in lieu of fractional shares.

Treatment of Equity Awards

The Company has two incentive compensation plans with outstanding stock options and RSUs - the 2002 Stock Option Plan and the Amended and Restated 2017 Stock and Incentive Compensation Plan (the "Plan"). Under the Merger Agreement, at the Effective Time, outstanding Company stock options will become fully vested and be canceled in exchange for a cash payment based on the excess, if any, of the value determined using the (i) product of the Peoples' common stock closing price and the 1.11 exchange ratio over (ii) the applicable exercise price, multiplied by the number of shares subject to the option, less applicable withholding taxes. Options for which there is no positive excess will be canceled without payment. Outstanding unvested restricted stock and restricted stock unit awards will fully vest, with performance-based conditions deemed achieved at target performance, subject to the applicable Plan's change-in-control provisions, and will be canceled and converted into the right to receive the merger consideration, together with cash in lieu of fractional shares, less applicable withholding taxes.

These merger-related acceleration and settlement provisions take effect upon consummation of the Merger, rather than upon signing the Merger Agreement. Through September 30, 2026, the Company had not recognized merger-related compensation expense or liabilities for equity awards, retention, severance or change-in-control arrangements. This statement does not refer to compensation expense recognized in the ordinary course under existing awards.

Termination Provisions

The Merger Agreement includes customary termination provisions, including the payment of a termination fee by the Company under certain specified circumstances. The Company may be required to pay Peoples a termination fee of $30.66 million if the Merger Agreement is terminated under specified circumstances involving alternative acquisition proposals, a change in the Company board's recommendation, or specified breaches of the non-solicitation provisions. The fee is contingent on the

Note 2 - Pending Merger Agreement (continued)

applicable contractual triggering events and is not payable solely because the Merger Agreement was signed. As of September 30, 2026, no event triggering payment of the termination fee described above had occurred, and there were no merger-related claims or litigation.

Transaction Costs

The Company incurred $1.6 million in merger-related expense for the three and nine months ended September 30, 2026.

Note 3 - Branch Sale Agreement

On September 29, 2026, the Bank entered into a purchase and assumption agreement (the "P&A Agreement") with respect to the Bank's branch office located at North Riverside, Illinois. Pursuant to the P&A Agreement, another financial institution will purchase the branch office as well as certain loans and other assets attributed to the branch office and will also assume certain deposit and other liabilities attributed to the branch office (the "Chicago Branch Sale"). Consummation of the Chicago Branch Sale remains subject to customary closing conditions, including the receipt of all required regulatory approvals and is expected to close during the first quarter of 2027.

Management evaluated the transaction under ASC 360 and ASC 205-20 and concluded that the disposal does not represent a strategic shift that has a major effect on the Company's operations or financial results. Accordingly, the transaction is not reported as discontinued operations.

The loans are recorded at their amortized cost of $60.2 million and are reported within Loans held for sale on the Consolidated Balance Sheet as of September 30, 2026. The loans will be sold at par value, or the unpaid principal balance on the loan exclusive of any accrued interest, fees, premiums, discounts, reserves or allowances. Upon completion of the sale, the Company will recognize any difference between the sale proceeds and the carrying amount of the loans as a gain or loss. The Branch location's real estate and furniture and equipment are also classified as held for sale and valued at $1.3 million as of September 30, 2026. These assets are reported in the Premises and equipment, net on the Consolidated Balance Sheet. The Company did not recognize an impairment loss upon classification of the disposal group as held for sale because its carrying amount did not exceed its fair value less cost to sell as of September 30, 2026.

At September 30, 2026, there were approximately $111.1 million of deposits held at the branch office that are expected to be assumed in the Chicago Branch Sale. Based upon the composition of deposits at September 30, 2026, the Bank would have received a deposit premium of approximately $3.2 million had the transaction been completed on that date.

The assets and liabilities subject to the Chicago Branch Sale, as well as their related income statement accounts, are reported within the Company's Commercial Bank segment.

Note 4 - Investment Securities

The following table summarizes the amortized cost, fair value and allowance for credit losses ("ACL") of securities available-for-sale at September 30, 2026 and December 31, 2025, respectively, and the corresponding amounts of gross unrealized gains and losses recognized in accumulated other comprehensive loss:

Note 4 - Investment Securities (continued)

(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
September 30, 2026					
U.S. Treasuries	**$ 137,905**	**$ 5**	**$ (6,598)**	**$ —**	**$ 131,312**
Municipal	**15,270**	**—**	**(2,587)**	**—**	**12,683**
Corporate	**1,500**	**—**	**(57)**	**—**	**1,443**
Asset-backed securities	**4,546**	**69**	**—**	**—**	**4,615**
Mortgage-backed securities	**67,373**	**—**	**(2,940)**	**—**	**64,433**
Total	**$ 226,594**	**$ 74**	**$ (12,182)**	**$ —**	**$ 214,486**
December 31, 2025					
U.S. Treasuries	$ 142,381	$ 157	$ (5,302)	$ —	$ 137,236
Municipal	15,615	66	(1,784)	—	13,897
Corporate	3,500	—	(96)	—	3,404
Asset-backed securities	5,013	13	—	—	5,026
Mortgage-backed securities	71,145	581	(1,206)	—	70,520
Total	$ 237,654	$ 817	$ (8,388)	$ —	$ 230,083

There were no securities sold during the nine months ended September 30, 2026 or the nine months ended September 30, 2025. There was no ACL required on available-for-sale debt securities in an unrealized loss position at September 30, 2026 and December 31, 2025.

The amortized cost and fair value of debt securities are shown by contractual maturity. Expected maturities may differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call or prepayment penalties. Securities not due at a single maturity date are shown separately.

	September 30, 2026		December 31, 2025	
(in thousands)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Within one year	**$ 25,455**	**$ 25,346**	$ 54,110	$ 53,767
One to five years	**114,533**	**107,992**	70,534	67,955
Five to ten years	**13,182**	**11,042**	34,346	30,847
Beyond ten years	**1,505**	**1,058**	2,506	1,968
Asset-backed securities[(1)]	**4,546**	**4,615**	5,013	5,026
Mortgage-backed securities[(1)]	**67,373**	**64,433**	71,145	70,520
Total	**$ 226,594**	**$ 214,486**	$ 237,654	$ 230,083

(1) Asset-backed and Mortgage-backed securities are due in monthly installments.

There were no securities pledged to secure public deposits at September 30, 2026, compared to a carrying amount of $1.0 million at December 31, 2025. As of September 30, 2026, approximately $106.8 million of investment securities were pledged as collateral to the FHLB to secure FHLB advances and $101.7 million of investment securities were pledged as collateral to the FRB to support discount window borrowing capacity. As of December 31, 2025, approximately $124.3 million of investment securities were pledged as collateral to the FHLB to secure FHLB advances and $95.5 million of investment securities were pledged as collateral to the FRB to support discount window borrowing

Note 4 - Investment Securities (continued)

capacity.

At September 30, 2026 and December 31, 2025, there were no holdings of securities of any one issuer, other than the U.S. Government and its agencies, in an amount greater than 10% of stockholders' equity.

The following table summarizes debt securities available-for-sale in an unrealized loss position for which an ACL has not been recorded at September 30, 2026 and December 31, 2025, aggregated by major security type and length of time in a continuous unrealized loss position:

	Less than 12 months		12 months or longer		Total	
(in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
September 30, 2026						
U.S. Treasuries	**$ 59,781**	**$ (601)**	**$ 66,580**	**$ (5,997)**	**$ 126,361**	**$ (6,59**
Municipal	**4,299**	**(197)**	**8,384**	**(2,390)**	**12,683**	**(2,58**
Corporate	**—**	**—**	**1,443**	**(57)**	**1,443**	**(5**
Mortgage-backed securities	**47,401**	**(1,351)**	**17,032**	**(1,589)**	**64,433**	**(2,94**
Total	**$ 111,481**	**$ (2,149)**	**$ 93,439**	**$ (10,033)**	**$ 204,920**	**$ (12,18**
December 31, 2025						
U.S. Treasuries	$ 9,853	$ (32)	$ 95,531	$ (5,270)	$ 105,384	$ (5,30
Municipal	—	—	8,998	(1,784)	8,998	(1,78
Corporate	—	—	3,404	(96)	3,404	(9
Mortgage-backed securities	214	(29)	18,466	(1,177)	18,680	(1,20
Total	$ 10,067	$ (61)	$ 126,399	$ (8,327)	$ 136,466	$ (8,38

At September 30, 2026, there were six treasury securities, three municipal securities, and seventeen mortgage-backed securities that had been in an unrealized loss position for less than twelve months. At December 31, 2025, there was one treasury security and three mortgage-backed securities that had been in an unrealized loss position for less than twelve months. At September 30, 2026, there were seven treasury securities, ten municipal securities, two corporate securities, and ten mortgage-backed securities that had been in an unrealized loss position for greater than twelve months. At December 31, 2025, there were ten treasury securities, ten municipal securities, three corporate securities, and eight mortgage-backed securities that had been in an unrealized loss position for greater than twelve months.

As of September 30, 2026, management determined the Company does not have the intent to sell, nor is it more likely than not that it will be required to sell, available-for-sale debt securities in an unrealized loss position at September 30, 2026 before it is able to recover the amortized cost basis. Further, management reviewed the Company's holdings as of September 30, 2026 and concluded there were no credit-related declines in fair value. Additional information related to the types of securities held at September 30, 2026, other than securities issued or guaranteed by U.S. Government entities or agencies including U.S. Treasuries and substantially all of the Company's mortgage-backed securities, is as follows:

Corporate Securities — There have been no payment defaults on any of the Company's holdings of corporate debt securities. There are two securities, all of which are subordinated debt of other financial institutions with face amounts ranging from $0.5 million to $1 million.

Municipal Securities — All of the Company's holdings of municipal bonds were investment grade and

Note 4 - Investment Securities (continued)

there have been no payment defaults. Summary ratings information at September 30, 2026, based on the amortized cost basis and reflecting the lowest enhanced or underlying rating by Moody's, Standard & Poors or Fitch, is as follows: AAA - 78% of the portfolio; AA+ - 22%.

Asset-backed Securities — There are three investment grade asset-backed securities, and there have been no payment defaults on these securities.

As such, it is deemed the above listed securities are not in an unrealized loss position due to credit-related issues and no further analysis is warranted as of September 30, 2026.

Note 5 - Loan Servicing

Activity for loan servicing rights is as follows for the periods presented:

Loan servicing rights: (in thousands)	**September 30, 2026**	**December 31, 2025**
Balance at beginning of period	**$ 1,816**	$ 5,511
Additions	**550**	182
Measurement period adjustments	**—**	(2,107
Other changes in fair value	**(372)**	(1,770
Balance at end of period	**$ 1,994**	$ 1,816

The loan servicing rights balance consisted of a principal balance of $760.5 million and $738.9 million as of September 30, 2026 and December 31, 2025, respectively. The fair value at September 30, 2026 was determined using a discount rate of 13.0%, a weighted average prepayment speed of 17.2% and a weighted average default rate of 0.7%. The fair value at December 31, 2025 was determined using a discount rate of 12.8%, a weighted average prepayment speed of 16.6% and a weighted average default rate of 0.7%.

Note 6 - Portfolio Loans Receivable and Allowance for Credit Losses

The following is a summary of the major categories of total loans outstanding:

(in thousands)	**September 30, 2026**		**December 31, 2025**	
	Amount	**Percent**	**Amount**	**Percent**
Real estate:				
Residential	**$ 784,220**	**25 %**	$ 765,808	26 %
Commercial	**1,024,754**	**33**	997,081	34
Construction	**380,688**	**12**	359,566	12
Commercial and Industrial	**774,297**	**25**	698,289	23
Credit card, net of reserve[1]	**149,184**	**5**	142,397	5
Other consumer	**5,539**	**—**	1,930	—
Portfolio loans receivable, gross	**3,118,682**	**100 %**	2,965,071	100 %
Deferred origination fees, net	**(4,418)**		(5,614)	
Allowance for credit losses	**(55,493)**		(54,660)	
Portfolio loans receivable, net	**$ 3,058,771**		$ 2,904,797	

[1] Credit card loans are presented net of reserve for interest and fees.

Note 6 - Portfolio Loans Receivable and Allowance for Credit Losses (continued)

The following tables set forth the changes in the ACL by loan segment class for the three and nine months ended September 30, 2026 and September 30, 2025.

(in thousands) **Three Months Ended September 30, 2026**	Beginning Balance	Provision (Release of Provision) for Credit Losses	Charge-Offs	Recoveries	Ending Balance
Real estate:					
Residential	$ 7,727	$ (296)	$ (174)	$ 2	$ 7,259
Commercial	14,387	(508)	—	—	13,879
Construction	4,930	501	—	—	5,431
Commercial and Industrial	18,474	1,605	(471)	—	19,608
Credit card	8,904	3,587	(3,198)	—	9,293
Other consumer	9	14	—	—	23
Total	$ 54,431	$ 4,903	$ (3,843)	$ 2	$ 55,493
Nine Months Ended September 30, 2026					
Real estate:					
Residential	$ 7,444	$ (7)	$ (180)	$ 2	$ 7,259
Commercial	14,917	(1,038)	—	—	13,879
Construction	4,250	1,564	(383)	—	5,431
Commercial and Industrial	19,818	684	(1,639)	745	19,608
Credit card	8,226	10,281	(9,220)	6	9,293
Other consumer	5	18	—	—	23
Total	$ 54,660	$ 11,502	$ (11,422)	$ 753	$ 55,493

(in thousands) **Three Months Ended September 30, 2025**	Beginning Balance	Measurement Period Adjustment for Acquired PCD Loans	Provision (Release of Provision) for Credit Losses	Charge-Offs	Recoveries	Ending Balance
Real estate:						
Residential	$ 6,772	$ —	$ 249	$ —	$ 7	$ 7,028
Commercial	14,262	—	603	—	—	14,865
Construction	3,410	—	321	—	—	3,731
Commercial and Industrial	16,249	3,424	680	(336)	—	20,017
Credit card	6,749	—	2,797	(2,156)	9	7,399
Other consumer	5	—	—	—	—	5
Total	$ 47,447	$ 3,424	$ 4,650	$ (2,492)	$ 16	$ 53,045
Nine Months Ended September 30, 2025						
Real estate:						
Residential	$ 6,945	$ —	$ 76	$ (1)	$ 8	$ 7,028
Commercial	16,041	—	519	(1,695)	—	14,865
Construction	2,973	—	1,022	(264)	—	3,731
Commercial and Industrial	16,377	3,424	1,764	(1,597)	49	20,017
Credit card	6,301	—	7,606	(6,524)	16	7,399
Other consumer	15	—	(10)	—	—	5
Total	$ 48,652	$ 3,424	$ 10,977	$ (10,081)	$ 73	$ 53,045

Note 6 - Portfolio Loans Receivable and Allowance for Credit Losses (continued)

Past due loans, segregated by age and class of loans, as of September 30, 2026 and December 31, 2025 were as follows:

Portfolio Loans Past Due

(in thousands) September 30, 2026	Loans 30-59 Days Past Due	Loans 60-89 Days Past Due	Loans 90 or More Days Past Due	Total Past Due Loans	Current Loans	Total Portfolio Loans	Accruing Loans 90 or More Days Past Due	Nonaccrual Loans
Real estate:								
Residential	$ 9,022	$ 2,603	$ 4,791	$ 16,416	$ 767,804	$ 784,220	$ —	$ 4,790
Commercial	8,839	552	12,535	21,926	1,002,828	1,024,754	297	12,505
Construction	—	2,234	14,403	16,637	364,051	380,688	360	14,044
Commercial and Industrial	5,580	1,753	20,843	28,176	746,121	774,297	904	25,017
Credit card	8,077	7,198	3,233	18,508	130,676	149,184	3,233	—
Other consumer	—	—	—	—	5,539	5,539	—	—
Total	$ 31,518	$ 14,340	$ 55,805	$ 101,663	$ 3,017,019	$ 3,118,682	$ 4,794	$ 56,356

December 31, 2025	Loans 30-59 Days Past Due	Loans 60-89 Days Past Due	Loans 90 or More Days Past Due	Total Past Due Loans	Current Loans	Total Portfolio Loans	Accruing Loans 90 or More Days Past Due	Nonaccrual Loans
Real estate:								
Residential	$ 3,886	$ 573	$ 8,480	$ 12,939	$ 752,869	$ 765,808	$ 740	$ 7,741
Commercial	8,148	1,166	15,660	24,974	972,107	997,081	862	15,624
Construction	2,591	—	4,717	7,308	352,258	359,566	—	4,717
Commercial and Industrial	3,501	5,134	22,496	31,131	667,158	698,289	279	26,339
Credit card	7,555	6,887	2,691	17,133	125,264	142,397	2,691	—
Other consumer	—	—	—	—	1,930	1,930	—	—
Total	$ 25,681	$ 13,760	$ 54,044	$ 93,485	$ 2,871,586	$ 2,965,071	$ 4,572	$ 54,421

There were $10.4 million and $6.1 million of loans secured by one-to-four family residential properties in the process of foreclosure as of September 30, 2026 and December 31, 2025, respectively.

Note 6 - Portfolio Loans Receivable and Allowance for Credit Losses (continued)

The following presents the nonaccrual loans as of September 30, 2026 and December 31, 2025:

(in thousands)	September 30, 2026		
	Nonaccrual with No Allowance for Credit Loss	Nonaccrual with an Allowance for Credit Loss	Total Nonaccrual Loans
Real estate:			
Residential	**$ 4,417**	**$ 373**	**$ 4,790**
Commercial	**8,171**	**4,334**	**12,505**
Construction	**$ 8,730**	**$ 5,314**	**$ 14,044**
Commercial and Industrial	**4,180**	**20,837**	**25,017**
Total	**$ 25,498**	**$ 30,858**	**$ 56,356**

	December 31, 2025		
	Nonaccrual with No Allowance for Credit Loss	Nonaccrual with an Allowance for Credit Loss	Total Nonaccrual Loans
Real estate:			
Residential	$ 7,435	$ 306	$ 7,741
Commercial	10,159	5,465	15,624
Construction	4,717	—	4,717
Commercial and Industrial	6,907	19,432	26,339
Total	$ 29,218	$ 25,203	$ 54,421

The Company has certain loans for which repayment is dependent upon the operation or sale of collateral, as the borrower is experiencing financial difficulty. The underlying collateral can vary based upon the type of loan. The following provides more detail about the types of collateral that secure collateral dependent loans:

- Residential real estate loans are primarily secured by owner-occupied primary residences and, to a lesser extent, investor-owned residences.

- Commercial real estate loans can be secured by either owner-occupied commercial real estate or non-owner-occupied investment commercial real estate. Typically, owner-occupied commercial real estate loans are secured by office buildings, warehouses, manufacturing facilities and other commercial and industrial properties occupied by operating companies. Non-owner-occupied commercial real estate loans are generally secured by office buildings and complexes, retail facilities, multifamily complexes, land under development and/or industrial properties, as well as other commercial or industrial real estate.

- Construction loans are typically secured by owner-occupied commercial real estate or non-owner-occupied investment real estate. Typically, owner-occupied construction loans are secured by office buildings, warehouses, manufacturing facilities, and other commercial and industrial properties that are in process of construction. Non-owner-occupied commercial construction loans are generally secured by office buildings and complexes, multi-family complexes, land under development and/or other commercial and industrial real estate in process of construction.

- Commercial and industrial loans are generally secured by equipment, inventory, accounts receivable and/or other commercial property.

Note 6 - Portfolio Loans Receivable and Allowance for Credit Losses (continued)

Collateral dependent loans amortized cost

(in thousands)	September 30, 2026	December 31, 2025
Real estate:		
Residential	**$ 4,052**	$ 6,449
Commercial	**11,612**	15,653
Construction	**13,320**	5,079
Commercial and Industrial	**16,364**	18,605
Total	**$ 45,348**	$ 45,786

Of the collateral dependent loans as of September 30, 2026, a specific reserve of $0.1 million, $0.5 million, $0.9 million and $4.5 million was assessed for residential real estate, commercial real estate, construction and commercial and industrial loans, respectively. Of the collateral dependent loans as of December 31, 2025, a specific reserve of $40 thousand, $1.3 million and $4.2 million was assessed for residential real estate, commercial real estate and commercial and industrial loans. There was no specific reserve for construction loans.

The Company made five loan modifications on loans to borrowers experiencing financial difficulty during the three months ended September 30, 2026 as follows:

Modifications

(in thousands)	Amortized Cost Basis	% of Total Loan Type	Financial Effect
Real estate:			
Commercial	**$ 267**	0.026 %	For one loan, a payment deferral of 9 months, after which payments resume on a fully amortizing basis.
Commercial and Industrial	**958**	0.124 %	For two loans, reduced contractual interest rate from 9.500% to 6.000% for a modification period of 6.5 months, after which payments resume on a fully amortizing principal and interest basis for the remaining term. For one loan, a payment deferral of 6 months, after which payments resume on a fully amortizing principal and interest basis for the remaining term. For one loan, restructured payment terms for an interest-only payment period of 6 months, followed by a return to fully amortizing principal and interest payments under contractual terms.
Total	**$ 1,225**		

Note 6 - Portfolio Loans Receivable and Allowance for Credit Losses (continued)

The Company made seventeen loan modifications on loans to borrowers experiencing financial difficulty during the nine months ended September 30, 2026 as follows:

Modifications

(in thousands)	Amortized Cost Basis	% of Total Loan Type	Financial Effect
Real estate:			
Commercial	$ 5,246	0.512 %	For one loan, a payment deferral of 9 months, after which payments resume on a fully amortizing basis. For two loans, contractual interest rates were reduced from 9.500% and 9.000% to 6.000% and 6.000% for a modification period of 18 months. The modifications also include a cash flow recapture mechanism intended to recover interest income forgone during the modification period. For two loans, restructured payment terms for 8 months, after which payments resume on a fully amortizing principal and interest basis for the remaining term.
Commercial and Industrial	6,987	0.902 %	For two loans, reduced contractual interest rate based from 9.500% to 6.000% for a modification period of 6.5 months, after which payments resume on a fully amortizing principal and interest basis for the remaining term. For one loan, a payment deferral of 6 months, after which payments resume on a fully amortizing principal and interest basis for the remaining term. For one loan, restructured payment terms for an interest-only payment period of 6 months, followed by a return to fully amortizing principal and interest payments under contractual terms. For one loan, the contractual interest rate was reduced from 8.250% to 6.000% for a modification period of 18 months. The modification also includes a cash flow recapture mechanism intended to recover interest income forgone during the modification period. For one loan, restructured payment terms for 8 months, after which payments resume on a fully amortizing principal and interest basis for the remaining term. For one loan, a payment deferral of 6 months followed by modified payments for 15 months, after which payments resume on a fully amortizing principal and interest basis for the remaining term. For two loans, a payment deferral of 3 months and subsequent 4 months interest-only payment period, followed by a return to fully amortizing principal and interest payments under original contractual terms. For one loan, a payment deferral of 4 months and reduced contractual floating interest rate based on Prime to 7.000% fixed rate for 6 months. For one loan, a payment deferral of 6 months. For one loan, a payment deferral of 7 months.
Total	$ 12,233		

The Company made no loan modifications on loans to borrowers experiencing financial difficulty during the three months ended September 30, 2025. The Company made one loan modification on loans to borrowers experiencing financial difficulty during the nine months ended September 30, 2025.

(in thousands)	Amortized Cost Basis	% of Total Loan Type	Financial Effect
Real estate:			
Commercial and Industrial	$ 44	0.007 %	Extended maturity date of one loan which reduced monthly payment amount for the borrower.
Total	$ 44		

Note 6 - Portfolio Loans Receivable and Allowance for Credit Losses (continued)

The following table presents the payment status of loans that have been modified in the last twelve months:

	September 30, 2026				
(in thousands)	Current	Past Due 30-89 Days	Past Due 90 Days or More	Nonaccrual	Total
Real estate:					
Commercial	$ 3,182	$ —	$ —	$ 3,736	$ 6,918
Commercial and Industrial	5	571	—	5,726	6,302
	$ 3,187	$ 571	$ —	$ 9,462	$ 13,220

Credit quality indicators

As part of the ongoing monitoring of the credit quality of the Company's loan portfolio, management tracks certain credit quality indicators including trends related to the risk grade of loans, the level of classified loans, net charge-offs, nonperforming loans, and general economic conditions in the Company's market. From a credit risk standpoint, the Company utilizes a risk grading matrix to assign a risk grade to each of its loans. The classifications of loans reflect a judgment about the risk of expected credit loss associated with each loan. Credit quality indicators are reviewed and adjusted regularly to account for the degree of risk and expected credit loss that the Company believes to be appropriate for each financial asset.

A description of the general risk ratings are described as follows:

Pass

Loans characterized as pass includes loans graded exceptional, very good, good, satisfactory and pass/watch. The Company believes that there is a low likelihood of credit deterioration related to those loans that are considered pass.

Special mention

A special mention loan has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the asset or in the Company's credit position at some future date. Special mention loans are not adversely classified and do not expose the Company to sufficient risk to warrant adverse classification.

Borrowers may exhibit poor liquidity and leverage positions resulting from generally negative cash flow or negative trends in earnings. Access to alternative financing may be limited to finance companies for business borrowers and may be unavailable for commercial real estate borrowers.

Substandard

A substandard loan is inadequately protected by the current financial condition and paying capacity of the obligor or of the collateral pledged, if any. Substandard loans have a well-defined weakness, or weaknesses, that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected.

Note 6 - Portfolio Loans Receivable and Allowance for Credit Losses (continued)

Borrowers may exhibit recent or unexpected unprofitable operations, an inadequate debt service coverage ratio, or marginal liquidity and capitalization. These loans require more intense supervision by Company management.

Doubtful

A doubtful loan has all the weaknesses associated with a substandard loan with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable.

Ungraded

Ungraded loans represent credit card loans not included in the individual credit grading process due to the borrower type. The credit quality indicator for credit card loans is based on the delinquency status of the borrower as of the date presented.

The following table presents the balances of classified loans based on the most recent credit quality indicator analysis. Classified loans include Special Mention, Substandard and Doubtful loans. Pass classified loans include loans graded exceptional, very good, good, satisfactory, and pass/watch. Credit card loans are ungraded as they are not individually graded. Charge-offs presented represent gross charge-offs recognized in the current period:

Note 6 - Portfolio Loans Receivable and Allowance for Credit Losses (continued)

September 30, 2026	Term Loans by Origination Year							
(in thousands)	**2026**	**2025**	**2024**	**2023**	**2022**	**Prior**	**Revolving**	**Total**
Residential – Real estate								
Pass	$ 135,401	$ 173,398	$ 100,822	$ 88,216	$ 95,025	$ 181,312	$ —	$ 774,174
Special Mention	—	—	355	2,573	—	1,244	—	4,172
Substandard	—	—	—	—	132	5,742	—	5,874
Doubtful	—	—	—	—	—	—	—	—
Total	135,401	173,398	101,177	90,789	95,157	188,298	—	784,220
Commercial – Real estate								
Pass	124,110	194,692	197,462	48,839	101,660	290,884	—	957,647
Special Mention	—	—	—	2,300	38,107	7,840	—	48,247
Substandard	—	—	—	5,865	5,039	7,956	—	18,860
Doubtful	—	—	—	—	—	—	—	—
Total	124,110	194,692	197,462	57,004	144,806	306,680	—	1,024,754
Construction – Real estate								
Pass	84,765	125,442	58,344	35,144	34,833	17,518	—	356,046
Special Mention	—	—	—	1,000	—	6,030	—	7,030
Substandard	—	372	5,946	7,163	—	4,131	—	17,612
Doubtful	—	—	—	—	—	—	—	—
Total	84,765	125,814	64,290	43,307	34,833	27,679	—	380,688
Commercial and Industrial								
Pass	175,282	170,580	132,168	56,412	79,772	122,731	—	736,945
Special Mention	1,545	—	—	3,003	—	3,769	—	8,317
Substandard	—	2,092	851	13,050	1,724	11,318	—	29,035
Doubtful	—	—	—	—	—	—	—	—
Total	176,827	172,672	133,019	72,465	81,496	137,818	—	774,297
Other consumer								
Pass	4,117	336	949	—	26	111	—	5,539
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Total	4,117	336	949	—	26	111	—	5,539
Credit card								
Ungraded	—	—	—	—	—	—	149,184	149,184
Portfolio loans receivable, gross	$ 525,220	$ 666,912	$ 496,897	$ 263,565	$ 356,318	$ 660,586	$ 149,184	$ 3,118,682

September 30, 2026								
(in thousands)	**2026**	**2025**	**2024**	**2023**	**2022**	**Prior**	**Revolving**	**Total**
Gross Charge-Offs								
Residential real estate	$ —	$ —	$ —	$ —	$ 174	$ 6	$ —	$ 180
Commercial real estate	—	—	—	—	—	—	—	—
Construction	—	—	—	—	27	356	—	383
Commercial and Industrial	—	214	183	352	649	241	—	1,639
Credit card	—	—	—	—	—	—	9,220	9,220
Total	$ —	$ 214	$ 183	$ 352	$ 850	$ 603	$ 9,220	$ 11,422

Note 6 - Portfolio Loans Receivable and Allowance for Credit Losses (continued)

December 31, 2025	Term Loans by Origination Year							
(in thousands)	**2025**	**2024**	**2023**	**2022**	**2021**	**Prior**	**Revolving**	**Total**
Residential – Real estate								
Pass	$ 217,066	$ 110,098	$ 99,956	$ 101,423	$ 68,092	$ 153,724	$ —	$ 750,359
Special Mention	—	—	1,992	1,882	1,236	3,567	—	8,677
Substandard	—	287	—	132	792	5,561	—	6,772
Doubtful	—	—	—	—	—	—	—	—
Total	217,066	110,385	101,948	103,437	70,120	162,852	—	765,808
Commercial – Real estate								
Pass	197,639	206,587	56,303	126,746	125,612	218,736	—	931,623
Special Mention	—	—	2,300	39,276	4,933	2,820	—	49,329
Substandard	—	86	5,957	5,860	1,744	2,482	—	16,129
Doubtful	—	—	—	—	—	—	—	—
Total	197,639	206,673	64,560	171,882	132,289	224,038	—	997,081
Construction – Real estate								
Pass	110,320	94,973	77,852	41,729	7,198	18,856	—	350,928
Special Mention	—	—	1,000	—	724	—	—	1,724
Substandard	—	—	255	2,197	1,536	2,926	—	6,914
Doubtful	—	—	—	—	—	—	—	—
Total	110,320	94,973	79,107	43,926	9,458	21,782	—	359,566
Commercial and Industrial								
Pass	210,890	146,107	94,365	91,066	30,540	95,813	—	668,781
Special Mention	—	—	—	320	—	221	—	541
Substandard	—	892	14,941	2,414	5,401	5,319	—	28,967
Doubtful	—	—	—	—	—	—	—	—
Total	210,890	146,999	109,306	93,800	35,941	101,353	—	698,289
Other consumer								
Pass	760	963	—	46	40	121	—	1,930
Special Mention	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—
Total	760	963	—	46	40	121	—	1,930
Credit card								
Ungraded	—	—	—	—	—	—	142,397	142,397
Portfolio loans receivable, gross	$ 736,675	$ 559,993	$ 354,921	$ 413,091	$ 247,848	$ 510,146	$ 142,397	$ 2,965,071

December 31, 2025								
(in thousands)	**2025**	**2024**	**2023**	**2022**	**2021**	**Prior**	**Revolving**	**Total**
Gross Charge-Offs								
Residential real estate	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate	—	—	—	197	—	1,695	—	1,892
Construction	—	—	—	—	—	264	—	264
Commercial and Industrial	—	101	2,339	347	8	625	—	3,420
Credit card	—	—	—	—	—	—	9,036	9,036
Total	$ —	$ 101	$ 2,339	$ 544	$ 8	$ 2,584	$ 9,036	$ 14,612

Note 6 - Portfolio Loans Receivable and Allowance for Credit Losses (continued)

Outstanding loan commitments were as follows:

(in thousands)	September 30, 2026	December 31, 2025
Unused lines of credit on portfolio loans held for investment		
Real Estate:		
Residential	$ 14,018	$ 22,858
Residential - Home Equity	39,793	41,864
Commercial	37,102	69,887
Construction	112,417	91,203
Commercial and Industrial	103,177	90,990
Credit card[1]	150,980	138,632
Other consumer	235	232
Total	$ 457,722	$ 455,666
Unused lines of credit on loans reclassified to held for sale (pending branch sale)		
Real Estate:		
Residential	$ 593	$ —
Residential - Home Equity	789	
Commercial	1,351	—
Commercial and Industrial	94	—
Total	$ 2,827	$ —
Letters of credit	$ 1,797	$ 1,633

[1] Outstanding loan commitments in the credit card portfolio include $97.7 million and $95.9 million in secured and partially secured balances as of September 30, 2026 and December 31, 2025, respectively.

Lines of credit are agreements to lend to a customer as long as there is no violation of any condition of the contract. Lines of credit generally have variable interest rates. Such lines do not represent future cash requirements because it is unlikely that all customers will, at any given time, draw upon their lines in full. Loan commitments generally have variable interest rates, fixed expiration dates, and may require payment of a fee.

The Company's maximum exposure to credit loss in the event of nonperformance by the customer is the contractual amount of the credit commitment. Loan commitments and lines of credit are generally made on the same terms, including with regard to collateral, as outstanding loans. Management is not aware of any accounting loss to be incurred by funding these loan commitments.

The Company maintains an estimated reserve for unfunded commitments and certain off-balance sheet items such as unfunded lines of credit, which is reflected in other liabilities, with increases or decreases in the reserve being charged to or released from operating expense. Activity for this account is as follows for the periods presented:

	Three months ended		Nine months ended	
(in thousands)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Balance at beginning of period	**$ 1,649**	$ 1,191	**$ 1,379**	$ 1,191
Provision for (release of) credit losses on unfunded commitments	**(54)**	217	**216**	217
Balance at end of period	**$ 1,595**	$ 1,408	**$ 1,595**	$ 1,408

Note 6 - Portfolio Loans Receivable and Allowance for Credit Losses (continued)

The Company makes representations and warranties that loans sold to investors meet the investors' program guidelines and that the information provided by the borrowers is accurate and complete. In the event of a default on a loan sold, the investor may have the right to make a claim for losses due to document deficiencies, program non-compliance, early payment default, and fraud or borrower misrepresentations.

The Company maintains a reserve for potential losses on mortgage loans and USDA/SBA loans sold, which is reflected in other liabilities, with changes being charged to or released from operating expense. Activity in this reserve is as follows for the periods presented:

	Three months ended		Nine months ended	
(in thousands)	**September 30, 2026**	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**
Balance at beginning of period	**$ 1,465**	$ 2,294	**$ 2,339**	$ 2,260
Reserve utilization	**—**	—	**(916)**	—
Provision for put-back reserve	**15**	19	**57**	53
Balance at end of period	**$ 1,480**	$ 2,313	**$ 1,480**	$ 2,313

Note 7 - Derivative Financial Instruments

The Company may enter into mortgage origination commitments, which are commitments to originate loans as part of its mortgage banking activities. The Company then locks the loan with an investor and commits to deliver the loan if settlement occurs (Best Efforts). Certain loans under mortgage origination commitments are covered under forward sales contracts. Forward sales contracts are recorded at fair value with changes in fair value recorded in mortgage banking revenue. Mortgage origination commitments and commitments to deliver loans to investors are considered to be derivatives. These derivatives are used to economically manage interest rate risk in the Company's mortgage banking pipeline and are not designated as hedging instruments. Changes in fair value are reported in mortgage banking revenue. The volume of mortgage origination commitments and forward commitments fluctuates with mortgage origination activity. These derivatives generally have short contractual terms (less than 90 days), and period-end notional amounts may not reflect average activity.

The market value of mortgage origination commitments and best efforts contracts are not readily ascertainable with precision because they are not actively traded in stand-alone markets. The Company determines the fair value of mortgage origination commitments by estimating the fair value of the underlying asset, which is impacted by current interest rates and takes into consideration the probability that the rate lock commitments will close or will be funded. See Note 10 - Fair Value Measurements for information regarding valuation techniques, significant inputs, and fair value hierarchy classification for derivative instruments.

The notional amount and estimated fair value of mortgage banking derivatives included in the consolidated balance sheets is summarized as follows:

Note 7 - Derivative Financial Instruments (continued)

(in thousands)	September 30, 2026 Notional Amount	September 30, 2026 Fair Value	December 31, 2025 Notional Amount	December 31, 2025 Fair Value
Included in other assets:				
Mortgage origination commitments	**$ 220,990**	**$ 7,219**	$ 176,106	$ 5,89
Open forward delivery sales agreements (hedge MTM)	**8,500**	**227**	—	
Open mandatory delivery commitments	**—**	**—**	7,981	
Open forward delivery sales agreements (pipeline hedge)	**—**	**—**	4,772	
Total included in other assets	**$ 229,490**	**$ 7,446**	$ 188,859	$ 5,94
Included in other liabilities:				
Open forward delivery sales agreements (pipeline hedge)	**$ 4,262**	**$ 63**	$ —	$
Open mandatory delivery commitments	**5,893**	**160**	—	
Open forward delivery sales agreements (hedge MTM)	**—**	**—**	8,500	
Total included in other liabilities	**$ 10,155**	**$ 223**	$ 8,500	$

The net gains (losses) relating to mortgage banking derivative instruments included in mortgage banking revenue is summarized as follows:

	Three months ended		Nine months ended	
(in thousands)	**September 30, 2026**	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**
Mortgage origination commitments	**$ 773**	$ 541	**$ 1,326**	$ 1,326
Open forward delivery sales agreements (hedge MTM)	**224**	91	**257**	(5)
Open forward delivery sales agreements (pipeline hedge)	**(57)**	(59)	**(81)**	14
Open mandatory delivery commitments	**(166)**	(29)	**(191)**	46
Total	**$ 774**	$ 544	**$ 1,311**	$ 1,381

Note 8 - Leases

The Company's primary leasing activities relate to certain real estate leases entered into in support of the Company's branch operations and back office operations. The Company leases five of its full service branches and seven other locations for corporate/administration activities, operations, and loan production. All property leases under lease agreements have been designated as operating leases. The Company does not have leases designated as finance leases.

The Company determines if an arrangement is a lease at inception. Operating lease Right of Use ("ROU") assets are included in premises and equipment, and operating lease liabilities are included as other liabilities in the consolidated balance sheets. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The historical weighted average discount rate was 4.63% at September 30, 2026 and 5.08% at December 31, 2025. The operating lease ROU asset also includes any lease pre-payments. The Company's lease terms may

Note 8 - Leases (continued)

include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company has lease agreements with lease and non-lease components, which the Company has elected to account for separately as the non-lease component amounts are readily determinable under most leases.

As of September 30, 2026, the Company's net lease ROU assets and related lease liabilities were $6.6 million and $7.5 million, respectively, compared to December 31, 2025 balances of $4.0 million of ROU assets and $4.6 million of lease liabilities. The leases have remaining terms ranging from one to seven years, including extension options that the Company is reasonably certain will be exercised, and a weighted-average remaining lease term of 4.2 years. As of September 30, 2026, the Company had entered into one lease agreement that had not yet commenced. The agreement, a 64-month lease for loan production office use in Towson, Maryland commenced on October 5, 2026. Total undiscounted contractual lease payments under this lease are approximately $0.4 million. The Company's lease information is summarized as follows:

(in thousands)	September 30, 2026	December 31, 2025
Lease Right of Use Asset:		
Lease asset	**$ 10,821**	$ 6,97
Less: Accumulated amortization	**(4,256)**	(2,95
Net lease asset	**$ 6,565**	$ 4,01
Lease Liability:		
Short-term lease liability	**$ 1,822**	1,77
Long-term lease liability	**5,657**	2,79
Net lease liability	**$ 7,479**	$ 4,57

Future minimum payments for operating leases with initial or remaining terms of one year or more are as follows:

(in thousands)	September 30, 2026
Amounts due in:	
2026	$ 5
2027	2,0
2028	1,9
2029	1,8
2030	9
2031 and thereafter	7
Total future lease payments	**8,1**
Discount of cash flows	(7
Present value of net future lease payments	**$ 7,4**

Note 9 - Goodwill and Intangible Assets

The change in goodwill during the periods ended September 30, 2026 and December 31, 2025 is as follows:

(in thousands)	September 30, 2026	December 31, 2025
Balance at beginning of period	**$ 25,969**	$ 21,12
Acquired goodwill	**—**	-
Measurement period adjustment	**—**	4,84
Balance at end of period	**$ 25,969**	$ 25,96

At September 30, 2026, the Company's reporting units include attributable goodwill from the IFH acquisition. The Company has elected to perform a qualitative assessment annually as of October 1 to determine if it is more likely than not that the fair value of the reporting unit exceeded its carrying value, including goodwill.

Acquired amortizing intangible assets were as follows for the period presented:

	September 30, 2026			**December 31, 2025**		
	Gross Carrying Amount	**Accumulated Amortization**	**Net Carrying Amount**	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:						
Customer list intangible	**$ 12,200**	**$ (1,407)**	**$ 10,793**	$ 12,200	$ (879)	$ 11,3
Trade name intangible	**2,100**	**(280)**	**1,820**	2,100	(175)	1,9
Core deposits intangible	**1,779**	**(403)**	**1,376**	1,779	(254)	1,5
Total amortized intangible assets	**$ 16,079**	**$ (2,090)**	**$ 13,989**	$ 16,079	$ (1,308)	$ 14,7

Goodwill represents the intangible value of IFH's business and reputation within the markets it previously served and is not expected to be deductible for income tax purposes. The customer list intangible and trade name intangible will be amortized over its expected useful life of 17 years and 15 years, respectively, using the straight-line method. The core deposit intangible will be amortized over its expected useful life of 10 years using the sum-of-the-years-digits method.

Amortization expense was $261 thousand for the three months ended September 30, 2026 and $782 thousand for the nine months ended September 30, 2026. There was $262 thousand of amortization expense for the three months ended September 30, 2025 and $784 thousand for the nine months ended September 30, 2025.

At September 30, 2026, scheduled amortization of the intangible assets for each of the next five years is as follows:

(in thousands)	
2026	**$ 2**
2027	**1,0**
2028	**1,0**
2029	**1,0**
2030	**1,0**
Thereafter	**9,6**
Total	**$ 13,9**

Note 10 - Fair Value

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 - Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date. This includes certain U.S. Treasury and other U.S. Government and government agency securities actively traded in over-the-counter markets.

Level 2 - Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Company used the following methods and significant assumptions to estimate fair value on a recurring basis:

Investment securities available-for-sale - The fair values for investment securities available-for-sale are provided by an independent pricing service and are determined by quoted market prices, if available (Level 1). For securities where quoted prices are not available, fair values are calculated based on market prices of similar securities (Level 2), using matrix pricing. Matrix pricing, which is a mathematical technique commonly used to price debt securities that are not actively traded, values debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs). For securities where quoted prices or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators (Level 3).

Loans held for sale - Loans held for sale consist of mortgage loans held for sale and loans classified as held for sale in connection with the Chicago Branch Sale. Only the mortgage loans held for sale are measured under the fair value option and are included in the table below. Loans associated with the Chicago Branch Sale are carried at amortized cost and are not included in this recurring fair value disclosure. The fair value of mortgage loans held for sale is determined using quoted prices for similar assets, adjusted for specific attributes of that loan (Level 2).

Loan servicing assets - The fair values of loan servicing assets are determined at a tranche level, based on market prices for comparable servicing contracts (Level 2), when available, or alternatively based on a valuation model that calculates the present value of estimated future net servicing income. The valuation model utilizes interest rate, prepayment speed, and default rate assumptions that market participants would use in estimating future net servicing income and that can be validated against available market data (Level 2).

Derivative financial instruments - The fair value of derivatives are based on valuation models using observable market data as of the measurement date (Level 2). Our derivatives are traded in an over-the-counter market where quoted market prices are not always available. Therefore, the fair values of derivatives are determined using quantitative models that utilize multiple market inputs. The inputs will vary based on the type of derivative, but could include interest rates, prices and indices to generate continuous yield or pricing curves, prepayment rates, and volatility factors to value the position. The majority of market inputs are actively quoted and can be validated through external sources, including

Note 10 - Fair Value (continued)

brokers, market transactions and third-party pricing services. See Note 7 - Derivative Financial Instruments for additional information on derivatives.

The Company has categorized its financial instruments measured at fair value on a recurring basis as of September 30, 2026 and December 31, 2025 as follows:

(in thousands)

September 30, 2026	**Total**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investment securities available-for-sale				
U.S. Treasuries	**$ 131,312**	**$ 131,312**	**$ —**	**$ —**
Municipal	**12,683**	**—**	**12,683**	**—**
Corporate	**1,443**	**—**	**1,443**	**—**
Asset-backed securities	**4,615**	**—**	**4,615**	**—**
Mortgage-backed securities	**64,433**	**—**	**64,433**	**—**
Total	**$ 214,486**	**$ 131,312**	**$ 83,174**	**$ —**
Mortgage loans held for sale	**$ 14,075**	**$ —**	**$ 14,075**	**$ —**
Loan servicing assets	**$ 1,994**	**$ —**	**$ 1,994**	**$ —**
Derivative assets	**$ 7,446**	**$ —**	**$ 7,446**	**$ —**
Derivative liabilities	**$ 223**	**$ —**	**$ 223**	**$ —**
December 31, 2025				
Investment securities available-for-sale				
U.S. Treasuries	$ 137,236	$ 137,236	$ —	$ —
Municipal	13,897	—	13,897	—
Corporate	3,404	—	3,404	—
Asset-backed securities	5,026	—	5,026	—
Mortgage-backed securities	70,520	—	70,520	—
Total	$ 230,083	$ 137,236	$ 92,847	$ —
Mortgage loans held for sale	$ 25,828	$ —	$ 25,828	$ —
Loan servicing assets	$ 1,816	$ —	$ 1,816	$ —
Derivative assets	$ 5,941	$ —	$ 5,941	$ —
Derivative liabilities	$ 30	$ —	$ 30	$ —

Financial instruments recorded using FASB ASC 825-10

Under FASB ASC 825-10, the Company may elect to report most financial instruments and certain other items at fair value on an instrument-by-instrument basis with changes in fair value reported in net income. After the initial adoption, the election is made at the acquisition of an eligible financial asset, financial liability or firm commitment or when certain specified reconsideration events occur. The fair value election, with respect to an item, may not be revoked once an election is made.

The following table reflects the difference between the fair value carrying amount of loans held for sale, measured at fair value under FASB ASC 825-10, and the aggregate unpaid principal amount the Company is contractually entitled to receive at maturity:

Note 10 - Fair Value (continued)

Fair Value of Mortgage Loans Held for Sale

(in thousands)	September 30, 2026	December 31, 2025
Aggregate fair value	**$ 14,075**	$ 25,828
Contractual principal	**13,775**	25,332
Difference	**$ 300**	$ 496

The Company has elected to account for mortgage loans held for sale at fair value to eliminate the mismatch that would occur by recording changes in market value on derivative instruments used to hedge loans held for sale while carrying the loans at the lower of cost or market. There was one held for sale loan with a balance of $0.3 million that was classified as nonaccrual as of September 30, 2026. There were no held for sale loans that were classified as nonaccrual as of December 31, 2025.

Fair value measurements on a nonrecurring basis

Collateral dependent loans - The Company has measured expected credit losses based on the fair value of the loan's collateral, where appropriate. Fair value of the collateral is generally determined based upon independent third-party appraisals of the properties. These assets are included as Level 3 fair values. As of September 30, 2026 and December 31, 2025, the fair values consist of loan balances subject to collateral-dependent evaluation of $20.7 million and $13.8 million, with specific reserves of $6.0 million and $5.6 million, respectively.

Foreclosed real estate - The Company's foreclosed real estate is measured at fair value less cost to sell. Fair value is determined based on offers and/or appraisals. Cost to sell the real estate is based on standard market factors. The Company categorizes its foreclosed real estate as Level 3. As of September 30, 2026, the Company held $3.9 million of foreclosed real estate, which rolls up into Other assets on the consolidated balance sheet. As of December 31, 2025, there was $3.9 million of foreclosed real estate held by the Company.

The Company has categorized its financial instruments measured at fair value on a nonrecurring basis as of September 30, 2026 and December 31, 2025 as follows:

(in thousands)	September 30, 2026	December 31, 2025
Collateral dependent loans		
	$ 14,650	$ 8,254
Level 3 inputs		
Foreclosed real estate		
Level 3 inputs	**3,856**	3,856
Total	**$ 18,506**	$ 12,110

Note 10 - Fair Value (continued)

The following table provides information describing the unobservable inputs used in Level 3 fair value measurements at September 30, 2026 and December 31, 2025:

Unobservable Inputs

September 30, 2026	**Valuation Technique**	**Unobservable Inputs**	**Range of Inputs**
Collateral dependent evaluated loans	Appraised Value	Discounts to appraisals for estimated holding and/or selling costs	0 to 40%
Foreclosed real estate	Appraised Value	Discounts to appraisals for estimated holding and/or selling costs	0 to 30%
December 31, 2025	**Valuation Technique**	**Unobservable Inputs**	**Range of Inputs**
Collateral dependent evaluated loans	Appraised Value	Discounts to appraisals for estimated holding and/or selling costs	0 to 30% [1]
Foreclosed Real Estate	Appraised Value	Discounts to appraisals for estimated holding and/or selling costs	0 to 30%

(1) A discount rate of 63.4% was used for one acquired PCD loan that was evaluated as a measurement period adjustment during 2025 to the Day-1 purchase accounting. All other collateral dependent evaluated loans used a range of 0 to 30%.

Fair value of financial instruments

Fair value information about financial instruments, whether or not recognized in the balance sheet, for which it is practical to estimate the value is based upon the characteristics of the instruments and relevant market information. Financial instruments include cash, evidence of ownership in an entity, or contracts that convey or impose on an entity the contractual right or obligation to either receive or deliver cash for another financial instrument.

The information used to determine fair value is highly subjective in nature and, therefore, the results are imprecise. Subjective factors include, among other things, estimates of cash flows, risk characteristics, credit quality and interest rates, all of which are subject to change. Since the fair value is estimated as of the balance sheet date, the amounts that will actually be realized or paid upon settlement or maturity on these various instruments could be significantly different.

As of September 30, 2026, the techniques used by the Company to estimate the exit price of the loan portfolio consists of similar procedures to those used as of December 31, 2025. The fair value of the Company's loan portfolio includes a credit risk assumption in the determination of the fair value of its loans. This credit risk assumption is intended to approximate the fair value that a market participant would realize in a hypothetical orderly transaction. The Company's loan portfolio is initially fair valued using a segmented approach. The Company divides its loan portfolio into the following categories: variable rate loans, individually evaluated loans, and all other loans. The results are then adjusted to account for credit risk as described above. The Company also applies an additional discount through a discounted cash flow model to reflect illiquidity risk, using discount rates that incorporate credit risk over the life of the loans.

For variable-rate loans that reprice frequently and have no significant change in credit risk, fair values approximate carrying values. Fair values for individually evaluated loans are estimated using discounted cash flow models or based on the fair value of the underlying collateral.

The fair value of cash and cash equivalents and investments in restricted stocks is the carrying amount. Restricted investments include equity of the Federal Reserve and other banker's banks.

Note 10 - Fair Value (continued)

The fair value of noninterest-bearing deposits and securities sold under agreements to repurchase is the carrying amount.

The fair value of checking, savings and money market deposits is the amount payable on demand at the reporting date. Fair value of fixed maturity term accounts and individual retirement accounts is estimated using rates currently offered for accounts of similar remaining maturities.

The fair value of borrowings is estimated by discounting the value of contractual cash flows using current market rates for borrowings with similar terms and remaining maturities.

The fair value of outstanding loan commitments, unused lines of credit and letters of credit are not included in the table since the carrying value generally approximates fair value. These instruments generate fees that approximate those currently charged to originate similar commitments.

The table below presents the carrying amount, fair value, and placement in the fair value hierarchy of the Company's financial instruments.

	September 30, 2026		**December 31, 2025**	
(in thousands)	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial assets				
Level 1				
Cash and due from banks	**$ 15,563**	**$ 15,563**	$ 30,894	$ 30,894
Interest-bearing deposits at other financial institutions	**246,469**	**246,469**	224,611	224,611
Federal funds sold	**—**	**—**	60	60
Level 2				
Accrued interest receivable	**$ 23,189**	**$ 23,189**	$ 16,695	$ 16,695
Level 3				
Portfolio loans receivable	**$ 3,114,264**	**$ 3,034,392**	2,959,457	$ 2,904,762
Restricted investments	**6,360**	**N/A**	8,397	N/A
Foreclosed real estate	**3,856**	**3,856**	3,856	3,856
Financial liabilities				
Level 1				
Noninterest-bearing deposits	**$ 844,536**	**$ 844,536**	$ 852,741	$ 852,741
Level 2				
Accrued interest payable	**$ 6,843**	**$ 6,843**	$ 8,745	$ 8,745
Level 3				
Interest-bearing deposits	**$ 2,474,599**	**$ 2,474,743**	$ 2,240,459	$ 2,243,002
FHLB advances and other borrowed funds	**2,062**	**2,245**	52,062	51,937

Note 11 - Segments

The Company's reportable segments represent business units with discrete financial information whose results are regularly reviewed by management. The four segments include Commercial Banking, OpenSky™ (the Company's credit card division), Windsor Advantage™ (the Company's SBA/USDA loan servicing provider) and CBHL (the Company's residential mortgage loan division).

Note 11 - Segments (continued)

The Company's Commercial Banking division operates primarily in the Washington, D.C. and Baltimore metropolitan areas and focuses on providing personalized service to commercial clients throughout our area of operations, supplemented by lending outside of our primary market as well as engaging in government guaranteed lending on a nation-wide basis. Additionally, the Commercial Bank engages in deposit verticals on a nationwide scale providing services to HOAs, mortgage companies and other customers.

The Company issues credit cards through OpenSky™, a digitally-driven, nationwide credit card platform providing secured, partially secured, and unsecured credit solutions, and originates residential mortgages for sale in the secondary market through CBHL, the Bank's residential mortgage banking arm. Additionally, Windsor Advantage™, a wholly owned subsidiary of the Company, is a loan service provider that offers community banks and credit unions a comprehensive SBA 7(a) and USDA lending platform.

The Company's reportable segments are determined by the Company's designated chief operating decision maker, which is comprised of the Company's Chief Executive Officer ("CEO") and the Bank's CEO, based upon organizational design, leadership structure and the Company's products and services offered. The Company's reportable segments are also distinguished by the level of information provided to the chief operating decision maker, which is used to review performance of various components of the business, which are then aggregated if operating performance, products/services, and customers are similar.

The chief operating decision maker evaluates the financial performance of the Company's business components by evaluating revenue streams, significant expenses, and variance to the annual financial plan to assess the performance of the Company's segments and in the determination of allocating resources and investments.

The chief operating decision maker uses revenue streams and other relevant market data to evaluate product pricing and significant expenses to assess segment performance. Segment pretax income or loss, return on assets and the efficiency ratio is used to assess the performance of the Commercial Bank segment by monitoring the margin between interest income and interest expense. Segment pretax income or loss is used to assess the performance of the CBHL segment by monitoring the mortgage banking revenue from loan originations and sales. Segment pretax income or loss is used to assess the performance of the OpenSky™ segment by monitoring credit card interest income, interchange fees, and other fees. Segment pretax income or loss is used to assess the performance of the Windsor Advantage™ segment by monitoring the service charge revenues from Windsor Advantage™ customers.

Loans, investments, and deposits and fees provide the revenues in the Commercial Bank; loan sales provide the revenues in CBHL; credit card loan interest and fees provide the revenues in OpenSky™; and service charges and ancillary fees provide the revenues in Windsor Advantage™. Interest expense, provisions for credit losses and personnel provide the significant expenses in the Commercial Bank; cost of loan sales and personnel comprise the significant expenses in CBHL; data processing and personnel comprise the significant expenses in OpenSky™; and personnel comprise the significant expenses in Windsor Advantage™.

The Company formed Church Street Capital, LLC ("Church Street Capital" or "CSC") in 2014 to provide short-term real estate financing to Washington, D.C. area investors and developers that may not meet all Bank credit criteria. CSC operates as a wholly owned subsidiary of Capital Bancorp, Inc. CSC originates and services a portfolio of primarily mezzanine loans with certain characteristics that do not meet Capital Bank's general underwriting standards but command a higher rate of return. At September 30, 2026, CSC had loans totaling $5.7 million with a collectively assessed ACL of $315 thousand. Refer to

Note 11 - Segments (continued)

Note 6 - "Portfolio Loans Receivable and Allowance for Credit Losses" to the “Notes to Unaudited Consolidated Financial Statements” for further discussion of the consolidated ACL. The operations of CSC are included within the Commercial Bank segment performance.

Accounting policies for segments are discussed in detail in Note 1 - "Nature of Business and Basis of Presentation" in the “Notes to the Consolidated Financial Statements” contained in Item 8 “Financial Statements and Supplementary Data” of the Company’s Annual Report on Form 10-K for the year ended December 31, 2025. Segment performance is evaluated using income (loss) before taxes. Indirect expenses are allocated on revenue. Transactions among segments are made at fair value.

The following schedules reported internally for performance assessment by the chief operating decision maker present financial information for each reportable segment at and for the three and nine months ended September 30, 2026 and 2025.

Note 11 - Segments (continued)

For the Three Months Ended September 30, 2026

(in thousands)	Commercial Bank[2][3]	OpenSky™	Windsor Advantage™	CBHL	Consolidated
Interest income	$ 55,580	$ 16,517	$ —	$ 195	$ 72,292
Interest expense	19,128	—	—	86	19,214
Net interest income	36,452	16,517	—	109	53,078
Provision for credit losses	1,316	3,587	—	—	4,903
Release of credit losses on unfunded commitments	(54)	—	—	—	(54)
Net interest income after provision	35,190	12,930	—	109	48,229
Noninterest income					
Service charges on deposits	418	—	—	—	418
Credit card fees	—	4,520	—	—	4,520
Mortgage banking revenue	490	—	—	1,359	1,849
Government lending revenue	1,474	—	—	—	1,474
Government loan servicing revenue[1]	(1,665)	—	6,738	—	5,073
Loan servicing rights (government guaranteed)	523	—	—	—	523
Other income	877	31	5	269	1,182
Total noninterest income	2,117	4,551	6,743	1,628	15,039
Noninterest expenses					
Salaries and employee benefits	11,879	4,319	3,095	1,823	21,116
Occupancy and equipment	2,441	1,064	436	203	4,144
Professional fees	2,469	1,736	287	427	4,919
Data processing	442	7,152	62	52	7,708
Advertising	1,183	143	123	117	1,566
Loan processing	266	5	1	271	543
Merger-related expenses	1,577	—	—	—	1,577
Operational and other card fraud related losses	73	812	23	22	930
Regulatory assessment expenses	563	232	70	65	930
Other operating	1,332	262	563	132	2,289
Total noninterest expenses	22,225	15,725	4,660	3,112	45,722
Net income (loss) before taxes	$ 15,082	$ 1,756	$ 2,083	$ (1,375)	$ 17,546
Total assets	$ 3,607,589	$ 144,462	$ 28,508	$ 21,994	$ 3,802,553

[1] Gross government loan servicing revenue totaled $6.7 million, including $1.7 million of servicing fees earned from the Commercial Bank by Windsor Advantage™, for the three months ended September 30, 2026.

[2] Commercial Bank's return on assets of 1.66% for the three months ended September 30, 2026 is calculated by dividing net income before taxes by total assets.

[3] Commercial Bank's efficiency ratio of 57.6% for the three months ended September 30, 2026 is calculated by dividing noninterest expense by total revenue (net interest income plus noninterest income).

Note 11 - Segments (continued)

For the Three Months Ended September 30, 2025

(in thousands)	Commercial Bank[2][3]	OpenSky™	Windsor Advantage™	CBHL	Consolidated
Interest income	$ 49,035	$ 15,628	$ —	$ 228	$ 64,891
Interest expense	12,768	—	—	103	12,871
Net interest income	36,267	15,628	—	125	52,020
Provision for credit losses	1,852	2,798	—	—	4,650
Provision for credit losses on unfunded commitments	217	—	—	—	217
Net interest income after provision	34,198	12,830	—	125	47,153
Noninterest income					
Service charges on deposits	425	—	—	—	425
Credit card fees	—	4,509	—	—	4,509
Mortgage banking revenue	315	—	—	1,612	1,927
Government lending revenue	14	—	—	—	14
Government loan servicing revenue[1]	(1,074)	—	5,339	—	4,265
Loan servicing rights (government guaranteed)	368	—	—	—	368
Other income (loss)	(557)	(33)	—	150	(440)
Total noninterest income	(509)	4,476	5,339	1,762	11,068
Noninterest expenses					
Salaries and employee benefits	10,559	3,271	2,455	1,443	17,728
Occupancy and equipment	1,635	632	416	166	2,849
Professional fees	1,079	571	198	283	2,131
Data processing	350	7,154	97	53	7,654
Advertising	694	833	76	111	1,714
Loan processing	740	15	67	292	1,114
Merger-related expenses	697	—	—	—	697
Operational and other card fraud related losses	—	923	—	—	923
Regulatory assessment expenses	788	(30)	(11)	(7)	740
Other operating	1,493	587	614	110	2,804
Total noninterest expenses	18,035	13,956	3,912	2,451	38,354
Net income (loss) before taxes	$ 15,654	$ 3,350	$ 1,427	$ (564)	$ 19,867
Total assets	$ 3,213,222	$ 134,422	$ 21,743	$ 20,055	$ 3,389,442

[1] Gross government loan servicing revenue totaled $5.3 million, including $1.1 million of servicing fees earned from the Commercial Bank by Windsor Advantage™, for the three months ended September 30, 2025.
[2] Commercial Bank's return on assets of 1.93% for the three months ended September 30, 2025 is calculated by dividing net income before taxes by total assets.
[3] Commercial Bank's efficiency ratio of 50.4% for the three months ended September 30, 2025 is calculated by dividing noninterest expense by total revenue (net interest income plus noninterest income).

Note 11 - Segments (continued)

For the Nine Months Ended September 30, 2026

(in thousands)	Commercial Bank	OpenSky™	Windsor Advantage™	CBHL	Consolidated
Interest income	$ 162,024	$ 47,573	$ —	$ 624	$ 210,221
Interest expense	56,494	—	—	322	56,816
Net interest income	105,530	47,573	—	302	153,405
Provision for credit losses	1,221	10,281	—	—	11,502
Provision for credit losses on unfunded commitments	216	—	—	—	216
Net interest income after provision	104,093	37,292	—	302	141,687
Noninterest income					
Service charges on deposits	1,230	—	—	—	1,230
Credit card fees	—	13,607	—	—	13,607
Mortgage banking revenue	1,184	—	—	4,181	5,365
Government lending revenue	3,604	—	—	—	3,604
Government loan servicing revenue[1]	(4,183)	—	18,904	—	14,721
Loan servicing rights (government guaranteed)	1,312	—	—	—	1,312
Other income	2,202	73	5	654	2,934
Total noninterest income	5,349	13,680	18,909	4,835	42,773
Noninterest expenses					
Salaries and employee benefits	36,017	11,998	8,384	5,101	61,500
Occupancy and equipment	6,626	3,229	1,219	574	11,648
Professional fees	7,170	4,825	836	1,178	14,009
Data processing	1,439	21,242	188	157	23,026
Advertising	2,666	1,333	480	369	4,848
Loan processing	2,269	323	32	777	3,401
Merger-related expenses	1,577	—	—	—	1,577
Operational and other card fraud related losses	210	2,055	23	22	2,310
Regulatory assessment expenses	1,744	661	200	191	2,796
Other operating	3,749	1,616	1,726	383	7,474
Total noninterest expenses	63,467	47,282	13,088	8,752	132,589
Net income (loss) before taxes	$ 45,975	$ 3,690	$ 5,821	$ (3,615)	$ 51,871
Total assets	$ 3,607,589	$ 144,462	$ 28,508	$ 21,994	$ 3,802,553

[1] Gross government loan servicing revenue totaled $18.9 million, including $4.2 million of servicing fees earned from the Commercial Bank by Windsor Advantage™, for the nine months ended September 30, 2026.

[2] Commercial Bank's return on assets of 1.70% for the nine months ended September 30, 2026 is calculated by dividing net income before taxes by total assets.

[3] Commercial Bank's efficiency ratio of 57.2% for the nine months ended September 30, 2026 is calculated by dividing noninterest expense by total revenue (net interest income plus noninterest income).

Note 11 - Segments (continued)

For the Nine Months Ended September 30, 2025

(in thousands)	Commercial Bank	OpenSky™	Windsor Advantage™	CBHL	Consolidated
Interest income	$ 147,128	$ 44,566	$ —	$ 543	$ 192,237
Interest expense	46,273	—	—	251	46,524
Net interest income	100,855	44,566	—	292	145,713
Provision for credit losses	3,457	7,520	—	—	10,977
Provision for credit losses on unfunded commitments	217	—	—	—	217
Net interest income after provision	97,181	37,046	—	292	134,519
Noninterest income					
Service charges on deposits	945	—	—	—	945
Credit card fees	—	12,529	—	—	12,529
Mortgage banking revenue	1,043	—	—	4,469	5,512
Government lending revenue	4,222	—	—	—	4,222
Government loan servicing revenue[1]	(3,164)	—	14,641	—	11,477
Loan servicing rights (government guaranteed)	250	—	—	—	250
Other income	1,215	3	—	570	1,788
Total noninterest income	4,511	12,532	14,641	5,039	36,723
Noninterest expense					
Salaries and employee benefits	32,275	10,019	7,370	4,591	54,255
Occupancy and equipment	5,115	1,693	1,495	451	8,754
Professional fees	3,802	1,714	389	760	6,665
Data processing	1,244	20,633	283	126	22,286
Advertising	2,207	2,177	215	265	4,864
Loan processing	1,867	58	128	783	2,836
Merger-related expenses	3,361	—	—	—	3,361
Operational and other card fraud related losses	131	2,628	—	—	2,759
Regulatory assessment expenses	2,513	—	—	—	2,513
Other operating	4,719	1,441	1,222	304	7,686
Total noninterest expenses	57,234	40,363	11,102	7,280	115,979
Net income (loss) before taxes	$ 44,458	$ 9,215	$ 3,539	$ (1,949)	$ 55,263
Total assets	$ 3,213,222	$ 134,422	$ 21,743	$ 20,055	$ 3,389,442

(1) Gross government loan servicing revenue totaled $14.6 million, including $3.2 million of servicing fees earned from the Commercial Bank by Windsor Advantage™, for the nine months ended September 30, 2025.
(2) Commercial Bank's return on assets of 1.85% for the nine months ended September 30, 2025 is calculated by dividing net income before taxes by total assets.
(3) Commercial Bank's efficiency ratio of 54.3% for the nine months ended September 30, 2025 is calculated by dividing noninterest expense by total revenue (net interest income plus noninterest income).

Note 11 - Segments (continued)

The following table presents financial information as of September 30, 2026, December 31, 2025 and September 30, 2025.

September 30, 2026

(in thousands)	Commercial Bank	OpenSky™	Windsor Advantage™	CBHL	Consolidated
Cash and cash equivalents	$ 247,468	$ 7,832	$ 6,732	$ —	$ 262,032
Goodwill	22,448	—	3,521	—	25,969
Intangible assets	1,379	—	12,610	—	13,989
Other segment assets	3,336,294	136,630	5,645	21,994	3,500,563
Total assets	$ 3,607,589	$ 144,462	$ 28,508	$ 21,994	$ 3,802,553

December 31, 2025

(in thousands)	Commercial Bank	OpenSky™	Windsor Advantage™	CBHL	Consolidated
Cash and cash equivalents	$ 242,149	$ 8,039	$ 5,377	$ —	$ 255,565
Goodwill	22,448	—	3,521	—	25,969
Intangible assets	1,528	—	13,243	—	14,771
Other segment assets	3,141,201	132,875	3,852	31,974	3,309,902
Total assets	$ 3,407,326	$ 140,914	$ 25,993	$ 31,974	$ 3,606,207

September 30, 2025

(in thousands)	Commercial Bank	OpenSky™	Windsor Advantage™	CBHL	Consolidated
Cash and cash equivalents	$ 176,685	$ 7,701	$ 4,475	$ —	$ 188,861
Goodwill	25,969	—	—	—	25,969
Intangible assets	1,579	—	13,454	—	15,033
Other segment assets	3,008,989	126,721	3,814	20,055	3,159,579
Total assets	$ 3,213,222	$ 134,422	$ 21,743	$ 20,055	$ 3,389,442

Note 12 - Interest Income and Interest Expense

The following table presents the components of interest income and interest expense:

	Three months ended		Nine months ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 202
(in thousands)				
Interest income				
Taxable interest income	$ 72,127	$ 64,730	$ 209,688	$ 191,86
Non-taxable interest income	53	53	160	7
Dividends	112	108	373	30
Total interest income	$ 72,292	$ 64,891	$ 210,221	$ 192,23
Interest expense				
Deposits	$ 18,959	$ 12,732	$ 55,551	$ 45,96
Short-term borrowings	224	52	1,173	15
Long-term debt	31	87	92	40
Total interest expense	$ 19,214	$ 12,871	$ 56,816	$ 46,52

Note 13 - Earnings Per Share

The following table shows the calculation of basic and diluted earnings per share ("EPS"), the weighted average numbers of shares outstanding used in computing EPS, the effect on the weighted average number of shares outstanding of dilutive potential common stock for the periods stated, and the weighted average number of securities excluded from the computation of diluted EPS because their effects would have been anti-dilutive.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(dollars in thousands, except share and per share data)	**2026**	2025	**2026**	2025
Net income	**$ 13,122**	$ 15,065	**$ 39,390**	$ 42,133
Basic weighted average shares outstanding	**16,294,485**	16,585,538	**16,308,989**	16,611,360
Effect of dilutive securities	**187,841**	258,497	**127,536**	238,932
Dilutive weighted average shares outstanding	**16,482,326**	16,844,035	**16,436,525**	16,850,292
Basic earnings per share	**$ 0.81**	$ 0.91	**$ 2.42**	$ 2.54
Diluted earnings per share	**$ 0.80**	$ 0.89	**$ 2.40**	$ 2.50
Weighted average anti-dilutive securities excluded from diluted EPS				
Stock options	**846**	—	**1,633**	395
Total weighted average anti-dilutive securities	**846**	—	**1,633**	395

Note 14 - Subsequent Events

In October 2026, the Company's Board of Directors declared a $0.14 per share dividend payable on November 25, 2026 to shareholders of record on November 9, 2026.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In this Quarterly Report on Form 10-Q, unless we state otherwise or the context otherwise requires, references to "we," "our," "us," "the Company" and "Capital" refer to Capital Bancorp, Inc. and its wholly owned subsidiaries, Capital Bank, N.A., which we sometimes refer to as "Capital Bank," "the Bank" or "our Bank," Church Street Capital, LLC, which we refer to as "Church Street Capital" or "CSC" and Windsor Advantage, LLC™, which we refer to as "Windsor Advantage™".

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended as a review of significant factors affecting the Company's financial condition and results of operations for the periods indicated. This discussion and analysis should be read in conjunction with the accompanying unaudited consolidated financial statements and the related notes and the Company's Annual Report on Form 10-K for the year ended December 31, 2025. The results for the three and nine months ended September 30, 2026 are not necessarily indicative of the results expected for the year ending December 31, 2026.

PRIVATE SECURITIES LITIGATION REFORM ACT SAFE HARBOR STATEMENT

This Quarterly Report on Form 10-Q and oral statements made from time-to-time by our representatives contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. You should not place undue reliance on such statements because they are subject to numerous risks and uncertainties relating to our operations and the business environment in which we operate, all of which are difficult to predict and many of which are beyond our control. Forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy, expectations, beliefs, projections, anticipated events or trends, growth prospects, financial performance, and similar expressions concerning matters that are not historical facts. These statements often include words such as "may," "believe," "expect," "anticipate," "potential," "opportunity," "intend," "endeavor," "plan," "estimate," "could," "project," "seek," "should," "will," or "would," or the negative of these words and phrases or similar words and phrases.

These forward-looking statements are subject to risks and uncertainties that could cause actual results, performance or achievements to differ materially from those projected. These risks and uncertainties, some of which are beyond our control, include, but are not limited to:

General Economic, Macro and External Conditions

- the strength of the United States ("U.S.") economy and general economic conditions (including the interest rate environment, government economic and monetary policies, the strength of global financial markets, inflation/deflation, and the overall strength of the consumer) that impact the financial services industry as a whole and/or our business;
- the concentration of our business in certain geographies and the effect of changes in economic, political and environmental conditions in those markets, including proposed reductions in the federal workforce and a decline in federal government spending;
- interest rate risk associated with our business, including sensitivity of our interest earning assets and interest-bearing liabilities to changes in interest rates, and the impact to our earnings from changes in interest rates;
- geopolitical conditions, including acts or threats of terrorism, actions taken by the U.S. or other governments in response to acts or threats of terrorism and/or military conflicts, including the ongoing wars in Iran and Ukraine, which could impact business and economic conditions in the U.S. and abroad;

- climate change, and other catastrophic events or disasters, acts of terrorism, an outbreak of hostilities or other international or domestic calamities, and other matters beyond our control;
- the impact of changes in the Federal Deposit Insurance Corporation ("FDIC") insurance assessment rate or the rules and regulations related to the calculation of the FDIC insurance assessment amount, including any special assessments;
- changes in U.S. trade policies, including the implementation of tariffs and other protectionist trade policies;
- the effects of federal government shutdowns, debt ceiling standoff, or other fiscal policy uncertainty;
- volatility in our stock price due to investor sentiment and perception of the banking industry;
- the impact of governmental efforts to restructure or adjust the U.S. financial regulatory system;
- changes in the laws, rules, regulations, interpretations or policies relating to financial institutions, accounting, tax, trade, monetary and fiscal matters;
- the financial soundness of other financial institutions;

General Business Operations

- our ability to prudently manage our growth and execute our strategy;
- the possibility that the company's pending merger with Peoples Bancorp, Inc. ("Peoples") does not close when expected or at all because required regulatory or other approvals and other conditions to closing are not received or satisfied on a timely basis or at all, and the possibility that such approvals may impose conditions that could adversely affect the combined company or the anticipated benefits of the merger;
- the possibility that the anticipated benefits and cost savings from the merger with Peoples may not be fully realized or may take longer to realize than expected;
- disruptions to the Company's business as a result of the announcement and pendency of the merger with Peoples;
- the possibility that the merger with Peoples may be more expensive to complete than anticipated, including as a result of unexpected factors or events;
- the effect of acquisitions we have undertaken, such as our acquisition of Integrated Financial Holdings, Inc. ("IFH"), including, without limitation, the failure to achieve the expected revenue growth and/or expense savings from such acquisitions, and/or the failure to effectively integrate an acquisition target into our operations, including with regard to the planned growth of Windsor Advantage™;
- strategic acquisitions we may undertake to achieve our goals;
- our dependence on our management team and board of directors and changes in management and board composition;
- increased competition in the financial services industry, particularly from regional and national banks, financial holding companies, and other traditional and non-traditional financial service providers;
- our plans to grow our commercial real estate and commercial business loan portfolios which may carry material risks of non-payment or other unfavorable consequences;

- changes in the mix of loan sectors, or types, and the level of non-performing assets, charge-offs, and delinquencies;
- adequacy of reserves, including our allowance for credit losses ("ACL");
- deterioration of our asset quality;
- results of examinations of us by our regulators, including the possibility that our regulators may, among other things, require us to increase our ACL or to write-down assets;
- risks associated with our residential mortgage banking business;
- risks associated with our OpenSky™ credit card division, including compliance with applicable consumer finance and fraud prevention regulations;
- changes in Small Business Administration ("SBA") and U.S. Department of Agriculture ("USDA") U.S. government guaranteed lending rules, regulations, loan and lease products and funding limits, as well as changes in SBA or USDA standard operating procedures, all of which could impact our ability to originate these types of loans and/or the servicing, processing and packaging by Windsor Advantage™ of such loans on behalf of others;
- changes in the value of the collateral securing our loans;
- operational risks associated with our business;
- the adequacy of our risk management framework;
- our dependence on our information technology and telecommunications systems, including third party vendors, and the potential for cyberattacks, data privacy incidents or other security breaches, systems failures, or interruptions, any of which could result in financial losses, reputational harm, litigation or regulatory action;
- risks related to the development and use of artificial intelligence ("AI") by us, our vendors, and other third parties, including evolving legal and regulatory requirements;
- our ability to develop and use technologies to provide products and services that will satisfy customer demands;
- potential exposure to fraud, negligence, computer theft and cyber crime;
- the sufficiency of our capital, including sources of capital and the extent to which we may be required to raise additional capital to meet our goals;
- liquidity and funding risks associated with our business;
- our ability to maintain important customer deposit relationships and our reputation;
- our ability to attract, develop, motivate and retain skilled employees;
- fluctuations in the fair value of our investment securities;
- our engagement in derivative transactions;
- volatility and direction of market interest rates;
- our dependence upon outside third parties for the processing and handling of our records and data;

- changes to local rent control laws, which may impact the credit quality of multifamily housing loans;
- our involvement from time to time in legal proceedings, examinations and remedial actions by regulators;
- our ability to assess the effect of and incorporate the evolving uses of AI on our business;
- the effectiveness of the Company's internal control over financial reporting and disclosure controls and procedures; and
- our ability to maintain effective internal control over financial reporting depends in part on the continued successful implementation and operation of enhanced controls in loan operations.

As you read and consider forward-looking statements, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties and assumptions and can change as a result of many possible events or factors, not all of which are known to us or in our control. Although we believe that these forward-looking statements are based on reasonable assumptions, beliefs and expectations, if a change occurs or our beliefs, assumptions or expectations were incorrect, our business, financial condition, liquidity and/or results of operations may vary materially from those expressed in our forward-looking statements. You should be aware that many factors could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements. These factors include those described under the heading "Risk Factors" under Item 1A. in our Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 Form 10-K") and those referenced herein and in other reports on file with the Securities and Exchange Commission ("SEC").

You should keep in mind that any forward-looking statement made by us speaks only as of the date on which we make it. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, and disclaim any obligation to, update or revise any industry information or forward-looking statements after the date on which they are made. In light of these risks and uncertainties, you should keep in mind that any forward-looking statement made in this report or elsewhere might not reflect actual results and may prove unreliable.

Critical Accounting Estimates

The accounting and reporting policies of the Company are in accordance with accounting principles generally accepted in the United States of America ("GAAP") and conform to general practices within the banking industry. The Company's financial position and results of operations are affected by management's application of accounting policies, including estimates, assumptions, and judgments made to arrive at the carrying value of assets and liabilities and amounts reported for revenues, expenses, and related disclosures. Different assumptions in the application of these policies could result in material changes in the Company's consolidated financial position and/or results of operations. The Company evaluates its critical accounting estimates and assumptions on an ongoing basis and updates them, as deemed necessary. Management has discussed the Company's critical accounting policies and estimates with the Audit Committee of the Board of Directors of the Company.

The Company's critical accounting policies and reporting estimates are fundamental to understanding the Company's consolidated financial position and consolidated results of operations. Accordingly, the Company's significant accounting policies are discussed in detail in Note 1 - "Nature of Business and Basis of Presentation" in the "Notes to the Consolidated Financial Statements" contained in Part II. Item 8 "Financial Statements and Supplementary Data" of the 2025 Form 10-K .

Overview

We are Capital Bancorp, Inc., a bank holding company and a Maryland corporation incorporated in 1998, operating primarily through our wholly-owned subsidiary, Capital Bank, N.A., a commercial-focused community bank based in the Washington, D.C. and Baltimore metropolitan areas. The Bank is headquartered in Rockville, Maryland, received its charter in 1999 and began operations the same year. We serve businesses, not-for-profit associations, entrepreneurs and others throughout the Washington, D.C., Baltimore, other Maryland markets, Delaware, Florida, Illinois and North Carolina through seven commercial bank branches, one mortgage banking office, three loan production offices, three government loan servicing offices, and one credit card operations office.

On October 1, 2024, the Company completed its acquisition of IFH. IFH merged with and into the Company, with the Company continuing as the surviving corporation in the acquisition. Immediately following the acquisition, West Town Bank & Trust, merged with and into Capital Bank, with Capital Bank as the surviving bank. Windsor Advantage™, a wholly-owned subsidiary of the Company, was acquired in connection with the IFH acquisition.

The Company currently operates four divisions and reporting segments: Commercial Banking, OpenSky™, Windsor Advantage™, and Capital Bank Home Loans ("CBHL"). In determining the appropriateness of segment definition, the Company considers components of the business about which financial information is available and regularly evaluated relative to resource allocation and performance assessment. The accompanying consolidated financial statements have been prepared in accordance with GAAP and conform to general practices within the banking industry.

Our Commercial Banking division primarily operates within a corridor extending from Raleigh, North Carolina to Delaware, with significant activity in the Washington, D.C. and Baltimore metropolitan statistical areas. The Commercial Bank also maintains offices in Chicago, Illinois and Fort Lauderdale, Florida. In addition to providing relationship-driven banking services within its primary geographic markets, the Commercial Bank conducts certain lending and deposit activities on a nationwide basis through specialized verticals. These lending verticals include lender finance, government guaranteed lending and other forms of commercial and industrial ("C&I") lending. The Commercial Bank also operates national deposit verticals servicing homeowners associations ("HOAs"), title companies, political action committees ("PACs"), not-for-profit organizations, and other commercial clients.

OpenSky™ and CBHL both leverage Capital Bank's national banking charter to operate national consumer business lines. OpenSky™ provides nationwide, digitally-originated and served, secured, partially-secured, and unsecured credit cards to under-banked populations and those looking to rebuild their credit scores. CBHL acts as our residential mortgage origination platform. Windsor Advantage™ generates fee revenue for the Company through its servicing, processing and packaging of SBA and USDA loans for its financial institution clients.

In addition to its subsidiaries discussed above, Capital Bancorp, Inc. owns all of the stock of Capital Bancorp (MD) Statutory Trust I (the "Trust"). The Trust is a special purpose, non-consolidated entity organized for the sole purpose of issuing trust preferred securities.

Pending Merger with Peoples

On September 29, 2026, the Company and Peoples, the parent company of Peoples Bank, entered into an Agreement and Plan of Merger (the "Merger Agreement"). The Merger Agreement provides that, upon the terms and subject to conditions set therein, Capital will merge with and into Peoples (the "Merger"), with Peoples continuing as the surviving corporation in the Merger. Immediately following the Merger, or at such later time as Peoples may determine, Peoples will cause Capital Bank to merge with and into Peoples Bank (the "Bank Merger"), with Peoples Bank continuing as the surviving bank in the

Bank Merger. The Merger Agreement has been unanimously approved by the boards of directors of Peoples and Capital.

At the effective time of the Merger (the "Effective Time"), each outstanding share of the Company's common stock, other than shares excluded under the Merger Agreement, will be converted into the right to receive 1.11 shares of Peoples' common stock, with cash paid in lieu of fractional shares. The Merger is expected to close in the first half of 2027, subject to satisfaction of customary closing conditions, including regulatory approvals and the approvals of stockholders of Peoples and the Company.

Chicago Branch Sale

On September 29, 2026, Capital Bank entered into a purchase and assumption agreement (the "P&A Agreement") with respect to the Bank's branch office located at North Riverside, Illinois. Pursuant to the P&A Agreement, another financial institution will purchase the branch office as well as certain loans and other assets attributed to the branch office and will also assume certain deposit and other liabilities attributed to the branch office (the "Chicago Branch Sale"). Consummation of the Chicago Branch Sale is subject to customary closing conditions, including the receipt of all required regulatory approvals and is expected to close during the first quarter of 2027.

Capital

As of September 30, 2026, the Company and the Bank were in compliance with all applicable regulatory capital requirements to which it was subject, and the Bank was classified as "well capitalized" for purposes of the prompt corrective action regulations. As we deploy our capital and continue to grow our operations, our regulatory capital levels may decrease depending on our level of earnings. However, we intend to monitor and control our growth relative to our earnings in order to remain in compliance with all regulatory capital standards applicable to us.

Results of Operations

Non-GAAP Financial Measures

This report contains non-GAAP financial measures denoted throughout our MD&A by reference to "non-GAAP." We believe these non-GAAP financial measures provide useful information to investors because they are used by management to evaluate our operating performance and to make day-to-day operating decisions. In addition, we believe our non-GAAP results in any given reporting period reflect our on-going financial performance in that period and, accordingly, are useful to consider in addition to our GAAP financial results. We further believe the presentation of non-GAAP results increases comparability of period-to-period results.

Other companies may use similarly titled non-GAAP financial measures that may be calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to similar measures used by such companies. We caution investors not to place undue reliance on such non-GAAP financial measures, but to consider them with the most directly comparable GAAP measures. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for our results reported under GAAP.

For more information on the computation of non-GAAP financial measures, see "Non-GAAP Financial Measures and Reconciliations."

Net Income

The following table sets forth the principal components of net income for the periods indicated.

(in thousands)	Three Months Ended September 30, 2026	2025	% Change
Interest income	**$ 72,292**	$ 64,891	11.4
Interest expense	**19,214**	12,871	49.3
Net interest income	**53,078**	52,020	2.0
Provision for credit losses	**4,903**	4,650	5.4
Provision for (release of) credit losses on unfunded commitments	**(54)**	217	(124.9)
Net interest income after provision for credit losses	**48,229**	47,153	2.3
Noninterest income	**15,039**	11,068	35.9
Noninterest expenses	**45,722**	38,354	19.2
Net income before income taxes	**17,546**	19,867	(11.7)
Income tax expense	**4,424**	4,802	(7.9)
Net income	**$ 13,122**	$ 15,065	(12.9)

Net income for the three months ended September 30, 2026 was $13.1 million, compared to net income of $15.1 million for the same period in 2025, a 12.9% decrease. Net income, as adjusted (non-GAAP) to exclude the impact of $1.6 million of after-tax merger-related expenses was $14.7 million for the three months ended September 30, 2026. Net income, as adjusted (non-GAAP) to exclude the impact of $0.6 million of after-tax merger-related expenses relating to the IFH acquisition and $3.5 million for the Call of Brokered Time Deposits acquired from the IFH transaction ("Call of Brokered Time Deposits") was $12.2 million for the three months ended September 30, 2025. For more information on the computation of non-GAAP financial measures, see "Non-GAAP Financial Measures and Reconciliations."

Net interest income increased by $1.1 million, or 2.0%, to $53.1 million when comparing the three months ended September 30, 2026 to the three months ended September 30, 2025, primarily driven by increased interest income of $6.5 million from the Commercial Bank due to organic loan growth, and $0.9 million from OpenSky™ due to growth from the unsecured loan product, offset by $6.3 million of increased interest expense. The $6.3 million increased interest expense was driven by $1.0 million from higher deposit balances and a shift in deposit mix, $5.2 million of decreased benefit from purchase accounting accretion ("PAA"), and $0.1 million of higher borrowing costs.

The provision for credit losses for the three months ended September 30, 2026 was $4.9 million, an increase of $0.3 million from the same period in 2025. Net charge-offs for the three months ended September 30, 2026 were $3.8 million, or 0.49% on an annualized basis of average portfolio loans, compared to $2.5 million, or 0.35% on an annualized basis of average portfolio loans for the same period in 2025.

For the three months ended September 30, 2026, noninterest income of $15.0 million increased $4.0 million, or 35.9%, from the same period in 2025, driven by a $1.5 million increase in government lending revenue mostly from USDA gain on sale, $1.2 million from SBIC income, $0.8 million increase from government loan servicing and packaging revenue (Windsor™) driven by growth in servicing income from organic growth in the servicing portfolio, and $0.3 million of fees earned from USDA deals which were not executed.

Noninterest expense was $45.7 million for the three months ended September 30, 2026, an increase of $7.4 million from the same period in 2025. The change was primarily driven by increases in salaries and employee benefits expenses of $3.4 million driven by planned expansion and investment in headcount across the organization, increases of $2.8 million in professional fees associated with

investments in shared services areas and OpenSky™, occupancy and equipment expenses of $1.3 million, merger-related expenses of $0.9 million, and regulatory assessment expenses of $0.2 million, offset by decreases in loan processing expenses of $0.6 million, other operating expenses of $0.5 million, and advertising expenses of $0.1 million.

	Nine Months Ended September 30,		
(in thousands)	2026	2025	% Change
Interest income	**$ 210,221**	$ 192,237	9.4 %
Interest expense	**56,816**	46,524	22.1
Net interest income	**153,405**	145,713	5.3
Provision for credit losses	**11,502**	10,977	4.8
Provision for credit losses on unfunded commitments	**216**	217	(0.5)
Net interest income after provision for credit losses	**141,687**	134,519	5.3
Noninterest income	**42,773**	36,723	16.5
Noninterest expenses	**132,589**	115,979	14.3
Net income before income taxes	**51,871**	55,263	(6.1)
Income tax expense	**12,481**	13,130	(4.9)
Net income	**$ 39,390**	$ 42,133	(6.5)

Net Interest Income and Net Margin Analysis

Net interest income is our largest component of revenue and the largest driver of net income. Net interest income is the difference between interest income on earning assets and the cost of funds supporting those assets.

We analyze our ability to maximize income generated from interest earning assets and control the interest expenses associated with our liabilities, measured as net interest income, through our net interest margin and net interest spread. Net interest margin is a ratio calculated as net interest income annualized divided by average interest earning assets for the same period. Net interest spread is the difference between average interest rates earned on interest earning assets and average interest rates paid on interest-bearing liabilities.

The table below presents the average balances and weighted average rates of the major categories of the Company's assets, liabilities and stockholders' equity for the three and nine months ended September 30, 2026 and 2025. Weighted average yields are derived by dividing annualized income by the average balance of the related assets, and weighted average rates are derived by dividing annualized expense by the average balance of the related liabilities, for the periods shown. Average outstanding balances are derived by utilizing average daily balances for the time periods shown. The weighted average yields and rates include amortization of fees, costs, premiums and discounts, which are considered adjustments to yield/rates. Weighted average yields on tax-exempt securities are not calculated on a fully taxable equivalent basis.

AVERAGE BALANCE SHEET AND NET INTEREST ANALYSIS

($ in thousands)	Three Months Ended September 30,					
	2026			2025		
	Average Outstanding Balance	**Interest Income/ Expense**	**Average Yield/ Rate[1]**	Average Outstanding Balance	Interest Income/ Expense	Average Yield/ Rate[1]
Assets						
Interest earning assets:						
Interest-bearing deposits	**$ 242,761**	**$ 2,218**	**3.62 %**	$ 194,858	$ 2,139	4.36 %
Federal funds sold	**22**	**—**	**—**	59	1	5.79
Investment securities available-for-sale	**227,537**	**1,826**	**3.18**	241,086	1,805	2.97
Restricted investments	**7,441**	**112**	**5.97**	7,052	108	6.06
Loans held for sale[2][3]	**11,630**	**194**	**6.62**	13,783	228	6.57
Portfolio loans receivable[3][4]	**3,135,648**	**67,942**	**8.60**	2,789,815	60,610	8.62
Total interest earning assets	**3,625,039**	**72,292**	**7.91**	3,246,653	64,891	7.93
Noninterest earning assets[2]	**140,002**			131,643		
Total assets	**$ 3,765,041**			$ 3,378,296		
Liabilities and Stockholders' Equity						
Interest-bearing liabilities:						
Interest-bearing demand accounts	**$ 332,684**	**$ 768**	**0.92 %**	$ 282,873	$ 388	0.54 %
Savings	**22,479**	**115**	**2.03**	12,887	15	0.47
Money market accounts	**1,375,162**	**11,389**	**3.29**	985,106	8,650	3.48
Time deposits	**703,072**	**6,687**	**3.77**	815,302	3,679	1.79
Borrowed funds	**25,051**	**255**	**4.04**	34,062	139	1.62
Total interest-bearing liabilities[2]	**2,458,448**	**19,214**	**3.10**	2,130,230	12,871	2.40
Noninterest-bearing liabilities:						
Noninterest-bearing liabilities	**46,904**			43,245		
Noninterest-bearing deposits[2]	**831,739**			820,899		
Stockholders' equity	**427,950**			383,922		
Total liabilities and stockholders' equity	**$ 3,765,041**			$ 3,378,296		
Net interest spread			**4.81 %**			5.53 %
Net interest income		**$ 53,078**			$ 52,020	
Net interest margin[5]			**5.81 %**			6.36 %

(1) Annualized.
(2) Balances include held for sale transactions in connection with the Chicago Branch Sale.
(3) Average balances include nonaccrual loans. As of September 30, 2026, nonaccrual loans of $0.3 million were included in Loans held for sale and $56.4 million were in Portfolio loans receivable.
(4) For the three months ended September 30, 2026 and 2025, collectively, Core Loan Yield was 6.83% and 6.74%, respectively. See "Non-GAAP Financial Measures and Reconciliations" for a reconciliation of non-GAAP measures.
(5) For the three months ended September 30, 2026 and 2025, collectively, Core Net Interest Margin was 4.18% and 4.66%, respectively. See "Non-GAAP Financial Measures and Reconciliations" for a reconciliation of non-GAAP measures.

The net interest margin decreased 55 basis points to 5.81% for the three months ended September 30, 2026 from the same period in 2025. Core net interest margin (non-GAAP) decreased 48 bps to 4.18% for the three months ended September 30, 2026, compared to 4.66% for the same period in 2025. There was $4.6 million of PAA from the Call of Brokered Time Deposits during 3Q 2025, or 56 bps of NIM and 59 bps of Core NIM. Excluding the impact from the Call of Brokered Time Deposits, NIM increased 1 bp and Core NIM increased 11 bps year-over-year. For more information on the computation of non-GAAP financial measures, see "Non-GAAP Financial Measures and Reconciliations."

For the three months ended September 30, 2026, average interest earning assets increased $378.4 million, or 11.7%, to $3.6 billion as compared to the same period in 2025, but the average yield on interest earning assets decreased to 7.91%, a 2 basis point decrease from 7.93% for the comparable 2025 period. The 2 basis point decrease was primarily due to changes in the rate environment. Compared to the same period in the prior year, average interest-bearing liabilities increased $328.2 million, or 15.4%, and the average cost of interest-bearing liabilities increased to 3.10%, a 70 basis point increase from 2.40%. The increase was primarily due to 86 bps from the Call of Brokered Time Deposits during the three months ended September 30, 2025. Excluding the Call of Brokered Time Deposits, the average cost of interest-bearing liabilities would have decreased 16 bps year-over-year, primarily driven by a shift in the product mix of the portfolio as well as changes in the rate environment.

	Nine Months Ended September 30,					
	2026			2025		
($ in thousands)	Average Outstanding Balance	Interest Income/ Expense	Average Yield/ Rate[1]	Average Outstanding Balance	Interest Income/ Expense	Average Yield/ Rate[1]
Assets						
Interest earning assets:						
Interest-bearing deposits	$ 261,412	$ 7,063	3.61 %	$ 193,337	$ 6,342	4.39 %
Federal funds sold	47	1	2.84	59	2	4.24
Investment securities available-for-sale	233,592	5,099	2.92	235,690	5,248	2.98
Restricted investments	8,191	373	6.09	6,622	306	6.17
Loans held for sale[2][3]	13,971	623	5.96	11,046	629	7.62
Portfolio loans receivable[3][4]	3,067,904	197,062	8.59	2,719,834	179,710	8.83
Total interest earning assets	3,585,117	210,221	7.84	3,166,588	192,237	8.12
Noninterest earning assets[2]	141,434			131,582		
Total assets	$ 3,726,551			$ 3,298,170		
Liabilities and Stockholders' Equity						
Interest-bearing liabilities:						
Interest-bearing demand accounts	$ 314,587	$ 1,998	0.85 %	$ 269,184	$ 1,147	0.57 %
Savings	18,022	214	1.59	13,044	49	0.51
Money market accounts	1,293,968	31,666	3.27	927,044	24,071	3.47
Time deposits	755,275	21,673	3.84	830,451	20,699	3.33
Borrowed funds	42,959	1,265	3.94	34,062	558	2.19
Total interest-bearing liabilities[2]	2,424,811	56,816	3.13	2,073,785	46,524	3.00
Noninterest-bearing liabilities:						
Noninterest-bearing liabilities	54,081			48,374		
Noninterest-bearing deposits[2]	831,811			802,991		
Stockholders' equity	415,848			373,020		
Total liabilities and stockholders' equity	$ 3,726,551			$ 3,298,170		
Net interest spread			4.71 %			5.12 %
Net interest income		$ 153,405			$ 145,713	
Net interest margin[5]			5.72 %			6.15 %

(1) Annualized.
(2) Balances include held for sale transactions in connection with the Chicago Branch Sale.
(3) Average balances include nonaccrual loans. As of September 30, 2026, nonaccrual loans of $0.3 million were included in Loans held for sale and $56.4 million were in Portfolio loans receivable.
(4) For the nine months ended September 30, 2026 and 2025, collectively, Core Loan Yield was 6.84% and 7.01%, respectively. See "Non-GAAP Financial Measures and Reconciliations" for a reconciliation of non-GAAP measures.

(5) For the nine months ended September 30, 2026 and 2025, collectively, Core Net Interest Margin was 4.12% and 4.48%, respectively. See "Non-GAAP Financial Measures and Reconciliations" for a reconciliation of non-GAAP measures.

The rate/volume table below presents the composition of the change in net interest income for the periods indicated, as allocated between the change in net interest income due to changes in the volume of average earning assets and interest-bearing liabilities, and the changes in net interest income due to changes in interest rates.

RATE/VOLUME ANALYSIS OF NET INTEREST INCOME

	Three Months Ended September 30, 2026 Compared to September 30, 2025			Nine Months Ended September 30, 2026 Compared to September 30, 2025		
	Change Due To			Change Due To		
(in thousands)	Volume	Rate	Interest Variance	Volume	Rate	Interest Variance
Interest Income:						
Interest-bearing deposits	$ 442	$ (363)	$ 79	$ 1,849	$ (1,128)	$ 721
Federal funds sold	—	(1)	(1)	—	(1)	(1)
Investment securities available-for-sale	(109)	130	21	(46)	(103)	(149)
Restricted investments	6	(2)	4	71	(4)	67
Loans held for sale	(36)	2	(34)	130	(136)	(6)
Portfolio loans receivable excluding credit card loans	5,709	604	6,313	17,122	(3,214)	13,908
Credit card loans	1,683	(664)	1,019	5,148	(1,704)	3,444
Total interest income	7,695	(294)	7,401	24,274	(6,290)	17,984
Interest Expense:						
Interest-bearing demand accounts	116	264	380	289	562	851
Savings	49	51	100	59	106	165
Money market accounts	3,211	(472)	2,739	8,982	(1,387)	7,595
Time deposits	(1,061)	4,069	3,008	(2,177)	3,151	974
Borrowed funds	(92)	208	116	261	446	707
Total interest expense	2,223	4,120	6,343	7,414	2,878	10,292
Net interest income	$ 5,472	$ (4,414)	$ 1,058	$ 16,860	$ (9,168)	$ 7,692

When comparing the three months ended September 30, 2026 to the three months ended September 30, 2025, the largest positive impact to total interest income was the growth in interest earning assets due to organic growth. The loan portfolio, excluding credit card loans, contributed $6.3 million of the $7.4 million increase in interest income, with growth (due to change in volume) accounting for $5.7 million and increased yield as a result of a shift in product mix accounted for an additional $0.6 million of increased interest income. Growth in both secured and unsecured product drove an additional $1.7 million increase in volume for credit card loans. The $6.3 million increase in interest expense year over year was primarily driven by $5.2 million of decreased benefit from net PAA, $1.0 million from higher balances and a shift in deposit mix, and $0.1 million of higher borrowing costs.

When comparing the nine months ended September 30, 2026 to the same period in 2025, the largest positive impact to total interest income was the growth in interest earning assets due to organic growth. The loan portfolio, excluding credit card loans contributed $13.9 million of the $18.0 million increase in interest income, with growth (due to change in volume) accounting for a $17.1 million increase in interest income, slightly offset by a $3.2 million decrease as a result of the rate environment. Growth in both secured and unsecured product drove an additional $5.1 million increase in volume for credit card loans,

slightly offset by a $1.7 million decrease as a result of the rate environment. The $10.3 million increase in interest expense year over year was primarily driven by $6.9 million lower benefit from PAA, $2.7 million shift in deposit mix, and $0.7 million of higher borrowing costs.

Provision for Credit Losses

The provision for credit losses represents the amount of expense charged to current earnings to fund the ACL. For a description of the factors taken into account by our management in determining the ACL, see Note 1 - "Nature of Business and Basis of Presentation" in the “Notes to the Consolidated Financial Statements” contained in Item 8 “Financial Statements and Supplementary Data” of the 2025 Form 10-K.

For the three months ended September 30, 2026, the provision for credit losses was $4.9 million, an increase of $0.3 million from the same period in 2025. The increased provision for credit losses was primarily driven by $0.8 million of increases for OpenSky™ loans, slightly offset by $0.5 million of decreases for the Commercial Bank portfolio. The provision from OpenSky™ increased $0.8 million, primarily driven by higher volumes in the unsecured portfolio - as unsecured card balances increased $18.0 million from $39.6 million at September 30, 2025 to $57.6 million. Additionally, net charge-offs for the unsecured portfolio increased $1.0 million compared to the three months ended September 30, 2025.

The ACL as a percent of portfolio loans was 1.78% at September 30, 2026, as compared to 1.85% at December 31, 2025. The maintenance of a high-quality loan portfolio, with an adequate allowance for expected credit losses, will continue to be a primary objective for the Company. See additional discussion regarding the Company’s ACL and reserve for unfunded commitments credit exposures at September 30, 2026 in “Financial Condition - Allowance for Credit Losses.”

Noninterest Income

Our primary sources of recurring noninterest income are credit card fees, such as interchange fees and statement fees, government guaranteed lending revenue (gain on sale), mortgage banking revenue and Windsor Advantage™ fee revenue in connection with its servicing, processing and packaging of SBA and USDA loans for its financial institution clients. Noninterest income does not include (i) loan origination fees to the extent they exceed the direct loan origination costs, which are generally recognized over the life of the related loan as an adjustment to yield using the interest method or (ii) annual, renewal and late fees related to our credit card portfolio, which are generally deferred and recognized over the corresponding twelve-month cardholder service period as an adjustment to yield using the interest method.

The following table presents, for the periods indicated, the major categories of noninterest income:

(in thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2026	2025	% Change	2026	2025	% Change
Noninterest income:						
Service charges on deposit accounts	**$ 418**	$ 425	(1.6)%	**$ 1,230**	$ 945	30.2 %
Credit card fees	**4,520**	4,509	0.2	**13,607**	12,529	8.6
Mortgage banking revenue	**1,849**	1,927	(4.0)	**5,365**	5,512	(2.7)
Government lending revenue	**1,474**	14	10,428.6	**3,604**	4,222	(14.6)
Government loan servicing revenue	**5,073**	4,265	18.9	**14,721**	11,477	28.3
Loan servicing rights	**523**	368	42.1	**1,312**	250	424.8
Other income (loss)	**1,182**	(440)	(368.6)	**2,934**	1,788	64.1
Total noninterest income	**$ 15,039**	$ 11,068	35.9 %	**$ 42,773**	$ 36,723	16.5 %

For the three months ended September 30, 2026, noninterest income of $15.0 million increased $4.0 million, or 35.9%, from the same period in 2025. The increase was primarily driven by $1.5 million of increased government lending revenue mostly from USDA gain on sale, $1.2 million of increased SBIC income reported within other income, $0.8 million of increased government loan servicing and packaging revenue (Windsor Advantage™) driven by growth in servicing income from organic growth in the servicing portfolio, and $0.3 million of increased other income from fees earned from USDA deals which were not executed.

Credit card fees of $4.5 million for the three months ended September 30, 2026 remained consistent as compared to the three months ended September 30, 2025, primarily as a result of growth in the unsecured product offsetting decreases as a result of rate environment.

Originations of loans held for sale within the Bank's CBHL division decreased $5.3 million to $75.3 million in the third quarter of 2026 when compared to $80.7 million in the third quarter of 2025. The gain on sale margin increased to 2.93% for the three months ended September 30, 2026 from 2.56% for the three months ended September 30, 2025.

Mortgage banking revenue of $1.8 million decreased $0.1 million from the three months ended September 30, 2025, primarily driven by the decreased gain on sale of $0.3 million, slightly offset by a $0.2 million increase in the fair value for loans in process (mortgage origination commitments).

Mortgage loans and USDA/SBA loans sold are subject to repurchase in circumstances where documentation is deficient or the underlying loan becomes delinquent or pays off within a specified period following loan funding and sale. The Bank has established a reserve under GAAP for possible repurchases. The reserve was $1.5 million at September 30, 2026 and $2.3 million at December 31, 2025, respectively. The Bank did not repurchase any loans during the nine months ended September 30, 2026 or 2025. The Bank does not originate "sub-prime" mortgage loans and has no exposure to this market segment.

Government lending revenue of $1.5 million for the three months ended September 30, 2026 increased $1.5 million as compared to the three months ended September 30, 2025, primarily as a result of increased activity from USDA gain on sale.

Noninterest Expense

Generally, noninterest expense is comprised of all employee expenses and costs associated with operating our facilities, obtaining and retaining customer relationships and providing bank services, with the largest component being salaries and employee benefits expenses. Noninterest expense also includes operational expenses, such as occupancy and equipment expenses, professional fees, advertising expenses, loan processing expenses and other general and administrative expenses, including FDIC assessments, communications, travel, meals, training, supplies and postage.

The following table presents, for the periods indicated, the major categories of noninterest expense:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(in thousands)	2026	2025	% Change	2026	2025	% Change
Noninterest expense:						
Salaries and employee benefits	**$ 21,116**	$ 17,728	19.1 %	**$ 61,500**	$ 54,255	13.4 %
Occupancy and equipment	**4,144**	2,849	45.5	**11,648**	8,754	33.1
Professional fees	**4,919**	2,131	130.8	**14,009**	6,665	110.2
Data processing	**7,708**	7,654	0.7	**23,026**	22,286	3.3
Advertising	**1,566**	1,714	(8.6)	**4,848**	4,864	(0.3)
Loan processing	**543**	1,114	(51.3)	**3,401**	2,836	19.9
Merger-related expenses	**1,577**	697	126.3	**1,577**	3,361	(53.1)
Operational and other card fraud related losses	**930**	923	0.8	**2,310**	2,759	(16.3)
Regulatory assessment expenses	**930**	740	25.7	**2,796**	2,513	11.3
Other operating	**2,289**	2,804	(18.4)	**7,474**	7,686	(2.8)
Total noninterest expense	**$ 45,722**	$ 38,354	19.2 %	**$ 132,589**	$ 115,979	14.3 %

Noninterest expense was $45.7 million for the three months ended September 30, 2026, as compared to $38.4 million for the three months ended September 30, 2025, an increase of $7.4 million. The change included $3.4 million of increases in salaries and employee benefits expenses due to planned expansion and investment in headcount across the organization, increases of $2.8 million in professional fees associated with strategic investments in shared service areas and card partnerships for OpenSky™, $1.3 million in occupancy and equipment due to an increase in software contracts and the acceleration of depreciation of capitalized assets related to OpenSky™ technology, $0.9 million in merger-related expenses, and $0.2 million in regulatory assessment expenses. The increased spending was slightly offset by decreases of $0.6 million in loan processing costs from loan expenses associated with our government guaranteed lending portfolio, $0.5 million in other operating expenses, and $0.1 million in advertising expenses.

Income Tax Expense

The amount of income tax expense we incur is influenced by our pre-tax income, our tax exempt revenue and our nondeductible expenses. Deferred tax assets and liabilities are reflected at enacted tax rates in effect for the period in which the deferred tax assets and liabilities are expected to be realized or settled. A valuation allowance is established when necessary to reduce deferred tax assets to the amount

expected to be realized.

The following table presents, for the periods indicated, our effective income tax rate:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Income before income taxes	**$ 17,546**	$ 19,867	**$ 51,871**	$ 55,263
Income tax expense	**4,424**	4,802	**12,481**	13,130
Effective income tax rate	**25.2 %**	24.2 %	**24.1 %**	23.8

Income tax expense was $4.4 million and $12.5 million for the three and nine months ended September 30, 2026, respectively, compared to $4.8 million and $13.1 million for the same periods, respectively, in 2025. Our effective tax rate increased from 24.2% for the three months ended September 30, 2025 to 25.2% for the three months ended September 30, 2026 primarily as a result of nondeductible merger-related costs. Our effective tax rate was 24.1% for the nine months ended September 30, 2026 compared to 23.8% for the same period in 2025 primarily as a result of nondeductible merger-related costs and an updated estimate related to the deferred tax liability associated with fixed assets acquired in the IFH acquisition. Additional information regarding the Company's income taxes are discussed in detail in Note 13 "Income Taxes" in the "Notes to the Consolidated Financial Statements" contained in Part II. Item 8 "Financial Statements and Supplementary Data" of the 2025 Form 10-K.

Financial Condition

The following table summarizes the Company's financial condition at the dates indicated.

(in thousands, except per share data)	September 30, 2026	December 31, 2025	$ Change	% Change
Total assets	$ 3,802,553	$ 3,606,207	$ 196,346	5.4 %
Investment securities available-for-sale	214,486	230,083	(15,597)	(6.8)
Loans held for sale	74,251	25,828	48,423	187.5
Portfolio loans receivable, net of deferred fees and costs	3,114,264	2,959,457	154,807	5.2
Allowance for credit losses	55,493	54,660	833	1.5
Goodwill	25,969	25,969	—	—
Intangible assets	13,989	14,771	(782)	(5.3)
Deposits	3,319,135	3,093,200	225,935	7.3
FHLB borrowings	—	50,000	(50,000)	(100.0)
Other borrowed funds	2,062	2,062	—	—
Total stockholders' equity	431,450	401,757	29,693	7.4
Tangible common equity [1]	391,492	361,017	30,475	8.4
Equity to total assets at end of period	11.35 %	11.14 %		1.9
Weighted average number of basic shares outstanding, YTD	16,309	16,582		(1.6)
Weighted average number of diluted shares outstanding, YTD	16,437	16,768		(2.0)
Common shares outstanding	16,329	16,373		(0.3)
Book value per share	$ 26.42	$ 24.54		7.7
Tangible book value per share [1]	23.98	22.05		8.8
Dividends per share, YTD	0.38	0.44		

[1] See "Non-GAAP Financial Measures and Reconciliations" for a reconciliation of non-GAAP measures.

Total assets at September 30, 2026 increased $196.3 million from the balance at December 31, 2025. Portfolio loans, net of deferred fees and costs, which exclude loans held for sale, totaled $3.1 billion as of September 30, 2026, an increase of $154.8 million, or 5.2%, from $3.0 billion at December 31, 2025. The loans held for sale balance consists of $60.2 million related to the Chicago Branch Sale and $14.1 million of mortgage loans held for sale. Mortgage loans held for sale decreased $11.7 million, or 45.3%, when comparing the period end balances at September 30, 2026 and December 31, 2025.

Investment Securities

To manage liquidity and supplement interest income earned on our loan portfolio, the Company invests in U.S. Treasuries, high-quality mortgage-backed securities ("MBS"), government agency bonds, asset-backed securities and high-quality municipal and corporate bonds. The asset-backed securities are comprised of student loan collateral issued by the Federal Family Education Loan Program, which includes a minimum of a 97% government repayment guarantee, as well as additional support in excess of the government guaranteed portion.

The following tables summarize the contractual maturities, without consideration of call features or pre-refunding dates, and weighted-average yields of investment securities at September 30, 2026 and the amortized cost and carrying value of those securities as of the indicated dates. The weighted average yields were calculated by multiplying the amortized cost of each individual security by its yield, dividing that figure by the portfolio total, and then summing the value of these results to arrive at the weighted average yield. Yields on tax-exempt investments are not calculated on a fully tax equivalent basis.

INVESTMENT MATURITIES

	One Year or Less		More Than One Year Through Five Years		More Than Five Years Through Ten Years		More Than Ten Years		Total		
September 30, 2026 (in thousands)	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Fair Value	Weighted Average Yield
Securities Available-for-Sale:											
U.S. Treasuries	$ 24,872	4.08 %	$ 113,033	2.24 %	$ —	— %	$ —	— %	$ 137,905	$ 131,312	2.57 %
Municipal	583	4.77	—	—	13,182	6.75	1,505	1.98	15,270	12,683	6.20
Corporate	—	—	1,500	6.96	—	—	—	—	1,500	1,443	6.96
Asset-backed securities	—	—	—	—	329	4.47	4,217	5.47	4,546	4,615	5.40
Mortgage-backed securities	—	—	36,413	3.91	5,856	3.21	25,104	5.18	67,373	64,433	4.32
Total	$ 25,455	4.10 %	$ 150,946	2.69 %	$ 19,367	5.64 %	$ 30,826	5.06 %	$ 226,594	$ 214,486	3.42 %

As described in Note 4 - "Investment Securities" in the "Notes to Unaudited Consolidated Financial Statements," at September 30, 2026, management determined the Company does not have the intent to sell, nor is it more likely than not that it will be required to sell, available-for-sale debt securities in an unrealized loss position at September 30, 2026, before it is able to recover the amortized cost basis. Further, management reviewed the Company's holdings as of September 30, 2026 and concluded there were no credit-related declines in fair value. Additional information related to the types of securities held at

September 30, 2026, other than securities issued or guaranteed by U.S. Government entities or agencies, is as follows:

Corporate Securities – There have been no payment defaults on any of the Company's holdings of corporate debt securities. There are two securities each of which is subordinated debt of other financial institutions with face amounts ranging from $0.5 million to $1 million.

Municipal Securities – All of the Company's holdings of municipal bonds were investment grade and there have been no payment defaults. Summary ratings information at September 30, 2026, based on the amortized cost basis and reflecting the lowest enhanced or underlying rating by Moody's, Standard & Poor's or Fitch, is as follows: AAA – 78% of the portfolio; AA+ – 22%.

Asset-backed Securities – There were three investment grade asset-backed securities, and there have been no payment defaults on these securities.

As such, it is deemed the above listed securities are not in an unrealized loss position due to credit-related issues and no further analysis is warranted as of September 30, 2026.

Portfolio Loans Receivable

Our primary source of income is derived from interest earned on loans. Our portfolio loans consist of loans secured by real estate as well as commercial business loans, credit card loans and, to a limited extent, other consumer loans. Our loan customers primarily consist of small- to medium-sized businesses, professionals, real estate investors, small residential builders and individuals. Our owner-occupied commercial real estate loans, residential construction loans and commercial business and industrial loans provide us with higher risk-adjusted returns, shorter maturities and more sensitivity to interest rate fluctuations, and are complemented by our relatively lower risk residential real estate loans to individuals. Our credit card portfolio supplements our traditional lending products with enhanced yields. Our traditional commercial real estate and commercial and industrial lending are principally directed to our market area consisting of the Washington, D.C. and Baltimore, Maryland metropolitan areas.

Residential Real Estate Loans. One-to-four family mortgage loans are primarily secured by owner-occupied primary and secondary residences and, to a lesser extent, investor-owned residences. Residential loans are originated through the commercial sales teams and CBHL division. Residential loans also include home equity lines of credit. Owner-occupied residential real estate loans usually have fixed rates for five or seven years and adjust on an annual basis after the initial term based on a typical maturity of 30 years. Investor residential real estate loans are generally based on 25-year terms with a balloon payment due after five years. Generally, the required minimum debt service coverage ratio is 115%.

Commercial Real Estate Loans. Commercial real estate loans are originated on owner-occupied and non-owner-occupied properties. These loans may be adversely affected by conditions in the real estate markets or in the general economy. Business equity lines of credit totaling $4.4 million as of September 30, 2026 and $3.8 million as of December 31, 2025, are included in the commercial real estate loan category. Business equity lines of credit are commercial purpose lines of credit primarily secured by the business owners' residential properties. Lender finance loans totaling $55.6 million as of September 30, 2026 and $41.4 million as of December 31, 2025, are also included in the commercial real estate loan category. Lender finance loans are loans to companies used to purchase finance receivables or extend finance receivables to the underlying obligors and are secured primarily by the finance receivables held by our borrowers. The primary sources of repayment are the operating incomes of the borrowers and the collection of the finance receivables securing the loans. Commercial loans that are secured by owner-occupied commercial real estate and primarily collateralized by operating cash flows are included in the commercial real estate loan category. Commercial real estate loan terms are generally extended for 10 years or less and amortize generally over 25 years or less. The interest rates on commercial real estate

loans generally have initial fixed rate terms that adjust typically at five years. Origination fees are routinely charged for services. Personal guarantees from the principal owners of the business are generally required, supported by a review of the principal owners' personal financial statements and global debt service obligations. The properties securing the portfolio are diverse in type. This diversity may help reduce the exposure to adverse economic events that affect any single industry.

Construction Loans. Construction loans are offered primarily within the Company's Washington, D.C. and Baltimore, Maryland metropolitan operating areas to builders, primarily for the construction of single-family homes and condominium and townhouse conversions or renovations and, to a lesser extent, to individuals. Construction loans typically have terms of 12 to 18 months. The Company sometimes transitions the end purchaser to permanent financing or re-underwriting and sale into the secondary market through its CBHL division. According to underwriting standards, the ratio of loan principal to collateral value, as established by an independent appraisal, cannot exceed 75% for investor-owned and 80% for owner-occupied properties, although exceptions are sometimes made. The Company, as part of its ongoing risk management efforts, performs a stress test of the construction loan portfolio at least once a year, and underlying real estate conditions are monitored as well as trends in sales outcomes versus underwriting valuations. The borrowers' progress in construction buildout is monitored against the original underwriting guidelines for construction milestones and completion timelines.

Commercial and Industrial. In addition to other loan products, general commercial loans, including commercial lines of credit, working capital loans, term loans, equipment financing, letters of credit, government guaranteed loans and solar energy related loans and other loan products, are offered, primarily in target markets, and underwritten based on each borrower's ability to service debt from income. These loans are primarily made based on the identified cash flows of the borrower and secondarily, on the underlying collateral provided by the borrower. Most commercial business loans are secured by a lien on general business assets including, among other things, available real estate, accounts receivable, promissory notes, inventory and equipment. Personal guaranties from the borrower or other principal are generally obtained.

Credit Cards. Through the OpenSky™ credit card division, the Company offers secured, partially secured, and unsecured credit cards on a nationwide basis to under-banked populations and those looking to rebuild their credit scores through a fully digital and mobile platform. The secured lines of credit are secured by a noninterest-bearing demand account at the Bank in an amount equal to the full credit limit of the credit card. For the partially secured lines of credit, the Bank offers certain customers an unsecured line in excess of their secured line of credit by using a proprietary scoring model, which considers credit score and repayment history (typically a minimum of six months of on-time payments, but ultimately determined on a case-by-case basis). Partially secured and unsecured credit cards are extended to existing secured card customers who have demonstrated sound credit behaviors. Approximately $93.7 million and $97.3 million in secured and partially secured credit card balances were protected by savings deposits held by the Company as of September 30, 2026 and December 31, 2025, respectively. Unsecured balances were $57.6 million and $47.1 million, respectively, at the same dates.

Other Consumer Loans. To a limited extent and typically as an accommodation to existing customers, personal consumer loans, such as term loans, car loans and boat loans are offered.

Purchased Credit Deterioration. Acquired loans, including those acquired in a business combination, are evaluated to determine if they have experienced more-than-insignificant deterioration in credit quality since origination. When the condition exists, these loans are referred to as purchased credit deteriorated ("PCD"). An allowance is recognized for a PCD loan by adding it to the purchase price or fair value in a business combination. There is no provision for credit losses recognized upon acquisition of a PCD loan since the initial allowance is established through purchase accounting. After initial recognition, the accounting for a PCD loan follows the credit loss model that applies to the loan category. Purchased financial loans that do not have a more-than-significant deterioration in credit quality since origination are accounted for in a manner consistent with originated loans. An allowance for credit losses is recorded with

a corresponding charge to provision for credit losses. Subsequent to the acquisition date, the methods utilized to estimate the required ACL for these loans is similar to the method used for organically originated loans.

The repayment of loans is a source of additional liquidity for the Company. The following table details contractual maturities of our portfolio loans, along with an analysis of loans maturing after one year categorized by rate characteristic. Loans with adjustable interest rates are shown as maturing in the period during which the contract is due. The table does not reflect the effects of possible prepayments.

	As of September 30, 2026				
	One Year or Less	One to Five Years	Over Five Years to Fifteen Years	After Fifteen Years	
(in thousands)	Amount	Amount	Amount	Amount	Total
Real estate:					
Residential	$ 139,615	$ 317,885	$ 65,018	$ 261,702	784,220
Commercial	257,599	476,607	256,917	33,631	1,024,754
Construction	285,548	85,309	9,633	198	380,688
Commercial and Industrial	276,293	180,876	156,711	160,417	774,297
Credit card	149,184	—	—	—	149,184
Other consumer	2,276	2,927	336	—	5,539
Total portfolio loans, gross	$ 1,110,515	$ 1,063,604	$ 488,615	$ 455,948	$ 3,118,682

Loans above maturing after one year categorized by rate characteristic:	Predetermined Interest Rates	Floating or Variable Rates	Total
Real estate:			
Residential	$ 417,913	$ 226,692	$ 644,605
Commercial	381,343	385,812	767,155
Construction	41,194	53,946	95,140
Commercial and Industrial	159,461	338,543	498,004
Other consumer	3,263	—	3,263
Total portfolio loans, gross	$ 1,003,174	$ 1,004,993	$ 2,008,167

The following tables present non-owner-occupied and owner-occupied commercial real estate loans and multi-family loans and the weighted average loan-to-value (“LTV”) and fixed rate maturities by year and loan type:

Non-owner-occupied commercial real estate loans, including multi-family

(in thousands)	As of September 30, 2026				
	Amount	Average Loan Size	Weighted Average LTV[1]	% of Non-Owner-Occupied Commercial Real Estate Loans	% of Total Portfolio Loans, Gross
Loan type:					
Multi-family	$ 218,120	$ 1,966	55.1 %	Not Applicable	7.0 %
Retail	$ 164,170	$ 1,658	48.7 %	30.2 %	5.3 %
Mixed use	161,182	2,093	53.6	29.5 %	5.1
Hotel	75,706	5,047	48.0	13.9 %	2.4
Industrial	53,112	1,007	44.0	9.7 %	1.7
Office	42,757	1,584	35.4	7.8 %	1.4
Other[2]	48,685	1,503	48.9	8.9 %	1.6
Total non-owner-occupied commercial real estate loans	$ 545,612	$ 1,819	48.2 %	100.00 %	17.5 %
Total portfolio loans, gross	$ 3,118,682				

Scheduled maturities of fixed rate non-owner-occupied commercial real estate loans, including multi-family

(in thousands)	As of September 30, 2026					
	2026	2027	2028	2029	2030 and Onwards	Total
Loan type:						
Multi-family	$ 18,028	$ 16,575	$ 51,678	$ 32,829	$ 99,011	$ 218,121
Retail	$ 8,719	$ 18,394	$ 1,648	$ 19,072	$ 54,315	$ 102,148
Mixed use	12,802	12,449	4,572	6,372	33,661	69,856
Hotel	—	—	—	1,426	28,051	29,477
Industrial	3,553	7,682	1,576	4,509	18,157	35,477
Office	—	2,648	142	8,199	3,898	14,887
Other	8,229	6,551	—	1,062	9,573	25,415
Total fixed rate non-owner-occupied commercial real estate loans	$ 33,303	$ 47,724	$ 7,938	$ 40,640	$ 147,655	$ 277,260

Owner-occupied commercial real estate loans

(in thousands)	As of September 30, 2026				
	Amount	Average Loan Size	Weighted Average LTV[1]	% of Owner-Occupied Commercial Real Estate Loans	% of Total Portfolio Loans, Gross
Loan type:					
Industrial	$ 107,915	$ 1,210	46.1 %	25.7	3.5 %
Retail	64,196	1,020	58.0	15.4	2.0 %
Office	56,036	714	56.0	13.4	1.8 %
Mixed use	21,500	983	54.2	5.1	0.7 %
Other[3]	169,539	1,052	46.4	40.4	5.4 %
Total owner-occupied commercial real estate loans	$ 419,186	$ 1,134	51.9 %	100.0 %	13.4 %
Total portfolio loans, gross	$ 3,118,682				

Scheduled maturities of fixed rate owner-occupied commercial real estate loans

	As of September 30, 2026					
(in thousands)	2026	2027	2028	2029	2030 and Onwards	Total
Loan type:						
Industrial	$ 8,873	$ 4,961	$ 6,170	$ 3,393	$ 30,076	$ 53,473
Retail	552	4,721	5,850	6,711	14,691	32,525
Office	363	2,037	2,352	7,404	24,646	36,802
Mixed use	—	856	662	4,484	8,262	14,264
Other	1,002	5,970	1,802	4,952	48,570	62,296
Total fixed rate owner-occupied commercial real estate loans	$ 10,790	$ 18,545	$ 16,836	$ 26,944	$ 126,245	$ 199,360

(1) Weighted average LTV is calculated by reference to the most recent available appraisal of the property securing each loan.
(2) Other non-owner-occupied commercial real estate loans include special purpose loans of $13.4 million, multi-family loans of $9.0 million, skilled nursing loans of $8.4 million, a land loan of $7.2 million, and other loans of $10.7 million.
(3) Other owner-occupied commercial real estate loans include special purpose loans of $92.4 million, skilled nursing loans of $32.6 million, $24.8 million of religious facility loans and other loans of $19.7 million.

Nonperforming Assets

Loans are placed on nonaccrual status when, in management's opinion, the borrower may be unable to meet payment obligations as they become due, as well as when required by regulatory provisions. Loans may be placed on nonaccrual status regardless of whether or not such loans are considered past due. In general, we place loans on nonaccrual status when they become 90 days past due. We also place loans on nonaccrual status if they are less than 90 days past due if the collection of principal or interest is in doubt. When the interest accrual is discontinued, all unpaid accrued interest is reversed from income. Loans are returned to accrual status when all of the principal and interest amounts contractually due are brought current and future payments are, in management's opinion, reasonably assured.

Loans are generally charged-off in part or in full when management determines the loan to be uncollectible. Factors for charge-off that may be considered include: repayments deemed to be extended out beyond reasonable time frames, customer bankruptcy and lack of assets, and/or collateral deficiencies. Secured consumer credit card balances are eligible for the charge-off queue after they become more than 90 days past due. Unsecured consumer credit card balances are eligible for charge-off after they become more than 150 days past due and are charged-off no later than 180 days after they become past due. Otherwise, loans that are past due for 180 days or more are charged off unless the loan is well-secured and in the process of collection.

The Company believes its approach to lending and the management of nonperforming assets has resulted in sound asset quality and timely resolution of problem assets. The Company has established underwriting guidelines to be followed by our bankers, and routinely monitors our delinquency levels for any negative or adverse trends. There can be no assurance, however, that our loan portfolio will not become subject to increasing pressures from deteriorating borrower credit.

From a credit risk standpoint, we grade watchlist and problem loans into one of five credit quality indicators: pass/watch, special mention, substandard, doubtful or loss. The classifications of loans reflect a judgment about the risks of default and loss associated with each loan. Credit ratings are reviewed regularly and then adjusted to reflect the degree of risk and loss that our management believes to be appropriate for each credit. Our lending policy requires the routine monitoring of past due reports, daily overdraft reports, monthly maturing loans, monthly risk rating reports and internal loan review reports. The lending and credit management of the Bank meet periodically to review loans rated pass/watch. The focus of each meeting is to identify any necessary required action within this loan population, which consists of loans that, although considered satisfactory and performing to terms, may exhibit special risk features that warrant management's attention.

Management is intent on maintaining a strong credit review function and risk rating process. The Company has an experienced credit administration function, which provides independent analysis of credit requests and the management of problem credits. The credit department has developed and implemented analytical procedures for evaluating credit requests, administers the Company's risk rating system, and monitors the loan portfolio. The loan portfolio analysis process is intended to contribute to the identification of weaknesses before they become more severe.

A special mention loan has potential weaknesses deserving of management's attention. If uncorrected, such weaknesses may, at a future date, impair the repayment prospects for the asset or our credit position.

Loans that are deemed special mention, substandard, doubtful or loss are listed in the Bank's Problem Loan Status Report. The Problem Loan Status Report provides a detailed summary of the borrower and guarantor status, loan accrual status and collateral evaluation and it includes a description of the planned collection and administration program designed to mitigate the Bank's risk of loss and remove the loan from problem status. The Special Asset Committee reviews the Problem Loan Status Report on a quarterly basis for borrowers with an overall loan exposure in excess of $250,000.

At September 30, 2026, the recorded investment in individually assessed collateral dependent loans was $20.7 million, requiring a specific reserve of $6.0 million. At December 31, 2025, the recorded investment in individually assessed collateral dependent loans was $13.8 million, requiring a specific reserve of $5.6 million.

At September 30, 2026, nonperforming loans were $56.7 million, an increase of $2.2 million from December 31, 2025. Nonperforming loans as a percentage of total portfolio loans decreased 2 basis points from 1.84% at December 31, 2025 to 1.82% at September 30, 2026. Nonperforming assets as a percentage of total assets decreased 3 basis points from 1.62% at December 31, 2025 to 1.59% at September 30, 2026.

Past Due Loans

The past due loans balance increased $8.2 million, from $93.5 million or 3.2% of gross loans as of December 31, 2025 to $101.7 million or 3.3% of gross loans as of September 30, 2026. The increase was primarily driven by $9.3 million of increases in construction loans. It was noted in the previous quarter that a single relationship for 3 construction real estate loans accounted for $9.7 million of the increase in 30-59 days past due loans, for which construction has stalled. The loans are 90+ days past due and the underlying properties on the loans proceeded to foreclosure. The foreclosure sales have occurred and the Bank was the successful bidder through its credit bids; the sale remains subject to court ratification. Management expects recovery to be realized through disposition of the collateral and a specific reserve of $0.8 million continues to be recorded for one of the loans. Management believes the credit remains appropriately monitored and the exposure is appropriately reflected within the allowance for credit losses.

Allowance for Credit Losses

We maintain an ACL that represents management's estimate of expected credit losses and risks inherent in our loan portfolio. The balance of the ACL is based on internally assigned risk classifications of loans, historical loss rates, changes in the nature of our loan portfolio, overall portfolio quality, industry concentrations, delinquency trends, current economic factors and the estimated impact of current economic conditions on certain historical loss rates.

We continue to monitor the unique economic environment in the DC-Maryland-Virginia area with regard to the impact on our customers and credit risk. Management believes that the current ACL coverage ratio captures currently forecasted economic conditions and management's assessment of the economic forecast through qualitative factors.

A major consideration in the determination of the ACL on the credit card portfolio is based on historical loss experience in that portfolio. The Company calculates the credit card ACL collectively, applying segmentation based on collateral positions: secured, partially secured and unsecured.

The following table presents key ratios for the ACL and nonaccrual loans for the periods indicated:

	Allowance for credit losses to period end portfolio loans		Nonaccrual loans[1] to total portfolio loans		Allowance for credit losses to nonaccrual loans	
(in thousands)	September 30, 2026	December 31, 2025	September 30, 2026	December 31, 2025	September 30, 2026	December 31, 2025
Real estate:						
Residential	0.93 %	0.97 %	0.61 %	1.01 %	152 %	96 %
Commercial	1.35	1.50	1.22	1.57	111	95
Construction	1.43	1.18	3.69	1.31	39	90
Commercial and Industrial	2.53	2.84	3.23	3.77	78	75
Credit card	6.23	5.78	—	—	—	—
Other consumer	0.42	0.26	—	—	—	—
					98 %	100 %
Total	1.78 %	1.85 %	1.81 %	1.84 %		

[1] Ratios as of September 30, 2026 exclude $0.3 million balance for one held for sale loan that was classified as nonaccrual.

At September 30, 2026, the ACL coverage ratio was 1.78%, down 7 bps from December 31, 2025 and down 10 bps compared to September 30, 2025.

The following tables present a summary of the net charge-offs of loans as a percentage of average loans for the periods indicated:

	Three Months Ended September 30,					
	2026			2025		
(in thousands)	Net Charge-Offs	Average Loans	Percent of average portfolio loans[1]	Net Charge-Offs	Average Loans	Percent of average portfolio loans[1]
Real estate:						
Residential	$ 172	$ 812,613	0.08 %	$ (7)	$ 727,666	— %
Commercial	—	1,039,669	— %	—	980,748	—
Construction	—	367,952	— %	—	340,028	—
Commercial and Industrial	471	770,132	0.24 %	336	611,529	0.22
Credit card	3,198	143,858	8.82 %	2,147	129,100	6.60
Other consumer	—	1,424	— %	—	744	—
Total	$ 3,841	$ 3,135,648	0.49 %	$ 2,476	$ 2,789,815	0.35 %

[1] Annualized.

(in thousands)	Nine Months Ended September 30, 2026 Net Charge-Offs	2026 Average Loans	2026 Percent of average portfolio loans[1]	2025 Net Charge-Offs	2025 Average Loans	2025 Percent of average portfolio loans[1]
Real estate:						
Residential	$ 178	$ 793,998	0.03 %	$ (7)	$ 709,247	— %
Commercial	—	1,021,241	— %	1,695	951,939	0.24
Construction	383	367,872	0.14 %	264	334,728	0.11
Commercial and Industrial	894	742,071	0.16 %	1,548	599,085	0.35
Credit card	9,214	138,244	8.91 %	6,508	123,117	7.07
Other consumer	—	4,478	— %	—	1,718	—
Total	$ 10,669	$ 3,067,904	0.46 %	$ 10,008	$ 2,719,834	0.49 %

[1] Annualized.

Total charge-offs for the three and nine months ended September 30, 2026 were primarily comprised of credit card charge-offs. Net charge-offs increased $1.4 million and $0.7 million for the three and nine months ended September 30, 2026 compared to the same period in the prior year. Continued growth in the partially secured and unsecured card portfolio resulted in $1.1 million and $2.7 million of increased charge-offs for the three and nine months ended September 30, 2026, respectively, compared to the same periods in the prior year. There were no charge-offs to the commercial real estate loan portfolio for the nine months ended September 30, 2026, a decrease of $1.7 million from the same period in 2025. Net charge-offs on an annualized basis of average portfolio loans for the three and nine months ended September 30, 2026 were 0.49% and 0.46%, respectively, compared to 0.35% and 0.49% for the same periods in 2025.

As the loan portfolio and ACL review processes continue to evolve, there may be changes to elements of the allowance and this may influence the overall level of the allowance maintained. Historically, the Bank has maintained a loan portfolio with relatively low levels of net charge-offs and low delinquency rates. The maintenance of a high-quality portfolio will continue to be a priority.

Although we believe we have established our ACL in accordance with GAAP and that the ACL is currently adequate to provide for known and inherent losses in the portfolio, future provisions for credit losses will be subject to ongoing evaluations of the risks in our loan portfolio.

The following table shows the allocation of the ACL among loan categories as of the dates indicated. The total allowance is available to absorb losses from any loan category.

(in thousands)	September 30, 2026 Amount	September 30, 2026 Percent [1]	December 31, 2025 Amount	December 31, 2025 Percent [1]
Real estate:				
Residential	**$ 7,259**	**13 %**	$ 7,444	14 %
Commercial	**13,879**	**25**	14,917	27
Construction	**5,431**	**10**	4,250	8
Commercial and Industrial	**19,608**	**35**	19,818	36
Credit card	**9,293**	**17**	8,226	15
Other consumer	**23**	**—**	5	—
Total allowance for credit losses	**$ 55,493**	**100 %**	$ 54,660	100 %

[1] Allowance for reserve amount for each loan category shown as a percentage of allowance for credit losses for total portfolio loans.

Total Liabilities

Total liabilities at September 30, 2026 increased $166.7 million from December 31, 2025, primarily due to growth in the deposit portfolio of $225.9 million. The Company applied a portion of this deposit growth to retire $50.0 million in FHLB advances, reducing its reliance on wholesale funding.

Deposits

Deposits are a major source of funding for the Company. We offer a variety of deposit products including noninterest-bearing demand, interest-bearing demand, savings, money market and time accounts, all of which we actively market at competitive pricing. We generate deposits from our customers on a relationship basis and through the efforts of our commercial relationship managers. Our credit card customers are a significant source of low cost deposits. As of September 30, 2026 and December 31, 2025, our credit card customers accounted for $162.4 million and $163.2 million, or 19.2% and 19.1%, respectively, of our total noninterest-bearing deposit balances.

Major deposit categories are as follows:

Deposits

(in thousands)	**September 30, 2026**	**December 31, 2025**
Interest-bearing demand accounts	**$ 323,139**	$ 257,233
Savings	**30,538**	11,679
Money markets	**1,379,580**	1,105,183
Customer time deposits	**410,479**	489,687
Brokered time deposits	**330,863**	376,677
Total Interest-bearing deposits	**2,474,599**	2,240,459
Noninterest-bearing demand accounts	**844,536**	852,741
Total deposits	**$ 3,319,135**	$ 3,093,200

The Company had $330.9 million in brokered deposits at September 30, 2026 compared to $376.7 million at December 31, 2025.

Deposits securing our OpenSky™ card lines of credit and deposits from title companies represent the largest product concentrations in the deposit portfolio. As of September 30, 2026, these product concentrations represented 5% and 10% of deposits, respectively. As of December 31, 2025, these deposits represented 5% and 10% of deposits, respectively.

The following table presents the average balances and average rates paid on deposits for the periods indicated:

	For the Nine Months Ended September 30, 2026		For the Year Ended December 31, 2025	
(in thousands)	**Average Balance**	**Average Rate[1]**	Average Balance	Average Rate
Interest-bearing demand accounts	**$ 314,587**	**0.85 %**	$ 269,224	0.56 %
Savings	**18,022**	**1.59**	12,789	0.47
Money market accounts	**1,293,968**	**3.27**	960,882	3.45
Time deposits	**755,275**	**3.84**	825,847	3.51
Total interest-bearing deposits	**2,381,852**	**3.12**	2,068,742	3.08
Noninterest-bearing demand accounts	**831,811**		811,798	
Total deposits	**$ 3,213,663**	**2.31 %**	$ 2,880,540	2.21 %

[1] Annualized.

Deposit costs increased 10 basis points to 2.31% during the nine months ended September 30, 2026, as compared to 2.21% at December 31, 2025, driven by a shift in product mix, primarily growth from customer money market deposits with offsetting activity across other deposit products.

Noninterest-bearing deposits represented 25.4% of total deposits at September 30, 2026 compared to 27.57% at December 31, 2025. Insured and protected deposits (including deposits that are indirectly protected under the product terms) were approximately $2.2 billion as of September 30, 2026, representing 66.6% of the Company's deposit portfolio. The insured and protected amounts are estimates based on the methodologies and assumptions used for the Bank's regulatory reporting requirements.

The following table presents the maturities of our certificates of deposit, including brokered and customer deposits, as of September 30, 2026, excluding $65.4 million of certificates of deposits held for assumption for pending Chicago Branch Sale transaction.

(in thousands)	Three Months or Less	Over Three Through Six Months	Over Six Through Twelve Months	Over Twelve Months	Total
$250,000 or more	$ 15,622	$ 48,818	$ 45,983	$ 3,915	$ 114,338
Less than $250,000	190,184	207,839	147,891	15,727	561,641
Total	$ 205,806	$ 256,657	$ 193,874	$ 19,642	$ 675,979

Borrowings

We utilize short-term and long-term borrowings to supplement deposits to fund our lending and investment activities, each of which is discussed below. Total borrowings decreased $50.0 million from $52.1 million at December 31, 2025 to $2.1 million at September 30, 2026 as the Company retired $50.0 million in FHLB advances.

FHLB Advances. The Federal Home Loan Bank ("FHLB") provides the Company with secured borrowing capacity collateralized by eligible loans and investment securities pledged under a blanket lien arrangement. As of September 30, 2026, approximately $505.0 million of loans were pledged as collateral to the FHLB. In addition, investment securities with a fair value of $106.8 million were pledged and, after applying required collateral haircuts, provided collateral value of $100.6 million. Together, these pledged assets supported total borrowing capacity of $605.5 million. The Company utilizes FHLB advances to support liquidity management and overall balance-sheet positioning, including funding certain fixed-rate loans. As of September 30, 2026, the Company had no outstanding FHLB advances and $605.5 million of available borrowing capacity.

Other Borrowed Funds. The Company has also issued junior subordinated debentures. At September 30, 2026, these other borrowings amounted to $2.1 million, consisting of Floating Rate Junior Subordinated Deferrable Interest Debentures (the "Floating Rate Debentures"). The Floating Rate Debentures were issued in June of 2006, mature on June 15, 2036, and may be redeemed prior to that date under certain circumstances. The principal amount of the Floating Rate Debentures has not changed since issuance, and they accrue interest at a floating rate equal to the three-month CME Term SOFR plus a spread adjustment of 0.26161% (or 26.161 basis points) plus 187 basis points, payable quarterly. As of September 30, 2026, the rate for the Floating Rate Debentures was 6.03%.

Federal Reserve Bank of Richmond. The Federal Reserve Bank of Richmond provides access to liquidity under the Federal Reserve's discount window through borrower-in-custody ("BIC") and national book-entry ("NBE") arrangements, which allow us to borrow on a collateralized basis using different types

of collateral. The Company's borrowing capacity under the Federal Reserve's discount window was $130.5 million as of September 30, 2026.

Other Borrowings. The Company also has available lines of credit of $100.5 million with other correspondent banks at September 30, 2026, as well as access to certificate of deposit funding through financial intermediaries. There were no outstanding balances on the lines of credit from correspondent banks at September 30, 2026.

Liquidity

Liquidity is defined as the Bank's capacity to meet its cash and collateral obligations at a reasonable cost. Maintaining an adequate level of liquidity depends on the Bank's ability to meet both expected and unexpected cash flows and collateral needs efficiently and without adversely affecting either daily operations or the financial condition of the Bank. Liquidity risk is the risk that we will be unable to meet our obligations as they become due because of an inability to liquidate assets or obtain adequate funding. The Bank's obligations, and the funding sources used to meet them, depend significantly on our business mix, balance sheet structure and the cash flow profiles of our on- and off-balance sheet obligations. In managing our cash flows, management endeavors to anticipate situations that can give rise to increased liquidity risk. These include funding mismatches, market constraints on the ability to convert assets into cash or in accessing sources of funds (i.e., market liquidity) and contingent liquidity events. Changes in economic conditions or exposure to credit, market, operational, legal and reputational risks also could affect the Bank's liquidity risk profile and are considered in the assessment of liquidity and asset/liability management.

Management has established a risk management process for identifying, measuring, monitoring and controlling liquidity risk. Because of its critical importance to the viability of the Bank, liquidity risk management is integrated into our risk management processes. Critical elements of our liquidity risk management include: corporate governance consisting of oversight by the board of directors and active involvement by management; strategies, policies, procedures, and limits used to manage and mitigate liquidity risk; liquidity risk measurement and monitoring systems (including assessments of the current and prospective cash flows or sources and uses of funds) that are believed to be commensurate with the complexity and business activities of the Bank; active management of intraday liquidity and collateral; a diverse mix of existing and potential future funding sources; holding liquid marketable securities that can be used to meet liquidity needs in situations of stress; contingency funding plans that address potential adverse liquidity events and emergency cash flow requirements; and internal controls and internal audit processes believed to be sufficient to assure the adequacy of the institution's liquidity risk management process.

We expect funds to be available from a number of basic banking activity sources, including the core deposit base, the repayment and maturity of loans and investment security cash flows. Other potential funding sources include brokered certificates of deposit, deposit listing services, CDARS, borrowings from the FHLB and other lines of credit.

During the nine months ended September 30, 2026, brokered time deposits decreased $45.8 million from December 31, 2025, as management continued to reduce reliance on higher-cost funding. Total deposits increased $225.9 million, or 7%, from December 31, 2025 to $3.3 billion at September 30, 2026, driven by growth in money market, savings and interest-bearing demand accounts. The shift in deposit mix from brokered time deposits towards lower-cost, relationship-based core deposits reflects continued execution of the Company's funding strategy and is expected to reduce overall deposit costs over time. Management believes the Company maintains ample liquidity through its diversified funding base, core deposit growth, and significant available borrowing capacity.

As of September 30, 2026, we had $605.5 million of available borrowing capacity from the FHLB and $130.5 million of available borrowing capacity from the Federal Reserve Bank of Richmond through its

discount window arrangement, secured by pledged commercial loans and securities. The Company also maintained $100.5 million of available unsecured lines of credit with other correspondent banks. Unpledged investment securities available as collateral for potential additional borrowings totaled $6.1 million at September 30, 2026. Cash and cash equivalents were $262.0 million at September 30, 2026.

Capital Resources

Stockholders' equity increased $29.7 million for the period ended September 30, 2026 compared to December 31, 2025 largely due to net income of $39.4 million for the nine months ended September 30, 2026. The Company did not repurchase any shares during the three months ended September 30, 2026, as part of the Company's stock repurchase program. Shares repurchased and retired for the nine months ended September 30, 2026, as part of the Company's stock repurchase program, totaled 123,970 shares at an average price of $28.90, for a total cost of $3.6 million including commissions. There is $12.4 million remaining to be repurchased under the stock repurchase plan authorized and approved in March 2026. The stock repurchase program will expire on December 31, 2026, but may be limited or terminated at any time without prior notice. The stock repurchase plan is currently suspended due to the announced Merger.

The Company's total stockholders' equity is affected by fluctuations in the fair values of investment securities available-for-sale. The difference between amortized cost and fair value of investment securities, net of deferred income tax, is included in accumulated other comprehensive loss within stockholders' equity. Accumulated other comprehensive loss is excluded from the Bank's and Company's regulatory capital ratios. The balance in accumulated other comprehensive loss related to unrealized losses on available-for-sale debt securities, net of deferred income tax, amounted to $9.2 million at September 30, 2026 and $5.8 million at December 31, 2025. The $3.5 million decrease was primarily driven by declines in the fair values of available-for-sale debt securities as market interest rates increased. These declines resulted in net unrealized losses, net of deferred income tax, of approximately $1.8 million for mortgage-backed securities, $1.1 million increase for U.S. Treasuries, and $0.7 million for municipal securities, partially offset by decreases in net unrealized losses on other securities. Changes in accumulated other comprehensive loss are excluded from earnings and directly increase or decrease stockholders' equity. To the extent unrealized losses on investment securities available-for-sale result from credit losses, unrealized losses are recorded as a charge against earnings. The investment securities section of the MD&A and Notes 1 and 4 to the "Notes to the Unaudited Consolidated Financial Statements" provide additional information concerning management's evaluation of investment securities available-for-sale for credit losses at September 30, 2026.

The Company uses several indicators of capital strength. The most commonly used measure is common equity to total assets (computed as equity divided by total assets), which was 11.35% at September 30, 2026 and 11.14% at December 31, 2025.

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can precipitate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a material effect on the Company's financial condition. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of its assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The capital amounts and classifications are also subject to qualitative judgments by the regulators.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum ratios of common equity Tier 1, Tier 1, and total capital as a percentage of assets and off-balance sheet exposures, adjusted for risk weights ranging from 0% to 1,250%. The Bank is also required to maintain capital at a minimum level based on quarterly average assets, which is known as the leverage ratio.

The ability of the Company to continue to grow is dependent on its earnings and those of the Bank, and the ability to obtain additional funds for contribution to the Bank's capital, through additional borrowings, through the sale of additional common stock or preferred stock, or through the issuance of additional qualifying capital instruments, such as subordinated debt. The capital levels required to be maintained by the Company and Bank may be impacted as a result of the Bank's concentrations in commercial real estate loans. See "Risks Related to Our Operations and the Regulation of Our Industry" in Part I, Item 1A - Risk Factors in the 2025 Form 10-K.

As of September 30, 2026, the Company and the Bank were in compliance with all applicable regulatory capital requirements to which it was subject, and the Bank was classified as "well capitalized" for purposes of the prompt corrective action regulations. As we deploy our capital and continue to grow our operations, our regulatory capital levels may decrease depending on our level of earnings. However, we intend to monitor and control our growth relative to our earnings in order to remain in compliance with all regulatory capital standards applicable to us.

The following table presents the regulatory capital ratios for the Company and the Bank as of the dates indicated.

(in thousands)	Actual		Minimum Capital Adequacy		To Be Well Capitalized	
September 30, 2026	**Amount**	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
The Company						
Tier 1 leverage ratio (to average assets)	**$ 405,187**	**10.84 %**	**$ 149,467**	**4.00 %**	**N/A**	**N/A**
Tier 1 capital (to risk-weighted assets)	**405,187**	**13.32**	**182,498**	**6.00**	**N/A**	**N/A**
Common equity tier 1 capital ratio (to risk-weighted assets)	**403,125**	**13.25**	**136,874**	**4.50**	**N/A**	**N/A**
Total capital ratio (to risk-weighted assets)	**443,443**	**14.58**	**243,331**	**8.00**	**N/A**	**N/A**
The Bank						
Tier 1 leverage ratio (to average assets)	**$ 338,088**	**9.15 %**	**$ 147,843**	**4.00 %**	**$ 184,803**	**5.00 %**
Tier 1 capital (to risk-weighted assets)	**338,088**	**11.26**	**180,166**	**6.00**	**240,221**	**8.00**
Common equity tier 1 capital ratio (to risk-weighted assets)	**338,088**	**11.26**	**135,124**	**4.50**	**195,180**	**6.50**
Total capital ratio (to risk-weighted assets)	**375,856**	**12.52**	**240,221**	**8.00**	**300,277**	**10.00**
December 31, 2025						
The Company						
Tier 1 leverage ratio (to average assets)	$ 371,638	10.71 %	$ 138,757	4.00 %	N/A	N/A
Tier 1 capital (to risk-weighted assets)	371,638	13.05	170,835	6.00	N/A	N/A
Common equity tier 1 capital ratio (to risk-weighted assets)	369,576	12.98	128,126	4.50	N/A	N/A
Total capital ratio (to risk-weighted assets)	407,481	14.31	227,780	8.00	N/A	N/A
The Bank						
Tier 1 leverage ratio (to average assets)	$ 316,082	9.24 %	$ 136,858	4.00 %	$ 171,073	5.00 %
Tier 1 capital (to risk-weighted assets)	316,082	11.34	167,207	6.00	222,942	8.00
Common equity tier 1 capital ratio (to risk-weighted assets)	316,082	11.34	125,405	4.50	181,141	6.50
Total capital ratio (to risk-weighted assets)	351,170	12.60	222,942	8.00	278,678	10.00

Contractual Obligations

We have contractual obligations to make future payments on debt and lease agreements. Our liquidity monitoring and management consider both present and future demands for and sources of liquidity. During the three and nine months ended September 30, 2026 the Company retired $50.0 million in FHLB advances and commenced a new 45-month lease agreement in Annapolis, Maryland. The company also commenced a 64-month lease for loan production office use in Towson, Maryland on October 5, 2026, as disclosed in Note 8 - Leases.

The Company experienced no other material changes in contractual obligations related to long-term borrowings, operating leases, and other commitments from December 31, 2025. Management believes that cash flows from operations and available liquidity sources will be sufficient to meet these obligations as they come due.

On September 29, 2026, the Company entered into a definitive Merger Agreement in connection with the pending acquisition of the Company. Certain provisions of the Merger Agreement, including termination-related provisions, are contingent in nature and do not represent material contractual obligations of the Company as of September 30, 2026. Additional information regarding the merger agreement is included in Note 2 - Pending Merger Agreement.

Off-Balance Sheet Items

In the normal course of business, we enter into various transactions that, in accordance with GAAP, are not included in our consolidated balance sheets. We enter into these transactions to meet the financing needs of our customers. These transactions include commitments to extend credit and issue letters of credit, which involve, to varying degrees, elements of credit risk and interest rate risk in excess of the amounts recognized in our consolidated balance sheets. Our exposure to credit loss is represented by the contractual amounts of these commitments. The same credit policies and procedures are generally used in making these commitments as for on-balance sheet instruments. We are not aware of any accounting loss to be incurred by funding these commitments; however, we maintain a reserve for unfunded commitments and certain off-balance sheet credit risks, which is recorded in other liabilities on the consolidated balance sheet.

Our commitments associated with outstanding letters of credit and commitments to extend credit expiring by period as of the date indicated are summarized below. Since commitments associated with letters of credit and commitments to extend credit may expire unused, the amounts shown do not necessarily reflect actual future cash funding requirements.

(in thousands)	As of September 30, 2026	As of December 31, 2025
Unfunded lines of credit	**$ 457,722**	$ 455,666
Letters of credit	**1,797**	1,633
Commitment to fund other investments	**2,714**	2,714
Total off-balance sheet commitments	**$ 462,233**	$ 460,013

Unfunded lines of credit represent unused credit facilities to our current borrowers. Lines of credit generally have variable interest rates. Letters of credit are conditional commitments issued by us to guarantee the performance of a customer to a third party. In the event of nonperformance by the customer in accordance with the terms of the agreement with the third party, we would be required to fund the commitment. The maximum potential amount of future payments we could be required to make is represented by the contractual amount of the commitment. If the commitment is funded, we would be entitled to seek recovery from the customer from the underlying collateral, which can include commercial real estate, physical plant and property, inventory, receivables, cash and/or marketable securities. Our policies generally require that letter of credit arrangements contain security and debt covenants similar to those contained in loan agreements. We believe the credit risk associated with issuing letters of credit is substantially the same as the risk involved in extending loan facilities to our customers.

We seek to minimize our exposure to loss under letters of credit and credit commitments by subjecting them to the same credit approval and monitoring procedures as we do for on-balance sheet instruments. The effect on our revenue, expenses, cash flows and liquidity of the unused portions of these letters of credit commitments cannot be precisely predicted because we do not control the extent to which the lines of credit may be used.

Commitments to extend credit are agreements to lend funds to a customer, as long as there is no violation of any condition established in the contract. Commitments generally have variable interest rates, fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being fully drawn, the total commitment amounts disclosed above do not necessarily represent future cash requirements. We evaluate each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if considered necessary by us, upon extension of credit is based on management's credit evaluation of the customer.

The commitment to fund other investments reflects an obligation to make an investment in a Small Business Investment Company.

Impact of Inflation

The consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q have been prepared in accordance with GAAP. GAAP requires the measurement of financial position and operating results in terms of historical dollars, without considering changes in the relative value of money over time due to inflation or recession.

Unlike many industrial companies, substantially all of the Company's assets and liabilities are monetary in nature. As a result, interest rates have a more significant impact on our performance than the effects of general levels of inflation. Interest rates may not necessarily move in the same direction or in the same magnitude as the prices of goods and services. However, most other operating expenses are sensitive to changes in levels of inflation.

Non-GAAP Financial Measures and Reconciliations

The Company has presented the following non-GAAP financial measures because it believes that these non-GAAP financial measures provide useful information to investors and because they are used by management to evaluate our operating performance and make day-to-day operating decisions. In addition, we believe our non-GAAP results in any given reporting period reflect our on-going financial performance in that period and, accordingly, are useful to consider in addition to our GAAP financial results. We further believe the presentation of non-GAAP results increases comparability of period-to-period results.

Other companies may use similarly titled non-GAAP financial measures that may be calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to similar measures used by such companies. We caution investors not to place undue reliance on such non-GAAP financial measures, but to consider them with the most directly comparable GAAP measures. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for our results reported under GAAP.

Core Earnings Metrics (in thousands, except per share data)	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Net Income	$ 13,122	$ 15,065	$ 39,390	$ 42,133
Deduct: Income from the Call of Brokered Time Deposit, Net of Tax	—	(3,489)	—	(3,489)
Add: Merger-Related Expenses, Net of Tax	1,577	575	1,577	2,609
Core Net Income	$ 14,699	$ 12,151	$ 40,967	$ 41,253
Weighted Average Common Shares - Diluted	16,482	16,844	16,437	16,850
Earnings per Share - Diluted	$ 0.80	$ 0.89	$ 2.40	$ 2.50
Core Earnings per Share - Diluted	$ 0.89	$ 0.72	$ 2.49	$ 2.45
Average Assets	$ 3,765,041	$ 3,378,296	$ 3,726,551	$ 3,298,170
Return on Average Assets[1]	1.38 %	1.77 %	1.41 %	1.71 %
Core Return on Average Assets[1]	1.55 %	1.43 %	1.47 %	1.67 %
Average Equity	$ 427,950	$ 383,922	$ 415,848	$ 373,020
Return on Average Equity[1]	12.16 %	15.57 %	12.66 %	15.10 %
Core Return on Average Equity[1]	13.63 %	12.56 %	13.17 %	14.79 %
Net Interest Income	$ 53,078	$ 52,020	$ 153,405	$ 145,713
Noninterest Income	15,039	11,068	42,773	36,723
Total Revenue	$ 68,117	$ 63,088	$ 196,178	$ 182,436
Noninterest Expense	45,722	38,354	132,589	115,979
Efficiency Ratio[2]	67.12 %	60.79 %	67.59 %	63.57 %
Net Interest Income	$ 53,078	$ 52,020	$ 153,405	$ 145,713
Deduct: Income from the Call of Brokered Time Deposits	—	4,618	—	4,618
Core Net Interest Income (a)	$ 53,078	$ 47,402	$ 153,405	$ 141,095
Noninterest Income (b)	15,039	11,068	42,773	36,723
Core Revenue (a) + (b)	$ 68,117	$ 58,470	$ 196,178	$ 177,818
Noninterest Expense	$ 45,722	$ 38,354	$ 132,589	$ 115,979
Less: Merger-Related Expenses	1,577	697	1,577	3,361
Core Noninterest Expense	$ 44,145	$ 37,657	$ 131,012	$ 112,618
Core Efficiency Ratio [2]	64.81 %	64.40 %	66.78 %	63.33 %

[1] Annualized.
[2] The efficiency ratio is calculated by dividing noninterest expense by total revenue (net interest income plus noninterest income).

Core Net Interest Margin (in thousands)	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Net Interest Income	$ 53,078	$ 52,020	$ 153,405	$ 145,713
Less: Credit Card Loan Income	16,405	15,386	47,095	43,651
Core Net Interest Income	36,673	36,634	106,310	102,062
Average Interest Earning Assets	3,625,039	3,246,653	3,585,117	3,166,588
Less: Average Credit Card Loans	143,858	129,100	138,244	123,117
Average Core Interest Earning Assets	$ 3,481,181	$ 3,117,553	$ 3,446,873	$ 3,043,471
Core Net Interest Margin	4.18%	4.66%	4.12%	4.48%

Core Loan Yield	Three Months Ended		Nine Months Ended	
(in thousands)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Portfolio Loans Receivable Interest Income	$ 67,942	$ 60,610	$ 197,062	$ 179,710
Less: Credit Card Loan Income	16,405	15,386	47,095	43,651
Core Portfolio Loans Receivable Interest Income	$ 51,537	$ 45,224	$ 149,967	$ 136,059
Average Portfolio Loans Receivable	3,135,648	2,789,815	3,067,904	2,719,834
Less: Average Credit Card Loans	143,858	129,100	138,244	123,117
Total Core Average Portfolio Loans Receivable	$ 2,991,790	$ 2,660,715	$ 2,929,660	$ 2,596,717
Core Portfolio Loans Receivable Yield	6.83%	6.74%	6.84%	7.01%

Pre-tax, Pre-Provision Net Revenue ("PPNR")	Three Months Ended		Nine Months Ended	
(in thousands)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Net Income	$ 13,122	$ 15,065	$ 39,390	$ 42,133
Add: Income Tax Expense	4,424	4,802	12,481	13,130
Add: Provision for Credit Losses	4,903	4,650	11,502	10,977
Add: Provision for (Release of) Credit Losses on Unfunded Commitments	(54)	217	216	217
Pre-tax, Pre-Provision Net Revenue ("PPNR")	$ 22,395	$ 24,734	$ 63,589	$ 66,457

Core PPNR	Three Months Ended		Nine Months Ended	
(in thousands)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Net Income	$ 13,122	$ 15,065	$ 39,390	$ 42,133
Add: Income Tax Expense	4,424	4,802	12,481	13,130
Add: Provision for Credit Losses	4,903	4,650	11,502	10,977
Add: Provision for (Release of) Credit Losses on Unfunded Commitments	(54)	217	216	217
Deduct: Income from the Call of Brokered Time Deposits	—	(4,618)	—	(4,618)
Add: Merger-Related Expenses	1,577	697	1,577	3,361
Core PPNR	$ 23,972	$ 20,813	$ 65,166	$ 65,200

Allowance for Credit Losses to Total Portfolio Loans		
(in thousands)	September 30, 2026	December 31, 2025
Allowance for Credit Losses	$ 55,493	$ 54,660
Total Portfolio Loans	3,114,264	2,959,457
Allowance for Credit Losses to Total Portfolio Loans	1.78%	1.85%

Commercial Bank Allowance for Credit Losses to Commercial Bank Portfolio Loans

(in thousands)	September 30, 2026	December 31, 2025
Allowance for Credit Losses	$ 55,493	$ 54,660
Less: Credit Card Allowance for Credit Losses	9,293	8,226
Commercial Bank Allowance for Credit Losses	$ 46,200	$ 46,434
Total Portfolio Loans	3,114,264	2,959,457
Less: Credit Card Loans	144,258	137,905
Commercial Bank Portfolio Loans	$ 2,970,006	$ 2,821,552
Commercial Bank Allowance for Credit Losses to Commercial Bank Portfolio Loans	1.56%	1.65%

Nonperforming Assets to Total Assets

(in thousands)	September 30, 2026	December 31, 2025
Total Nonperforming Assets	$ 60,518	$ 58,276
Total Assets	3,802,553	3,606,207
Nonperforming Assets to Total Assets	1.59%	1.62%

Nonperforming Loans to Total Portfolio Loans

(in thousands)	September 30, 2026	December 31, 2025
Total Nonperforming Loans	$ 56,662	$ 54,421
Total Portfolio Loans	3,114,264	2,959,457
Nonperforming Loans to Total Portfolio Loans	1.82%	1.84%

Net Charge-Offs to Average Portfolio Loans

	Three Months Ended		Nine Months Ended	
(in thousands)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Total Net Charge-Offs	$ 3,841	$ 2,476	$ 10,669	$ 10,008
Total Average Portfolio Loans	3,135,648	2,789,815	3,067,904	2,719,834
Net Charge-Offs to Average Portfolio Loans, Annualized	0.49%	0.35%	0.46%	0.49%

Tangible Book Value per Share

(in thousands, except share and per share data)	September 30, 2026	December 31, 2025
Total Stockholders' Equity	$ 431,450	$ 401,757
Less: Intangible Assets	39,958	40,740
Tangible Common Equity	$ 391,492	$ 361,017
Period End Shares Outstanding	16,328,648	16,373,288
Tangible Book Value per Share	$ 23.98	$ 22.05

Return on Average Tangible Common Equity	Three Months Ended		Nine Months Ended	
(in thousands)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Net Income	$ 13,122	$ 15,065	$ 39,390	$ 42,133
Add: Intangible Amortization, Net of Tax	195	199	594	599
Net Tangible Income	$ 13,317	$ 15,264	$ 39,984	$ 42,732
Average Equity	427,950	383,922	415,848	373,020
Less: Average Intangible Assets	40,116	37,706	40,372	38,048
Net Average Tangible Common Equity	$ 387,834	$ 346,216	$ 375,476	$ 334,972
Return on Average Equity	12.16 %	15.57 %	12.66 %	15.10 %
Return on Average Tangible Common Equity	13.62 %	17.49 %	14.24 %	17.06 %

Core Return on Average Tangible Common Equity	Three Months Ended		Nine Months Ended	
(in thousands)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Core Net Income	$ 14,699	$ 12,151	$ 40,967	$ 41,253
Add: Intangible Amortization, Net of Tax	195	199	594	599
Core Net Tangible Income	$ 14,894	$ 12,350	$ 41,561	$ 41,852
Core Return on Average Tangible Common Equity	15.24 %	14.15 %	14.80 %	16.70 %

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Sensitivity and Market Risk

As a financial institution, our primary component of market risk is interest rate volatility. Our asset liability and funds management policy provides management with the guidelines for funds management, and we have established a measurement system for monitoring our net interest rate sensitivity position**.** We endeavor to manage our sensitivity position within our established guidelines.

Fluctuations in interest rates will ultimately impact both the level of income and the market value of all interest earning assets and interest-bearing liabilities, other than those that have a short term to maturity. Interest rate risk is the potential of economic losses due to future interest rate changes. These economic losses can be reflected as a loss of future net interest income and/or a loss of current fair market values. The objective is to measure the effect on net interest income and to adjust the balance sheet to minimize the inherent risk while at the same time maximizing income.

We endeavor to manage our exposure to interest rates by structuring our balance sheet in the ordinary course of business. We do not enter into instruments such as leveraged derivatives, financial options or financial futures contracts for the purpose of reducing interest rate risk. We endeavor to hedge the interest rate risks of our available-for-sale mortgage pipeline by using MBS, and short positions. Based on the nature of our operations, we are not subject to foreign exchange or commodity price risk. We do not own any trading assets.

Our exposure to interest rate risk is managed by the Bank's Asset/Liability Management Committee ("ALCO") in accordance with policies approved by our board of directors. The ALCO formulates strategies based on perceived levels of interest rate risk. In determining the appropriate level of interest rate risk, the committee considers the impact on earnings and capital of the current outlook for interest rates, potential changes in interest rates, regional economies, liquidity, business strategies and other factors. The ALCO meets regularly to review, among other things, the sensitivity of assets and liabilities to interest rate changes, the book and market values of assets and liabilities, unrealized gains and losses, purchase and sale activities, commitments to originate loans and the maturities of investments and borrowings. Additionally, the ALCO reviews liquidity, cash flow flexibility, maturities of deposits and consumer and commercial deposit activity. Management employs methodologies to manage interest rate risk, which include an analysis of relationships between interest earning assets and interest-bearing liabilities and an interest rate shock simulation model.

The following table indicates that, for periods less than one year, rate-sensitive assets exceeded rate-sensitive liabilities, resulting in an asset-sensitive position. For a bank with an asset-sensitive position, or positive gap, rising interest rates would generally be expected to have a positive effect on net interest income, and falling interest rates would generally be expected to have the opposite effect.

INTEREST SENSITIVITY GAP

September 30, 2026 (in thousands)	Within One Month	After One Month Through Three Months	After Three Through Twelve Months	Within One Year	Greater Than One Year or Non-Sensitive	Total
Assets						
Interest earning assets						
Loans [1]	$ 1,297,633	$ 196,330	$ 524,690	$ 2,018,653	$ 1,169,862	$ 3,188,515
Securities	3,661	11,569	44,180	59,410	161,436	220,846
Interest-bearing deposits at other financial institutions	246,469	—	—	246,469	—	246,469
Federal funds sold	—	—	—	—	—	—
Total earning assets	$ 1,547,763	$ 207,899	$ 568,870	$ 2,324,532	$ 1,331,298	$ 3,655,830
Liabilities						
Interest-bearing liabilities						
Interest-bearing deposits	$ 30,286	$ 60,573	$ 272,577	$ 363,436	$ 1,369,821	$ 1,733,257
Time deposits	75,435	148,524	495,098	719,057	22,285	741,342
Total interest-bearing deposits	105,721	209,097	767,675	1,082,493	1,392,106	2,474,599
FHLB Advances	—	—	—	—	—	—
Other borrowed funds	—	2,062	—	2,062	—	2,062
Total interest-bearing liabilities	$ 105,721	$ 211,159	$ 767,675	$ 1,084,555	$ 1,392,106	$ 2,476,661
Period gap	$ 1,442,042	$ (3,260)	$ (198,805)	$ 1,239,977	$ (60,808)	$ 1,179,169
Cumulative gap	1,442,042	1,438,782	1,239,977	1,239,977	1,179,169	
Ratio of cumulative gap to total earning assets	39.44 %	39.36 %	33.92 %	33.92 %	32.25 %	

[1] Includes loans held for sale.

We use quarterly Earnings at Risk (“EAR”) simulations to assess the impact of changing interest rates on our earnings under a variety of scenarios and time horizons. These simulations utilize both instantaneous and parallel changes in the level of interest rates, as well as non-parallel changes such as changing slopes and twists of the yield curve. Static simulation models are based on current exposures and assume a constant balance sheet with no new growth. Dynamic simulation models are also utilized that rely on assumptions regarding changes in existing lines of business, new business, and changes in management and client behavior.

We also use economic value-based methodologies to measure the degree to which the economic values of the Bank’s positions change under different interest rate scenarios. The economic-value approach focuses on a longer-term time horizon and endeavors to capture all future cash flows expected from existing assets and liabilities. The economic value model utilizes a static approach in that the analysis does not incorporate new business; rather, the analysis shows a snapshot in time of the risk inherent in the balance sheet.

Many assumptions are used to calculate the impact of interest rate fluctuations on our net interest income, such as asset prepayments, non-maturity deposit price sensitivity and decay rates, and key rate drivers. Because of the inherent use of these estimates and assumptions in the model, our actual results may, and very likely will, differ from our static EAR results. In addition, static EAR results do not include actions that our management may undertake to manage the risks in response to anticipated changes in interest rates or client behavior. For example, as part of our asset/liability management strategy, management has the ability to increase asset duration and decrease liability duration in order to reduce asset sensitivity, or to decrease asset duration and increase liability duration in order to increase asset sensitivity.

The following table summarizes the results of our EAR analysis in simulating the change in net interest income and fair value of equity over a 12-month horizon as of September 30, 2026:

IMPACT ON NET INTEREST INCOME UNDER A STATIC BALANCE SHEET, PARALLEL INTEREST RATE SHOCK

Earnings at Risk	-400 bps	-300 bps	-200 bps	-100 bps	Flat	+100 bps	+200 bps	+300 bps	+400 bps
September 30, 2026	(12.5)%	(9.2)%	(6.6)%	(3.5)%	0.0 %	3.7 %	7.3 %	10.9 %	14.4 %

Utilizing an economic value of equity (“EVE”) approach, we analyze the risk to capital from the effects of various interest rate scenarios through a long-term discounted cash flow model. This measures the difference between the economic value of our assets and the economic value of our liabilities, which is a proxy for our liquidation value. While this provides some value as a risk measurement tool, management believes EAR is more appropriate in accordance with the going concern principle.

The following table illustrates the results of our EVE analysis as of September 30, 2026.

ECONOMIC VALUE OF EQUITY ANALYSIS UNDER A STATIC BALANCE SHEET, PARALLEL INTEREST RATE SHOCK

Economic Value of Equity	-400 bps	-300 bps	-200 bps	-100 bps	Flat	+100 bps	+200 bps	+300 bps	+400 bps
September 30, 2026	(15.6)%	(8.3)%	(3.6)%	(1.2)%	0.0 %	0.4 %	0.0 %	0.2 %	0.2 %

Item 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed in the reports we file and submit under the Exchange Act with the SEC, such as this Quarterly Report, is (i) recorded, processed, summarized and reported as and when required and (ii) accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosures. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, a control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

An evaluation of the effectiveness of these disclosure controls and procedures as of September 30, 2026 was carried out under the supervision and with the participation of management, including our Principal Executive Officer and Principal Financial Officer. Based on that evaluation, the Company's management, including our Principal Executive Officer and Principal Financial Officer, concluded that our disclosure controls and procedures were not effective at the reasonable assurance level at September 30, 2026 due to the material weakness in the Company's internal control over financial reporting that was previously disclosed in Part II, Item 9A of the Company's 2025 Form 10-K, described below.

Previously Reported Material Weakness and Remediation Activities

As previously disclosed in Part II, Item 9A of the Company's 2025 Form 10-K, management identified a material weakness in the Company's internal control over financial reporting related to controls over two clearing accounts that support transactional activity related to the sale and participation of government-guaranteed loans; the clearing accounts were Loans Work-in-Progress and AutoPay - Participations Sold. The operational processes and systems used to book, sell and participate these loans were inherited from the IFH transaction. The material weakness resulted from the aggregation of control deficiencies with each of the two clearing accounts, Loans Work-in-Progress and AutoPay - Participations Sold.

During 2026, management implemented the remediation plan described in the 2025 Form 10-K. Specifically, management:

- Added loan operations personnel, established dedicated ownership of the reconciliation of loan clearing accounts, and enhanced leadership over the operations function.

- Completed a review of legacy aged items in one of the clearing accounts, Loans Work-in-Progress, and derecognized items that could not be supported. Management also implemented enhanced reconciliation, aging, and escalation procedures across both clearing accounts, including documented explanations for aged items, weekly review by operations leadership, and required approval of exceptions for aged items.

- Continued to complete a monthly reconciliation between the Bank's core system and the Government Guaranteed Lending loan system, and enhanced the reconciliation to lower the

threshold for investigating differences and to monitor the aging of unresolved differences, with investigation and resolution of reconciliation differences.

- Established a sub-working group that meets bi-weekly to review government-guaranteed and participated loan activity and the related clearing account balances, and that reports to Management's Executive Sarbanes-Oxley Steering Committee.

The controls for Loans Work-in-Progress have been designed and implemented and have operated for a sufficient period of time, and management has concluded, through testing, that these controls are operating effectively.

With respect to the AutoPay - Participations Sold clearing account, management has implemented enhanced controls, including strengthened reconciliation, aging, review and escalation procedures, and has been testing their operating effectiveness. Management continues to implement improvements to these controls and has not yet completed sufficient testing over an adequate period of operation to conclude that the controls are operating effectively for purposes of remediating this component of the material weakness.

Changes in Internal Control over Financial Reporting

Other than the efforts described above, there were no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS.

From time to time, we are a party to various litigation matters incidental to the ordinary conduct of our business. We are not presently a party to any legal proceedings which the Company believes will have a material adverse impact on the results of operations or financial condition of the Company.

Item 1A. RISK FACTORS.

The section titled Risk Factors in Part I, Item 1A of our 2025 Form 10-K included a discussion of the many risks and uncertainties we face, any one or more of which could have a material adverse effect on our business, results of operations, financial condition (including capital and liquidity), prospects, or the value of or return on an investment in the Company. The information presented below provides an update to, and should be read in conjunction with the risk factors and other information contained in Item 1A of our 2025 Form 10-K.

As a result of the Company entering into the Merger Agreement with Peoples, certain risk factors have been identified:

The Merger Agreement may be terminated in accordance with its terms and the Merger may not be completed.

The Merger Agreement is subject to a number of conditions which must be fulfilled in order to complete the Merger. Those conditions include, among other things: (i) approval by each of the Company's stockholders and Peoples' stockholders of certain matters relating to the Merger at each company's respective special meeting; (ii) receipt of all required regulatory approvals and expiration of all applicable waiting periods; and (iii) the absence of any law, injunction, judgment or order prohibiting the consummation of the Merger, the Bank Merger or any of the other transactions contemplated by the Merger Agreement. Each party's obligation to complete the Merger is also subject to certain additional customary conditions, including (a) subject to applicable materiality standards, the accuracy of the representations and warranties of the other party, (b) the performance in all material respects by the other party of its obligations under the Merger Agreement and (c) the receipt by each party of an opinion from its counsel to the effect that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986.

These conditions to the closing of the Merger may not be fulfilled in a timely manner or at all, and, accordingly, the Merger may not be completed. In addition, the parties can mutually decide to terminate the Merger Agreement at any time, before or after the requisite stockholder approvals, or the Company or Peoples may unilaterally elect to terminate the Merger Agreement in certain other circumstances.

Regulatory approvals may not be received, may take longer than expected, or may impose conditions that are not presently anticipated or that could have an adverse effect on the combined company following the Merger.

Before the Merger and the Bank Merger may be completed, various approvals, consents and non-objections must be obtained from the Federal Reserve, the FDIC, the OCC, the Ohio Department of Commerce, Division of Financial Institutions, the Office of Financial Regulation of Maryland, and other regulatory authorities in the United States. In determining whether to grant these approvals, such regulatory authorities consider a variety of factors, including the regulatory standing of each party. These approvals could be delayed or not obtained at all, including due to an adverse development in either party's regulatory standing or in any other factors considered by regulators when granting such approvals; governmental, political, or community group inquiries, investigations, or opposition; or changes in legislation or the political environment generally.

The approvals that are granted may impose terms and conditions, limitations, obligations, or costs, or place restrictions on the conduct of the combined company's business or require changes to the terms of the transactions contemplated by the Merger Agreement. There can be no assurance that regulators will not impose any such conditions, limitations, obligations, or restrictions and that such conditions, limitations, obligations, or restrictions will not have the effect of delaying the completion of any of the transactions contemplated by the Merger Agreement, imposing additional material costs on or materially limiting the revenues of the combined company following the Merger or otherwise reducing the anticipated benefits of the Merger if the Merger was consummated successfully within the expected timeframe. In addition, there can be no assurance that any such conditions, terms, obligations, or restrictions will not result in the delay or abandonment of the Merger. Additionally, the completion of the Merger is conditioned on the absence of certain orders, injunctions or decrees by any court or regulatory agency of competent jurisdiction that would prohibit or make illegal the completion of any of the transactions contemplated by the Merger Agreement.

In addition, despite the parties' commitments to using their reasonable best efforts to comply with conditions imposed by regulators, under the terms of the Merger Agreement, neither the Company nor Peoples, nor any of their respective subsidiaries, is permitted (without the written consent of the other party), to take any action, or commit to take any action, or agree to any condition or restriction, in connection with obtaining the required permits, consents, approvals and authorizations of governmental entities that would reasonably be expected to have a material adverse effect on the combined company and its subsidiaries, taken as a whole, after giving effect to the Merger and the Bank Merger.

Failure to complete the Merger could negatively impact the Company.

If the Merger is not completed for any reason, including as a result of the Company's or Peoples' stockholders failing to approve certain matters in connection with the Merger at each company's respective special meeting, there may be various adverse consequences and the Company may experience negative reactions from the financial markets and from its customers and employees. For example, the Company's business may have been impacted adversely by the failure to pursue other beneficial opportunities due to the focus of management on the Merger, without realizing any of the anticipated benefits of completing the Merger. Also, the Company has devoted significant internal resources to the pursuit of the Merger and the expected benefit of those resource allocations would be lost if the Merger is not completed. Additionally, if the Merger Agreement is terminated, the market price of the Company's common stock could decline to the extent that current market prices reflect a market assumption that the Merger will be beneficial and will be completed. The Company also could be subject to litigation related to any failure to complete the Merger or to proceedings commenced against the Company to perform its obligations under the Merger Agreement. If the Merger Agreement is terminated under certain circumstances, the Company may be required to pay a termination fee of $30.66 million to Peoples.

Combining the two companies may be more difficult, costly, or time consuming than expected and the anticipated benefits and cost savings of the Merger may not be realized.

The Company and Peoples have operated and, until the completion of the Merger, will continue to operate independently. The success of the Merger, including anticipated benefits and cost savings, will depend, in part, on our ability to successfully combine and integrate the businesses of the Company and Peoples in a manner that permits growth opportunities and does not materially disrupt the existing customer relations nor result in decreased revenues due to loss of customers. It is possible that the integration process could result in the loss of key employees, the disruption of either company's ongoing businesses or inconsistencies in standards, controls, procedures, and policies that adversely affect the combined company's ability to maintain relationships with clients, customers, depositors, and employees or to achieve the anticipated benefits and cost savings of the Merger. The loss of key employees could adversely affect the Company's ability to successfully conduct its business, which could have an adverse effect on the Company's financial results and the value of its common stock. If the Company experiences

difficulties with the integration process, the anticipated benefits of the Merger may not be realized fully or at all or may take longer to realize than expected. As with any merger of financial institutions, there also may be business disruptions that cause the Company or Peoples to lose customers or cause customers to remove their accounts from the Company or Peoples and move their business to competing financial institutions. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of the Company and Peoples during this transition period and for an undetermined period after completion of the Merger on the combined company. In addition, the actual cost savings of the Merger could be less than anticipated.

The combined company may be unable to retain the Company and/or Peoples personnel successfully after the Merger is completed.

The success of the Merger will depend in part on the combined company's ability to retain the talent and dedication of key employees currently employed by the Company or Peoples. It is possible that these employees may decide not to remain with the Company or Peoples, as applicable, while the Merger is pending or with the combined company after the Merger is consummated. If the Company and Peoples are unable to retain key employees, including management, who are critical to the successful integration and future operations of the companies, the Company and Peoples could face disruptions in their operations, loss of existing customers, loss of key information, expertise or know-how and unanticipated additional recruitment costs. In addition, following the Merger, if key employees terminate their employment, the combined company's business activities may be adversely affected, and management's attention may be diverted from successfully hiring suitable replacements, all of which may cause the combined company's business to suffer. The Company and Peoples also may not be able to locate or retain suitable replacements for any key employees who leave either company.

The Company will be subject to business uncertainties and contractual restrictions while the Merger is pending that could adversely affect our business and operations.

Uncertainty about the effect of the Merger on employees, customers and other persons the Company has a business relationship with may have an adverse effect on the Company's business, operations, and stock price. These uncertainties may impair the Company's ability to attract, retain and motivate key personnel until the Merger is completed, and could cause customers and others that deal with the Company to seek to change existing business relationships. Retention of certain employees by the Company may be challenging while the Merger is pending, as certain employees may experience uncertainty about their future roles with the Company. These retention challenges could require the Company to incur additional expenses in order to retain key employees. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the Company, the Company's business could be harmed. In addition, subject to certain exceptions, each of the Company and Peoples has agreed to operate its business in the ordinary course prior to closing in all material respects and to refrain from taking certain actions. The Company may delay or abandon projects and other business decisions could be deferred during the pendency of the Merger.

The Company will incur substantial expenses related to the Merger.

Both the Company and Peoples will incur substantial expenses in connection with the negotiation and completion of the transactions contemplated by the Merger Agreement. These costs include legal, financial advisory, accounting, consulting, and other advisory fees, retention, severance, and employee benefit-related costs, public company filing fees and other regulatory fees, financial printing and other printing costs, closing, integration and other related costs. Some of these costs are payable by the Company regardless of whether or not the Merger is completed.

Stockholder litigation related to the Merger could prevent or delay the completion of the Merger, result in the payment of damages or otherwise negatively impact the business and operations of the Company.

Stockholders may bring claims in connection with the proposed Merger and, among other remedies, may seek damages or an injunction preventing the Merger from closing. If any plaintiff were successful in obtaining an injunction prohibiting the Company or Peoples from completing the Merger or any other transactions contemplated by the Merger Agreement, then such injunction may delay or prevent the effectiveness of the Merger and could result in costs to the Company, including costs in connection with the defense or settlement of any stockholder lawsuits filed in connection with the Merger. Further, such lawsuits and the defense or settlement of any such lawsuits may have an adverse effect on the financial condition and results of operations of the Company.

The Merger Agreement limits the Company's ability to pursue acquisition proposals.

The Merger Agreement prohibits the Company from initiating, soliciting, knowingly encouraging or knowingly facilitating certain third-party acquisition proposals. These provisions might discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of the Company from considering or proposing such an acquisition.

The other risk factors that could affect the Company's financial condition or operating results remain unchanged from those previously disclosed in the Company's 2025 Form 10-K.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

There were no unregistered sales of the Company's stock during the year to date period ended September 30, 2026.

On March 16, 2026, the Company announced a new stock repurchase program. Under the new stock repurchase program, the Company is authorized to repurchase up to $15 million of its common stock, par value $0.01 per share ("Common Stock"), or an aggregate of 550,000 shares of Common Stock. The new stock repurchase program will expire on December 31, 2026, but may be limited or terminated at any time without prior notice.

During the three months ended September 30, 2026, the Company did not repurchase any Common Stock under the stock repurchase program. The stock repurchase program is currently suspended due to the announced Merger.

Item 3. DEFAULTS UPON SENIOR SECURITIES.

None.

Item 4. MINE SAFETY DISCLOSURES.

Not applicable.

Item 5. OTHER INFORMATION.

Rule 10b5-1 Trading Plans

During the quarter ended September 30, 2026, no officer or director of the Company adopted or terminated any contract, instruction, or written plan for the purchase or sale of securities of the Company's common stock that is intended to satisfy the affirmative defense conditions of Exchange Act Rule 10b5-1(c), or adopted or terminated any non-Rule 10b5-1 trading arrangement as defined in 17 CFR § 229.408(c).

Item 6. EXHIBITS.

Exhibit Number	Description
2.1	Agreement and Plan of Merger and Reorganization, dated March 27, 2024, by and between the Company and Integrated Financial Holdings Inc. (incorporated by reference to Exhibit 2.1 to the Company's Form 8-K filed on April 1, 2024)
2.2	Agreement and Plan of Merger, dated September 29, 2026, by and between the Company and Peoples Bancorp Inc. (incorporated by reference to Exhibit 2.1 to the Company's Form 8-K filed on September 30, 2026)
3.1	Amended and Restated Articles of Incorporation, as amended (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed on May 23, 2023)
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Form 8-K filed on May 23, 2023)
31.1	Rule 13a-14(a) Certification of the Principal Executive Officer.
31.2	Rule 13a-14(a) Certification of the Principal Financial Officer.
32.1	Section 1350 Certification of Principal Executive Officer and Principal Financial Officer.
101	The following materials from the Quarterly Report on Form 10-Q of Capital Bancorp, Inc. for the quarter ended September 30, 2026, formatted in eXtensible Business Reporting Language (XBRL): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statement of Changes in Stockholders' Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to Unaudited Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

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: November 6, 2026

By: /s/ Edward F. Barry
Name: Edward F. Barry
Title: Chief Executive Officer
(Principal Executive Officer)

Date: November 6, 2026

By: /s/ Jacob Dalaya
Name: Jacob Dalaya
Title: Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

Section 2: EX-31.1 (RULE 13A-14(A) CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER)

Exhibit 31.1

Rule 13a-14(a) Certification of the Principal Executive Officer.

I, Edward F. Barry, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Capital Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2026

By: /s/ Edward F. Barry
Name: Edward F. Barry
Title: Chief Executive Officer

Section 2: EX-31.2 (RULE 13A-14(A) CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER)

Exhibit 31.2

Rule 13a-14(a) Certification of the Principal Financial Officer.

I, Jacob Dalaya, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Capital Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2026

By: /s/ Jacob Dalaya
Name: Jacob Dalaya
Title: Principal Financial Officer

Section 2: EX-32.1 (Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

Exhibit 32

Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

In connection with the Quarterly Report of Capital Bancorp, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the undersigned's best knowledge and belief:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 6, 2026

By: /s/ Edward F. Barry
Name: Edward F. Barry
Title: Chief Executive Officer

By: /s/ Jacob Dalaya
Name: Jacob Dalaya
Title: Principal Financial Officer