

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

FORM 8-K

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

Date of Report (Date of earliest event reported): November 12, 2024

**CAPITAL BANCORP, INC.**

(Exact name of registrant as specified in its charter)

Maryland  
(State or other jurisdiction of incorporation or organization)

001-38671  
(Commission file number)

52-2083046  
(IRS Employer Identification No.)

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

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

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

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

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

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

Emerging growth company

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

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

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

**Item 7.01 Regulation FD Disclosure**

Capital Bancorp, Inc. (the "Company") is filing an investor presentation relating to its third quarter of 2024 (the "Presentation") that will be used by Company management for presentations to investors and others. The Presentation replaces and supersedes investor presentation materials previously furnished as an exhibit to the Company's Current Reports on Form 8-K. A copy of the Presentation is attached hereto as Exhibit 99.1.

The information in this Current Report on Form 8-K and in the exhibit is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall it be incorporated by reference into any filing under the Securities Act of 1933, as amended, except as may expressly be set forth in any such filing by specific reference. The furnishing of the transcript is not intended to constitute a representation that such furnishing is required by Regulation FD or that the transcript includes material investor information that is not otherwise publicly available.

**Item 9.01. Financial Statements and Exhibits**

**(d) Exhibits**

- 99.1 [Investor Presentation September 2024](#)
  - 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)
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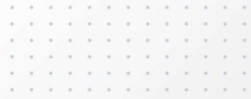
**SIGNATURES**

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 hereunto duly authorized.

**CAPITAL BANCORP, INC.**

Date: November 12, 2024

By: /s/ Dominic Canuso  
Name: Dominic Canuso  
Title: Chief Financial Officer



CAPITAL BANCORP, INC.



**3Q 2024**  
**Investor Overview**



## Forward Looking Statements

The statements contained in this presentation that are not historical facts are forward-looking statements based on management's current expectations and beliefs concerning future developments and their potential effects on Capital Bancorp, Inc. (the "Company" or "Capital") including, without limitation, plans, strategies and goals, and statements about the Company's expectations regarding revenue and asset growth, financial performance and profitability, loan and deposit growth, yields and returns, loan diversification and credit management, and shareholder value creation. These statements are often, but not always, made through the use of words or phrases such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "could," "should," "seeks," "projects," "can," "ongoing," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of those words or other comparable words. Such statements involve inherent risks and uncertainties, many of which are difficult to predict and are generally beyond the control of the Company. The inclusion of or reference to forward-looking information in this presentation should not be regarded as a representation by Capital or any other person that the future plans, estimates or expectations contemplated by the Company will be achieved. Any or all of the forward-looking statements in (or conveyed orally regarding) this presentation may turn out to be inaccurate. Accordingly, you are cautioned not to place undue reliance on forward-looking statements and that any such forward-looking statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the expected results expressed or implied by such forward-looking statements. While there is no assurance that any list of risks and uncertainties or risk factors is complete, below are certain factors which could cause actual results to differ materially from those contained or implied in the forward-looking statements: changes in general economic, political, or industry conditions; geopolitical concerns, including the ongoing wars in Ukraine and in the Middle East; uncertainty in U.S. fiscal and monetary policy, including the interest rate policies of the Board of Governors of the Federal Reserve System; inflation/deflation, interest rate, market, and monetary fluctuations; volatility and disruptions in global capital and credit markets; competitive pressures on product pricing and services; success, impact, and timing of our business strategies, including market acceptance of any new products or services; the impact of changes in financial services policies, laws, and regulations, including those concerning taxes, banking, securities, and insurance, and the application thereof by regulatory bodies; cybersecurity threats and the cost of defending against them, including the costs of compliance with potential legislation to combat cybersecurity at a state, national, or global level; climate change, including any enhanced regulatory, compliance, credit and reputational risks and costs; the expected cost savings, synergies and other financial benefits from the acquisition of IFHI or any other acquisition the Company has made or may make might not be realized within the expected time frames or at all; the effect of acquisitions we have made or may make, 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; and other factors that may affect our future results.

Except as otherwise indicated, this presentation speaks as of the date hereof. The delivery of this presentation shall not, under any circumstances, create any implication that there has been no change in the affairs of Capital after the date hereof.

Certain of the information contained herein may be derived from information provided by industry sources. The Company believes that such information is accurate and that the sources from which it has been obtained are reliable. Capital cannot guarantee the accuracy of such information, however, and has not independently verified such information. While Capital is not aware of any misstatements regarding the industry data presented in this presentation, Capital's estimates involve risks and uncertainties and are subject to change based on various factors. Similarly, Capital believes that its internal research is reliable, even though such research has not been verified by independent sources.

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

This presentation may include certain non-GAAP financial measures intended to supplement, not substitute for, comparable GAAP measures. These non-GAAP financial measures should not be considered in isolation, and should be considered as additions to, and not substitutes for or superior to, measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of the Company's non-GAAP financial measures as tools for comparison. If included in this presentation, see the Appendix to this presentation for a reconciliation of the non-GAAP financial measures used in (or conveyed orally during) this presentation to their most directly comparable GAAP financial measures.

## Capital Bancorp, Inc. (NASDAQ-CBNK)

### Financial Highlights

(in millions except per share data)						
	September 30, 2024	June 30, 2024	QoQ Result	September 30, 2023	YoY Result	
<b>Balance Sheet</b>						
Assets	\$ 2,561	\$ 2,439	5.0%	\$ 2,272	12.7%	
Portfolio Loans	2,108	2,022	4.3%	1,863	13.2%	
Deposits	2,186	2,100	4.1%	1,968	11.1%	
<b>Quarterly Financial Performance</b>						
Tangible Book Value per Share <sup>(1)</sup>	\$ 20.13	\$ 19.26	4.5%	\$ 17.48	15.2%	
Earnings per Share, Diluted	\$ 0.62	\$ 0.59	5.1%	\$ 0.70	-11.4%	
Earnings per Share, Diluted, as adjusted <sup>(1)</sup>	\$ 0.66	\$ 0.59	11.9%	\$ 0.70	-5.7%	
ROAA, annualized	1.42%	1.40%	2 bps	1.75%	-33 bps	
ROAA, annualized, as adjusted <sup>(1)</sup>	1.51%	1.41%	10 bps	1.75%	-24 bps	
ROAE, annualized	12.59%	12.53%	6 bps	16.00%	-341 bps	
ROAE, annualized, as adjusted <sup>(1)</sup>	13.40%	12.62%	78 bps	16.00%	-260 bps	
Efficiency Ratio	66.07%	67.11%	-104 bps	65.02%	105 bps	
Efficiency Ratio, as adjusted <sup>(1)</sup>	64.92%	66.92%	-200 bps	65.02%	-10 bps	
Net Interest Margin	6.41%	6.46%	-5 bps	6.71%	-30 bps	
Net Interest Margin, as adjusted <sup>(1)(2)</sup>	4.08%	4.00%	8 bps	4.05%	3 bps	

### Corporate Timeline



CAPITAL BANCORP, INC.

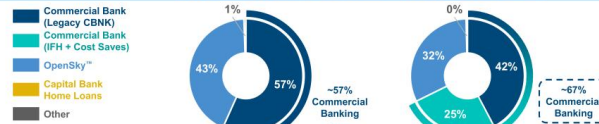
(1) Refer to Appendix for reconciliation of non-GAAP measures.  
(2) Excluding credit card loans

## Business Model Remains Uniquely Diversified



Commercial Banking			Capital Bank Home Loans		OpenSky™		
<b>\$1.9B</b> Portfolio Gross Loans, ex. OpenSky™	<b>\$1.8B</b> Deposits	<b>\$84mm</b> Trailing 12-Month Revenue	<b>\$254mm</b> Trailing 12-Month Volume <sup>1</sup>	<b>\$6mm</b> Trailing 12-Month Revenue	<b>\$127mm</b> Loans, net <sup>2</sup>	<b>\$171mm</b> Deposits	<b>\$78mm</b> Trailing 12-Month Revenue
<ul style="list-style-type: none"> <li>Commercial branch-lite model focused on attractive Maryland, D.C. and Northern Virginia markets</li> <li>High value-added services and targeted vertical expertise generates above-average risk-adjusted loan yields</li> </ul>			<ul style="list-style-type: none"> <li>Gain on sale margin and pipeline returning to normalized levels</li> <li>Expense management has reduced losses while maintaining robust origination capabilities</li> <li>Well-positioned for stabilization or decline in rates</li> <li>Natural hedge against asset sensitivity of the balance sheet</li> </ul>		<ul style="list-style-type: none"> <li>Nationwide, secured credit card to help under-banked customers (re)establish their credit with opportunities for graduation into unsecured credit</li> <li>Building capabilities to cross-sell products and services as card-holders progress on their customer journeys</li> <li>Extending unsecured to graduating customers and starting to build capabilities around a straight to unsecured product</li> </ul>		
<div style="border: 1px dashed black; padding: 5px;"> <p><b>IFH</b></p> <ul style="list-style-type: none"> <li>Nationwide Government Guaranteed Lending (GGL) business with niche expertise in Solar and Renewable Energy</li> <li>Nationwide GGL servicing platform with attractive economics</li> <li>Strong C&amp;I pipeline with proven ability to originate \$100+ million per year of loans</li> </ul> </div>							

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



Source: Company Documents.  
 Note: CBNK financial metrics as of 9/30/2024 unless otherwise stated.  
<sup>1</sup> Volume in FY 2021 was approximately \$1.0 billion and volume in FY 2022 was approximately \$300 million.  
<sup>2</sup> Credit card loans are presented net of reserve for interest and fees.  
<sup>3</sup> Excludes \$1.8 million loss in Capital Bank Home Loans. Commercial Bank with IFH includes IFH 2023Y core net income of -\$7.5 million plus \$5.3 million of fully phased-in after-tax cost savings. IFH 2023Y core net income based on reported net income of \$11.2 million less \$4.7 million in pre-tax adjustments, tax effected at 22.5%.  
<sup>4</sup> This illustration includes certain expenses previously recorded directly to the Commercial Bank segment, allocated to the other segments for 2023.

## Third Quarter 2024 Highlights

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### Earnings and Profitability

- Net Income of \$8.7 million; as adjusted<sup>(1)</sup> of \$9.2 million
- Diluted EPS of \$0.62; as adjusted<sup>(1)</sup> of \$0.66
- Return on Average Assets of 1.42%; as adjusted<sup>(1)</sup> of 1.51%
- Return on Average Equity of 12.59%; as adjusted<sup>(1)</sup> of 13.40%
- Cash dividend of \$0.10 per share declared
- Pre-tax Merger-Related Expenses totaled \$0.5 million; \$1.3 million YTD

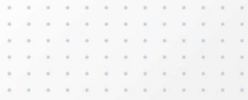
### Key Operating Trends

- Net Interest Margin of 6.41%
- Core Net Interest Margin, Adjusted<sup>(1)(2)</sup> of 4.08%
- Efficiency Ratio of 66.1%; as adjusted<sup>(1)</sup> of 64.9%


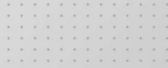
### Loans and Deposits

- Total portfolio loans increased \$85.9 million, or 4.3% (not annualized), to \$2.108 billion
- Total average portfolio loans increased \$61.0 million to \$2.054 billion
- Total deposits increased \$85.8 million, or 4.1% (not annualized), to \$2.186 billion
- Total average deposits increased \$80.6 million to \$2.091 billion
- Portfolio loans-to-deposit ratio (average balances) of 98.2%





**Recently Completed  
Strategic Acquisition  
of IFHI**



## Transaction Overview and Strategic Rationale

### Strategic Acquisition of IFH

- Capital Bancorp, Inc. (NASDAQ: CBNK) acquired Integrated Financial Holdings, Inc. (OTCQX:IFH), a \$518 million asset bank holding company at announcement of the transaction
- Announced aggregate purchase price of \$66.5 million
  - 81% stock / 19% cash at announcement
- IFH is headquartered in Raleigh, North Carolina
- Branch-lite (single location) business model specializing in C&I, Government Guaranteed Lending (“GGL”) and renewables loan origination and servicing on a nationwide basis
- High degree of fee income (48% of revenue<sup>1</sup>) and top-tier profitability track record (1.55% core ROAA<sup>2</sup>)

~17%  
2025E EPS  
Accretion

~1.8 Yrs  
TBV per share  
Eamback (Years)

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

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

Source: S&P Global Market Intelligence, FactSet.

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

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

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

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

CAPITAL BANCORP, INC.

### Transaction Materially Accelerates CBNK's Strategic Plan Initiatives

#### CBNK Strategic Initiative



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



## Merger Update

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- Merger completed on October 1, 2024
- On track to achieve the full run-rate level of ~\$7mm in annual cost savings
- Validated view on revenue synergies and pro forma USDA volumes utilizing our larger balance sheet

### Accomplishments

- Conducted CBNK cultural immersion sessions at all IFH locations, each attended by key CBNK executives
- Executed on Day 1 organizational changes
- Enacted required policy changes and Government Guaranteed lending committee
- Finalized post-LD1 integration and technology plan
- Began participating in IFH USDA loan participations in Q3 2024 (pre-close)

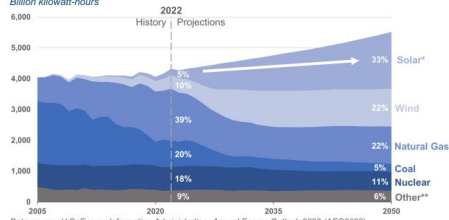
### Next Steps

- Core systems conversion scheduled for late February 2025
- Ongoing technology and vendor consolidation
- Continued execution of merger related revenue synergies; utilization of our larger balance sheet to participate in greater amounts of USDA bridge and government guaranteed lending; which IFH previously had to forego

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

## Significant Market Opportunity Given Renewables Growth

U.S. Electricity Generation from Selected Fuels



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

## Benefits of USDA Loans

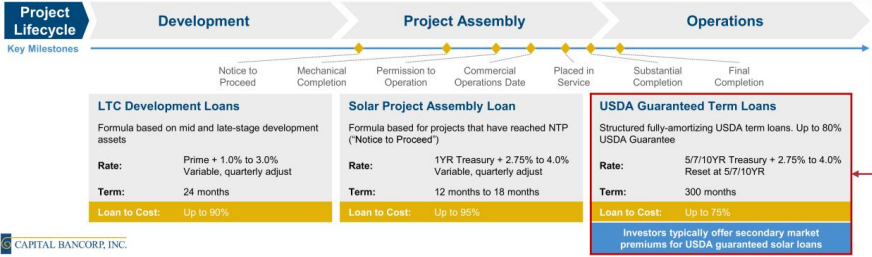
### Borrower

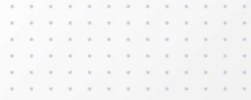
- ✓ Longer loan terms relative to conventional lending products
- ✓ Minimal financial covenants with a focus on payment defaults
- ✓ Guaranteed lending products offer competitive pricing
- ✓ USDA programs require matching amortization and loan terms

### Lender

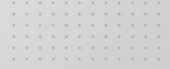
- ✓ Up to 80% loan guarantee (US Government)
- ✓ Full discretion to sell the guaranteed portion of the loan into a liquid and lucrative secondary market at any time
- ✓ Increased loan sizes but only the unguaranteed portion of the loan is considered for legal lending purposes

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





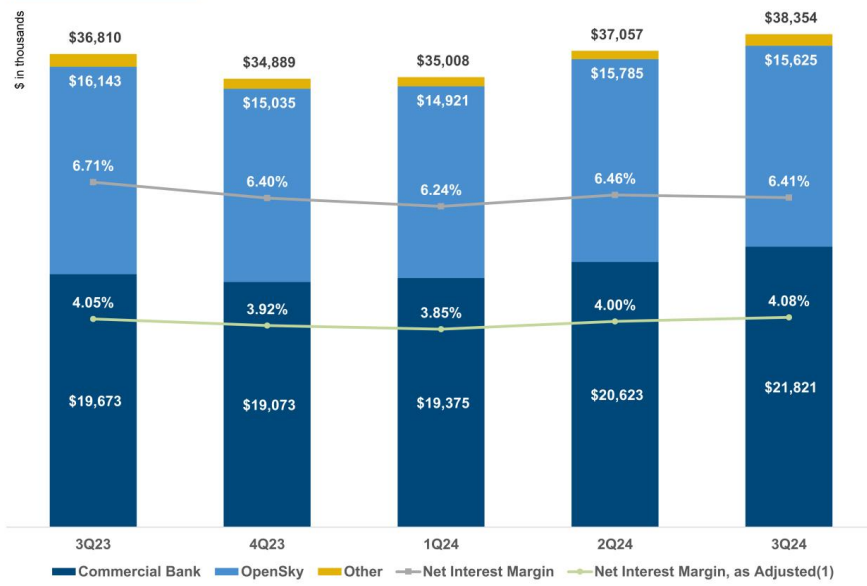
CAPITAL BANCORP, INC.



## Financial Information



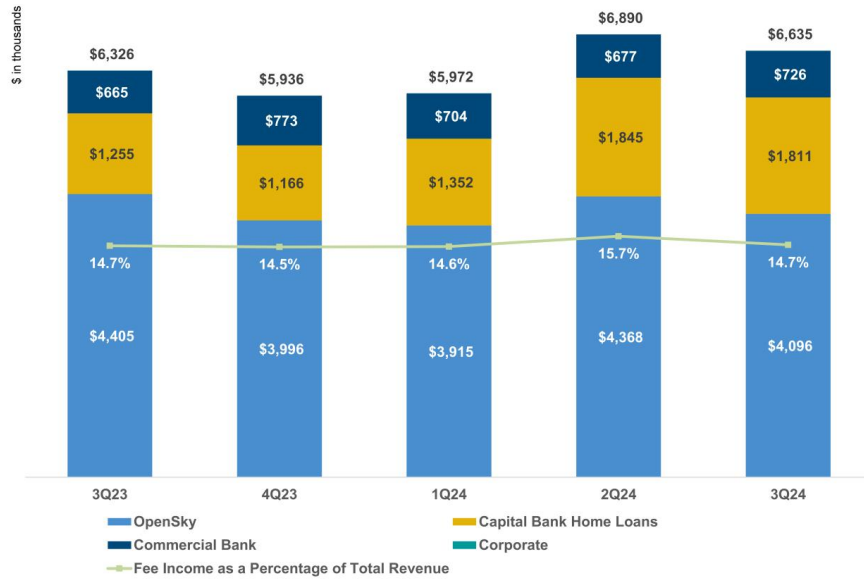
## Net Interest Income and Net Interest Margin



CAPITAL BANCORP, INC.

(1) Refer to Appendix for reconciliation of non-GAAP measures.  
Note: Other includes CBHL and Corporate

## Noninterest Income – Quarter to Date

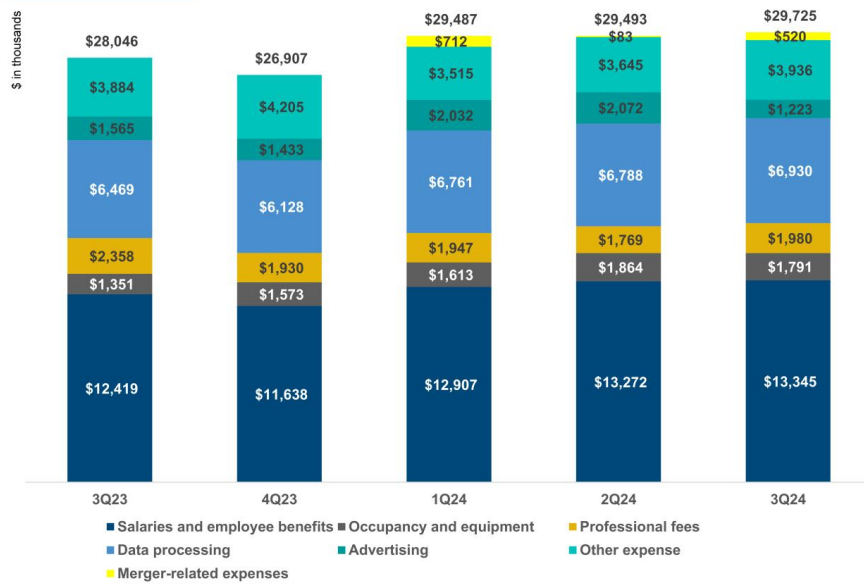


CAPITAL BANCORP, INC.

Note: The Corporate segment invests idle cash in revenue-producing assets including interest-bearing cash accounts, loan participations and other appropriate investments for the Company.

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## Noninterest Expense – Quarter to Date



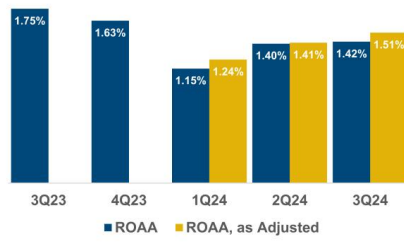
CAPITAL BANCORP, INC.

Note: Other expense includes loan processing expense, outside service providers expense, regulatory expense, office expense and other operational losses

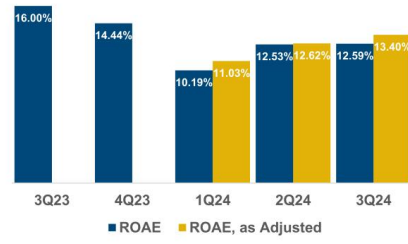


## Profitability

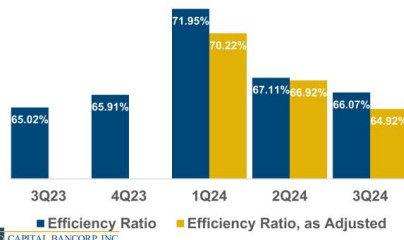
Return on Average Assets



Return on Average Equity



Efficiency Ratio



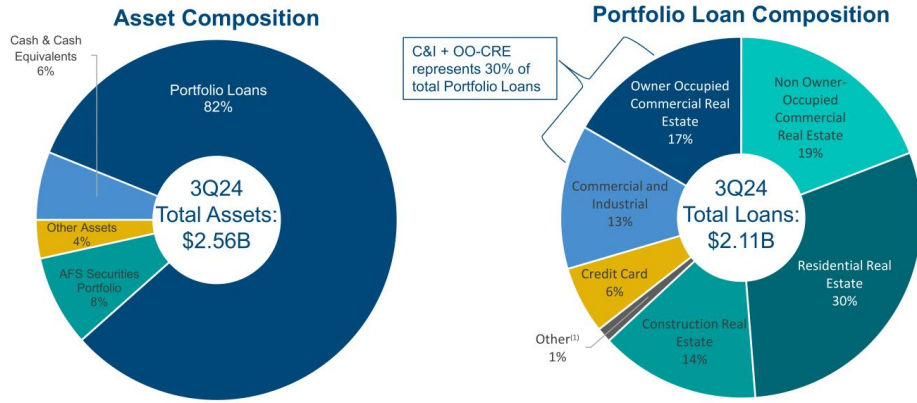
Earnings Per Share, diluted



CAPITAL BANCORP, INC.

Note: Refer to Appendix for reconciliation of adjusted, non-GAAP measures.

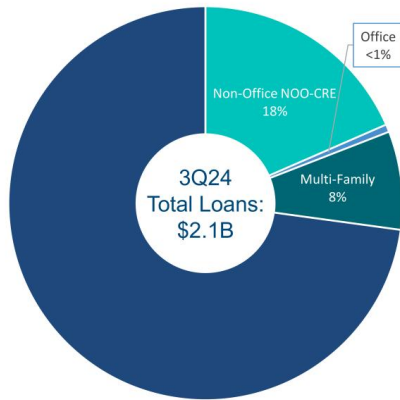
## Balance Sheet Composition



### Portfolio Loan Composition Changes

- Total Portfolio Loans increased \$85.9 million, or 4.3% (not annualized), from June 30, 2024.
- Owner Occupied Commercial Real Estate Loans totaled \$351.5 million.
- Non-Owner Occupied Commercial Real Estate Loans totaled \$403.5 million.
- Average Portfolio Loans increased \$61.0 million, or 3.1% (not annualized), from the second quarter 2024.
- Average Portfolio loans-to-deposit ratio of 98.2%.

## Non-Owner-Occupied Commercial Real Estate (“NOO-CRE”), incl. Multi-Family



(in thousands)

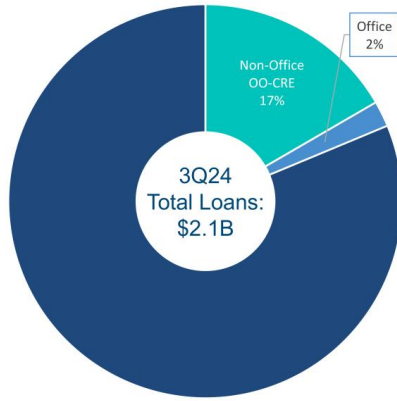
**As of September 30, 2024**

Loan Type	Amount	% of Total Portfolio Loans, Gross	Weighted Average LTV
Multi-family	\$ 170,513	8.1%	58.1%
Retail	\$ 116,324	5.5%	56.6%
Mixed Use	96,337	4.6%	52.8%
Hotel	74,343	3.5%	52.4%
Industrial	63,109	3.0%	54.2%
Office	13,356	0.6%	63.2%
Other	40,018	1.9%	55.4%
<b>Total NOO-CRE loans</b>	<b>\$ 403,487</b>	<b>19.1%</b>	<b>54.6%</b>
<b>Total portfolio loans, gross</b>	<b>\$ 2,113,705</b>		

### Loan-to-Value (“LTV”)

- Weighted average LTV is calculated by reference to the most recent available appraisal of the property securing each loan.
- Office Non-Owner-Occupied Commercial Real Estate loans totaled \$13.4 million, or 0.6% of total portfolio loans, gross with a weighted average LTV of 63.2%.

## Owner-Occupied Commercial Real Estate (“OO-CRE”)



(in thousands)

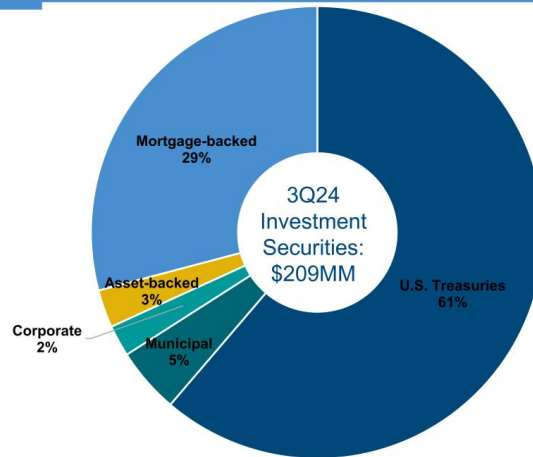
**As of September 30, 2024**

Loan Type	Amount	% of Total Portfolio Loans, Gross	Weighted Average LTV
Industrial	\$ 108,048	5.1%	56.9%
Office	44,781	2.1%	57.5%
Retail	41,137	1.9%	59.2%
Mixed use	17,550	0.8%	65.2%
Other	139,946	6.6%	61.6%
<b>Total OO-CRE loans</b>	<b>\$ 351,462</b>	<b>16.6%</b>	<b>59.6%</b>
<b>Total portfolio loans, gross</b>	<b>\$ 2,113,705</b>		

### Loan-to-Value (“LTV”)

- Weighted average LTV is calculated by reference to the most recent available appraisal of the property securing each loan.
- Other owner-occupied commercial real estate loans include special purpose loans of \$57.9 million, skilled nursing loans of \$53.8 million, and other loans of \$28.2 million.
- Office Owner-Occupied Commercial Real Estate loans totaled \$44.8 million, or 2.1% of total portfolio loans, gross with a weighted average LTV of 57.5%.

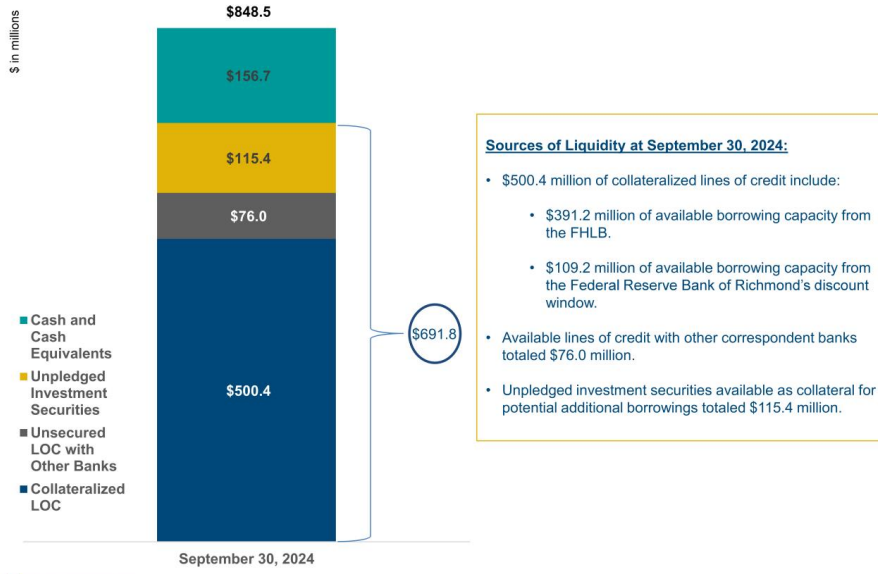
## High Quality, Low Risk Investment Portfolio



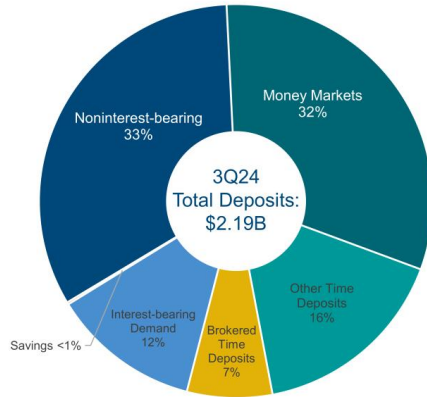
### Investment Securities Portfolio

- Classified as available for sale with a fair market value of \$209 million, or 8.1% of total assets, with an effective duration of 2.92 years.
- U.S. Treasuries represent 61.8% of the overall investment portfolio.
- The accumulated other comprehensive loss on the investment securities portfolio of \$8.6 million represents 3.1% of total stockholders' equity and \$0.62 of TBVPS.
- The Company does not have a held to maturity investment securities portfolio.

## Liquidity



## Composition of Deposits

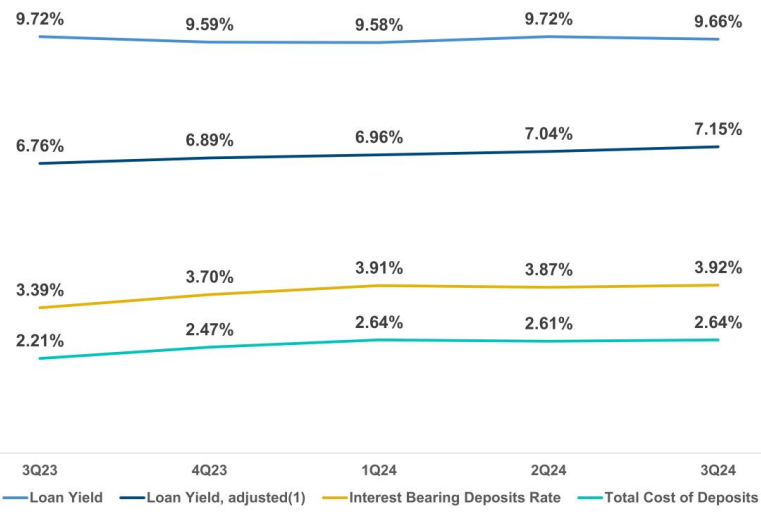


	As of		For the Three Months Ended	
	September 30, 2024		September 30, 2024	
	Spot Balance	Average Balance	Average Rate <sup>(1)</sup>	
<b>Deposits:</b>				
Noninterest-bearing	\$ 718,120	\$ 680,731	0.00%	
Interest-bearing demand	266,493	228,365	0.56%	
Savings	3,763	4,135	0.48%	
Money markets	686,526	698,239	4.24%	
Time deposits	511,322	479,824	5.09%	
<b>Total deposits</b>	<b>\$ 2,186,224</b>	<b>\$ 2,091,294</b>	<b>2.64%</b>	

### Deposit Composition and Costs

- Total Deposits increased \$85.8 million, or 4.1% (not annualized), from June 30, 2024.
- Average deposits increased \$80.6 million, or 4.0% (not annualized), from the second quarter 2024.
- Interest bearing deposit costs increased 5bps to 3.92% from 3.87% in the prior quarter and total deposit costs increased 3bps to 2.64% from 2.61% in the prior quarter.
- Transaction accounts (noninterest-bearing and interest-bearing demand) represent 45.0% of overall deposit funding at September 30, 2024.

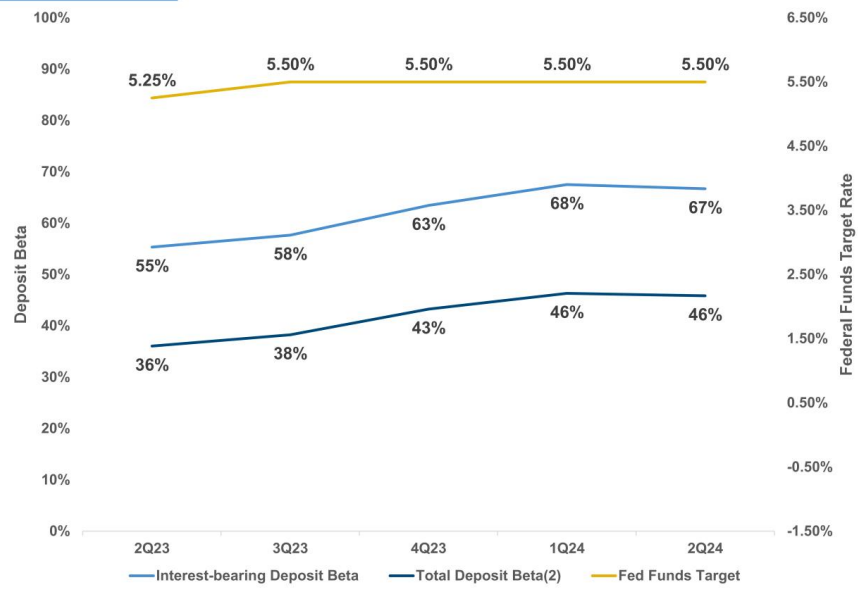
## Loan Yield and Deposit Rate Trends



 CAPITAL BANCORP, INC.  
(1) Excluding credit card loans



## Deposit Betas<sup>(1)</sup>



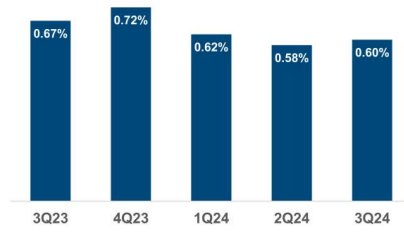
CAPITAL BANCORP, INC.

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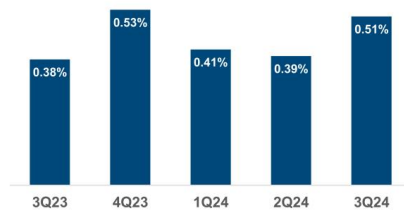
(1) Deposit betas are cumulative customer deposits for the current cycle; Federal Funds Target rates are end-of-period value  
 (2) Includes noninterest bearing and interest-bearing deposits

## Credit Metrics

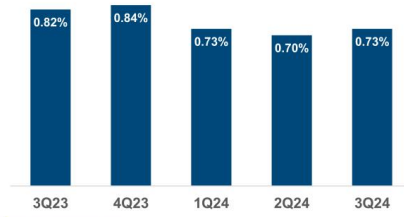
Non-performing Assets / Total Assets



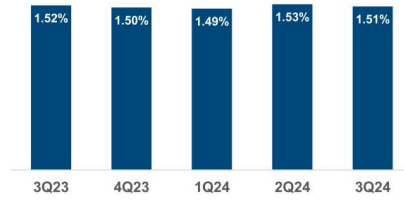
Annualized Net Charge-Offs / Average Portfolio Loans<sup>(1)</sup>



Non-performing Loans / Total Portfolio Loans<sup>(1)</sup>



Allowance for Credit Losses / Total Portfolio Loans<sup>(1)</sup>



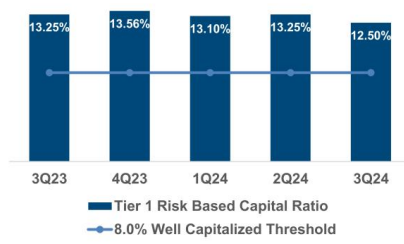
 CAPITAL BANCORP, INC.

(1) Refer to Appendix for reconciliation of non-GAAP measures.

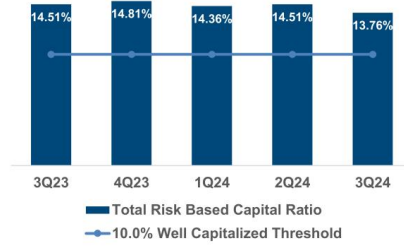
23

## Robust Capital Ratios

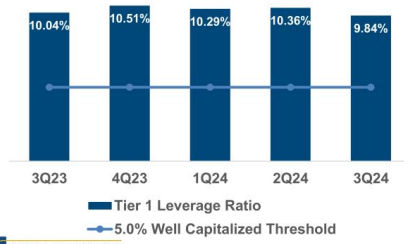
Tier 1 Risk Based Capital Ratio



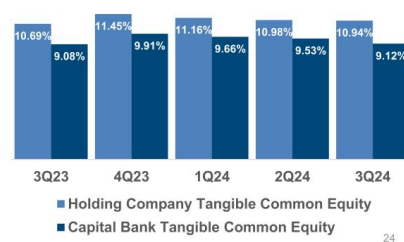
Total Risk Based Capital Ratio



Tier 1 Leverage Ratio



Tangible Common Equity

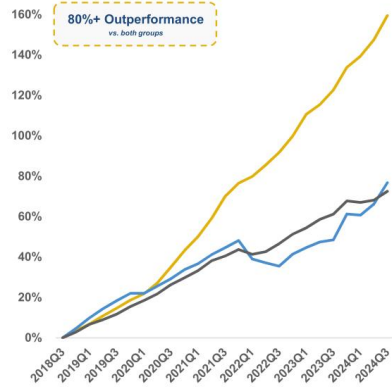


CAPITAL BANCORP, INC.

Note: Ratios presented are for Capital Bank unless otherwise noted

## Share Appreciation Outperforms Industry

TBVPS + Dividend Growth Since 2018Q3



	CAGR	% Change
CBNK	17.2%	160%
NASDAQ Regional Banking Index	10.0%	77%
Selected Banks <sup>2</sup> Median	9.5%	73%

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



	% Change
CBNK	103%
NASDAQ Regional Banking Index	4%
Selected Banks <sup>2</sup> Median	4%

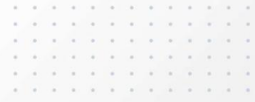
Source: S&P Global Market Intelligence; FactSet.  
 Note: Market data as of 10/30/2024.  
<sup>1</sup> CBNK IPO price of \$12.50 used as starting price for price change calculation.  
<sup>2</sup> Select banks with assets between \$1.5 billion and \$5.0 billion in the Mid-Atlantic (North of Richmond) and New England Region. (ACNB, BCRP, BPRN, BWFG, EBTC, FRBA, FRST, FVCB, HNVN, JMSB, MNSB, MRBK, MVBF, NBN, PKBK, PVBC, UNTY).  
 CAPITAL BANCORP, INC. 25



**Dominic Canuso**  
Chief Financial Officer  
(301) 468-8848 x1403

**Ed Barry**  
Chief Executive Officer  
(240) 283-1912

**NASDAQ: CBNK**



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



## Reconciliation of Non-GAAP Information

Tangible Book Value Per Share (in thousands, except per share amount)	Quarters Ended		
	September 30, 2024	June 30, 2024	September 30, 2023
<b>Total Stockholders' Equity</b>	\$ 280,111	\$ 267,854	\$ 242,878
Less: Preferred equity	-	-	-
Less: Intangible assets	-	-	-
<b>Tangible Common Equity</b>	\$ 280,111	\$ 267,854	\$ 242,878
Period End Shares Outstanding	13,917,891	13,910,467	13,893,083
<b>Tangible Book Value Per Share</b>	\$ 20.13	\$ 19.26	\$ 17.48

Net Interest Margin, as Adjusted <sup>(1)</sup> (in thousands)	Quarters Ended		
	September 30, 2024	June 30, 2024	September 30, 2023
<b>Net Interest Income</b>	\$ 38,354	\$ 37,057	\$ 36,810
Less: Credit card loan income	15,137	15,205	15,792
<b>Net Interest Income, as Adjusted</b>	\$ 23,217	\$ 21,852	\$ 21,018
Average Interest Earning Assets	2,380,946	2,307,070	2,176,477
Less: Average credit card loans	119,458	111,288	116,814
<b>Total Average Interest Earning Assets, as Adjusted</b>	\$ 2,261,488	\$ 2,195,782	\$ 2,059,663
<b>Net Interest Margin, as Adjusted<sup>(1)</sup></b>	4.08%	4.00%	4.05%

(1) Annualized

## Reconciliation of Non-GAAP Information

### Net Charge-offs to Average Portfolio Loans <sup>(1)</sup>

	Quarters Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
(in thousands)					
<b>Total Net Charge-offs</b>	\$ 2,655	\$ 1,935	\$ 1,987	\$ 2,477	\$ 1,780
<b>Total Average Portfolio Loans</b>	2,053,619	1,992,630	1,927,372	1,863,298	1,847,772
<b>Net Charge-offs to Average Portfolio Loans <sup>(1)</sup></b>	0.51%	0.39%	0.41%	0.53%	0.38%

### Nonperforming Loans to Total Portfolio Loans

	Quarters Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
(in thousands)					
<b>Total Nonperforming Loans</b>	\$ 15,460	\$ 14,053	\$ 14,361	\$ 16,042	\$ 15,236
<b>Total Portfolio Loans</b>	2,107,522	2,021,588	1,964,525	1,903,288	1,862,679
<b>Nonperforming Loans to Total Portfolio Loans</b>	0.73%	0.70%	0.73%	0.84%	0.82%

### Allowance for Credit Losses to Total Portfolio Loans

	Quarters Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
(in thousands)					
<b>Allowance for Credit Losses</b>	\$ 31,925	\$ 30,832	\$ 29,350	\$ 28,610	\$ 28,279
<b>Total Portfolio Loans</b>	2,107,522	2,021,588	1,964,525	1,903,288	1,862,679
<b>Nonperforming Loans to Total Portfolio Loans</b>	1.51%	1.53%	1.49%	1.50%	1.52%

(1) Annualized



## Reconciliation of Non-GAAP Information

### Earnings Metrics, as Adjusted

	Quarters Ended				
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
(in thousands, except per share data)					
<b>Net Income</b>	\$ 8,672	\$ 8,205	\$ 6,562	\$ 9,030	\$ 9,788
Add: Merger-Related Expenses, net of tax	557	62	538	-	-
<b>Net Income, as Adjusted</b>	\$ 9,229	\$ 8,267	\$ 7,100	\$ 9,030	\$ 9,788
<b>Weighted average common shares - Diluted</b>	13,951	13,895	13,919	13,989	14,024
<b>Earnings per share - Diluted</b>	\$ 0.62	\$ 0.59	\$ 0.47	\$ 0.65	\$ 0.70
<b>Earnings per share - Diluted, as Adjusted</b>	\$ 0.66	\$ 0.59	\$ 0.51	\$ 0.65	\$ 0.70
<b>Average Assets</b>	\$ 2,437,870	\$ 2,353,868	\$ 2,299,234	\$ 2,202,479	\$ 2,221,117
<b>Return on Average Assets<sup>(1)</sup></b>	1.42%	1.40%	1.15%	1.63%	1.75%
<b>Return on Average Assets, as Adjusted<sup>(1)</sup></b>	1.51%	1.41%	1.24%	1.63%	1.75%
<b>Average Equity</b>	\$ 274,087	\$ 263,425	\$ 258,892	\$ 248,035	\$ 242,671
<b>Return on Average Equity<sup>(1)</sup></b>	12.59%	12.53%	10.19%	14.44%	16.00%
<b>Return on Average Equity, as Adjusted<sup>(1)</sup></b>	13.40%	12.62%	11.03%	14.44%	16.00%
<b>Net Interest Income</b>	\$ 38,354	\$ 37,057	\$ 35,008	\$ 34,889	\$ 36,810
<b>Noninterest Income</b>	6,635	6,890	5,972	5,936	6,326
<b>Total Revenue</b>	\$ 44,989	\$ 43,947	\$ 40,980	\$ 40,825	\$ 43,136
<b>Noninterest Expense</b>	29,725	29,493	29,487	26,907	28,046
<b>Efficiency Ratio<sup>(2)</sup></b>	66.07%	67.11%	71.95%	65.91%	65.02%
<b>Noninterest Expense</b>	\$ 29,725	\$ 29,493	\$ 29,487	\$ 26,907	\$ 28,046
Less: Merger-Related Expenses	520	83	712	-	-
<b>Noninterest Expense, as Adjusted</b>	\$ 29,205	\$ 29,410	\$ 28,775	\$ 26,907	\$ 28,046
<b>Efficiency Ratio, as Adjusted<sup>(2)</sup></b>	64.92%	66.92%	70.22%	65.91%	65.02%

(1) Annualized

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

