



Investor Presentation

September 2018

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Offering Summary

Issuer	Capital Bancorp, Inc.
Exchange / Ticker	Nasdaq / CBNK
Estimated Proceeds	\$30.1 million, comprised of \$20.3 million primary and \$9.8 million secondary (excluding the Underwriters' Option) Assumes an initial public offering price of \$13.50 per share which is the midpoint of the offering range
Shares Offered	2,228,736 total, comprised of 1,500,000 primary and 728,736 secondary shares
Offering Price Range	\$12.50 - \$14.50
Underwriters' Option	15% (100% primary)
Market Capitalization	\$177.7 million after giving effect to the offering (assuming an offering price of \$13.50 per share which is the midpoint of the offering range, excluding the Underwriters' Option)
Use of Proceeds	Fund the organic growth of commercial and consumer business lines and for general corporate purposes
Directed Share Program	5%
Lock-up	180 days
Joint Bookrunning Managers	Keefe, Bruyette & Woods, A Stifel Company and Stephens Inc.
Co-Managers	Sandler O'Neill + Partners and Hovde Group
Expected Pricing	Week of September 24, 2018

Exceptional Management Team



Edward F. Barry
Chief Executive Officer

- Joined Capital Bank as Chief Executive Officer in 2012
- Prior to joining Capital Bank, Mr. Barry held senior positions at Capital One Bank, Bank of America, and E&Y/Capgemini where he held a variety of roles primarily focusing on marketing, data, analytics and strategy
- Recognized in 2017 as E&Y's Entrepreneur of the Year, Mid-Atlantic Region⁽¹⁾



Scot R. Browning
President

- Joined Capital Bank as President in 2002
- Currently oversees the commercial lending department, which has grown from \$13.7 million to over \$741.3 million in funded loans during his tenure
- 30 years of banking experience primarily in commercial lending
- Prior leadership roles with United Bank, F&M Bank Allegiance and Century National Bank



Alan W. Jackson
Chief Financial Officer

- Named Chief Financial Officer of Capital Bank, N.A. in 2017
- Mr. Jackson has more than 30 years of financial services experience including previously serving as CFO of two publicly traded banks
- Immediately prior to joining Capital Bank, Mr. Jackson was a Senior Managing Director with FinPro and spent 5 years with Banker's Dashboard & S&P Global Market Intelligence



Karl Dicker
Chief Operating Officer

- Joined Capital Bank as COO in 2018
- Prior to joining Capital Bank, Mr. Dicker spent 16 years with Capital One Bank rising to Senior Vice President where he led Treasury Management Strategy, Marketing & Analytics and served as Head of Enterprise Payments
- Key experience also includes core system and CRM implementations, sales enablement, banking innovation, data and analytics

(1) Financial Services category.

Overview of Capital Bancorp, Inc.

Franchise Highlights

Corporate Headquarters - Rockville, MD

Balance Sheet - 6/30/18 (\$mm)

Assets	\$1,068
Loans (Held for Investment)	921
Deposits	938

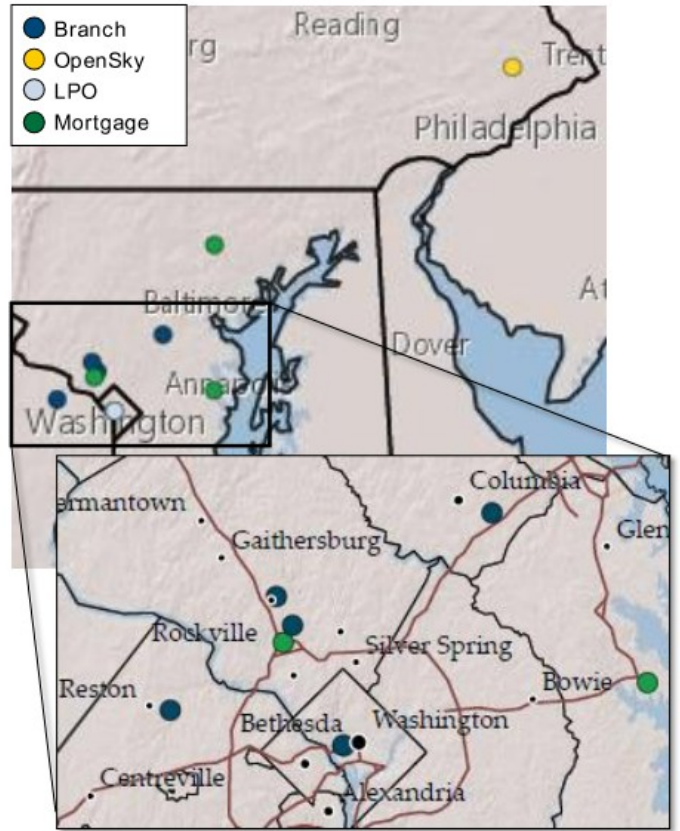
2018 Year-to-Date Financial Performance

ROAA	1.20%
ROATCE	14.9%
Loan Growth - Year-over-Year (6/30/18)	10.0%
Efficiency Ratio	73.5%
Net Interest Margin (annualized)	5.66%
NPAs / Assets	0.35%
NCOs / Avg. Loans	0.08%

Corporate Timeline

- '99 Founded as Harbor Capital National Bank
- '02 Recapitalized by a group of investors led by Steve Ashman
- '10 Opened Church Street Mortgage
- '11-'13 Acquired 3 failed institutions including OpenSky
- '12 Hired Ed Barry as CEO
- '17 Achieved \$1 billion in total assets

Footprint



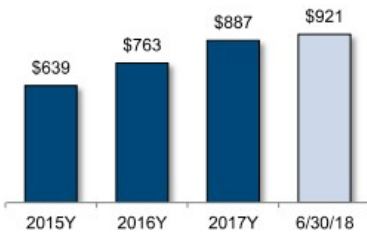
ROATCE is a non-GAAP measure. Please refer to the non-GAAP schedules included in the Appendix to this presentation for a reconciliation of this measure.

Diversified Lines of Business

Commercial Banking

- Approximately \$1.0 billion of assets
- Provide sophisticated advice and exceptional client service
- Target customers with complex financial needs
- Loan officers are trusted advisors to their clients
- Service level proven by significantly greater than peer loan yield

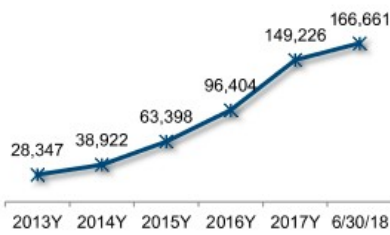
Loans Held for Investment (\$MM)



OpenSky Secured Credit Card

- \$32.5 million portfolio
- Credit related consumer product secured by deposits
- High yield plus fee income and significant NIB deposits
- Differentiated consumer business line
- Originated nationwide through digital channels
- Proprietary web/mobile origination platform

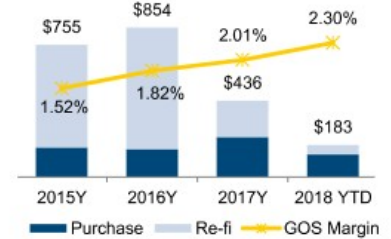
Number of Cards Outstanding



Residential Mortgage Origination

- 2.3% YTD GOS margin
- 71% purchase volume YTD
- 13.3% of net revenue
- National business line; 71% of origination volume in MD, VA and DC
- Recent hires focused on purchased money originations and niche products

Mortgage Volume (\$MM) & Gain on Sale



2018 YTD data as of 6/30/18.

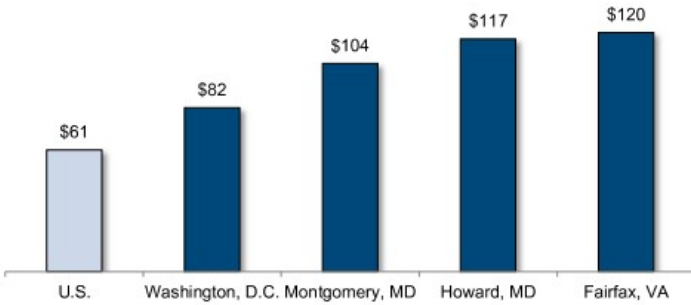
Investment Highlights

<p>Operate in Premier Markets</p>	<ul style="list-style-type: none"> • The Washington, D.C. and Baltimore, MD MSAs make up one of the largest and wealthiest regions in the U.S. • Consolidation creates new opportunities for customer and talent acquisition • Market insulated from economic downturns by federal government presence
<p>Consistently High Performing Community Bank</p>	<ul style="list-style-type: none"> • Profitability has consistently exceeded community banking peers • Entrepreneurial culture with a disciplined strategic approach • Strong organic balance sheet growth • Superior asset quality
<p>Innovation Driven, Fee Based Businesses</p>	<ul style="list-style-type: none"> • Secured credit card and mortgage divisions drive high fee income • Proprietary technology and analytics • Digital enabled marketing
<p>Entrepreneurial Management Team</p>	<ul style="list-style-type: none"> • Experts in their fields combining large and community bank skills • Capabilities in data, analytics, marketing and technology • Board and management ownership of 55%⁽¹⁾
<p>Poised with Earnings Momentum</p>	<ul style="list-style-type: none"> • Asset sensitive with 63% of the loan portfolio as floating rate • Significant investments in core deposit generation • Scalable OpenSky infrastructure with processor conversion (Q4 2017) and investment in analytics

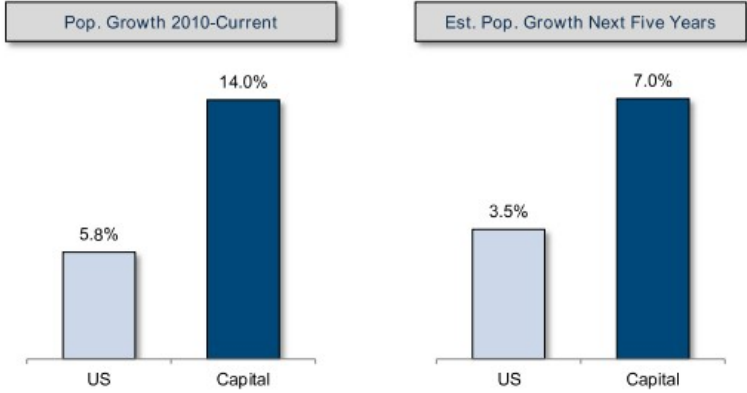
(1) Includes directors, non-director named executive officers and bank level directors.

Exceptional Markets

Median Household Income by County (\$000)



Growth of Capital Bank Cities of Operation⁽²⁾



Washington, D.C. – Baltimore, MD Market

- Total population of more than 9.0 million
- Includes the four wealthiest counties in the U.S. (as measured by median HH income)
- Combined GDP of \$696 billion (would rank 3rd nationally among U.S. MSAs)
- Washington D.C. MSA added 41,300 jobs between May 2017 and May 2018⁽¹⁾
- Approximately 45% of the combined population of the Washington, DC and Baltimore, MD MSAs has a college degree⁽³⁾
- Home to 15 companies from the 2017 Fortune 500 list and 4 of the U.S.'s largest 100 private companies
- Significant opportunity to take market share from large, out of market players: Top 6 banks in both Washington, D.C. and Baltimore, MD MSAs are \$50B+ institutions

Source: S&P Global Market Intelligence, Bureau of Labor Statistics and GMU Center for Regional Analysis.

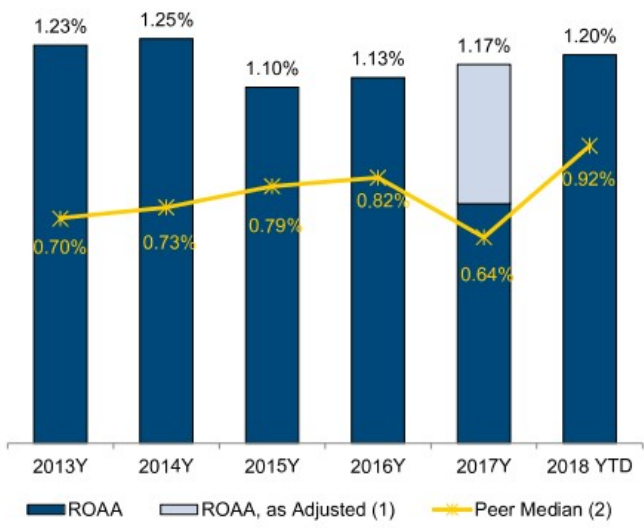
(1) Data is not seasonally adjusted, <http://cra.gmu.edu/wp-content/uploads/2018/06/Full-presentation-6-18-18.pdf>

(2) Represents aggregate population growth of Capital's cities of operation. Cities of operation defined as cities where the Company has a full service branch location.

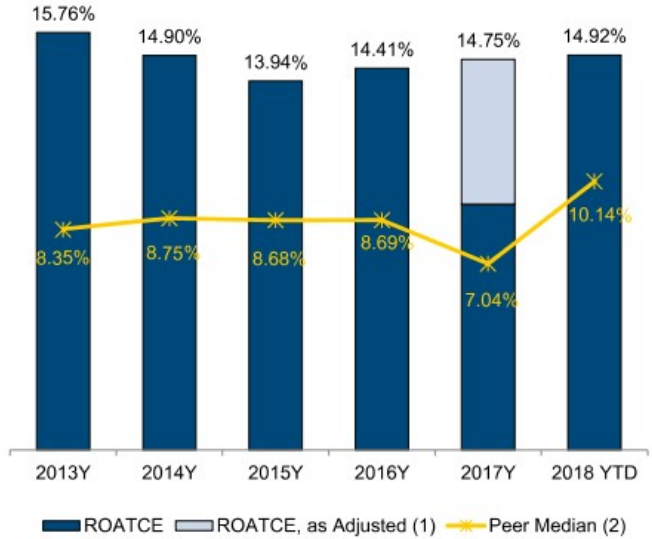
(3) Determined as the percentage of the population with a bachelor's degree or higher.

Consistently Superior Profitability

ROAA (%)



ROATCE (%)



- 2017 earnings impacted by \$2.3 million of pre-tax, one-time data processing conversion costs, \$2.4 million of pre-tax, non-recurring forgone interest and fees and a \$1.4 million deferred tax asset revaluation

Note: 2018 YTD data as of 6/30/18. 2013 data excludes the impact of bargain purchase gains.

(1) ROAA, as Adjusted and ROATCE, as Adjusted are non-GAAP measures and exclude \$4.2 million of non-recurring charges and lost revenue. Please refer to the non-GAAP schedules included in the Appendix to this presentation for a reconciliation of this measure.

(2) Peer group consists of major exchange traded ("MET") banks with most recent quarter assets less than \$2.0 billion. Includes 146 MET banks with median total assets of \$1.1 billion. Excludes merger targets. Peer data per S&P Global Market Intelligence.

Embracing the Power of Technology

Internally Developed Technology Solutions

- In-house team of 9 individuals
- Apollo customer acquisition system developed for OpenSky provides automated work flows for digital account applications processes
- In-house staff participates in business development calls and designs bespoke technology solutions for customers to enhance their operational efficiency
- Proprietary data warehouse built to run analytics and identify opportunities

Proprietary Business Analytics

- OpenSky:
 - Proprietary customer behavior scoring (B-Score)
 - Algorithmic, selective credit line increases (CLIP program)
 - Net present value driven models drive product and marketing decisions
- Internally developed commercial credit stress testing which tracks micro market performance

Web and Mobile Enabled Platforms

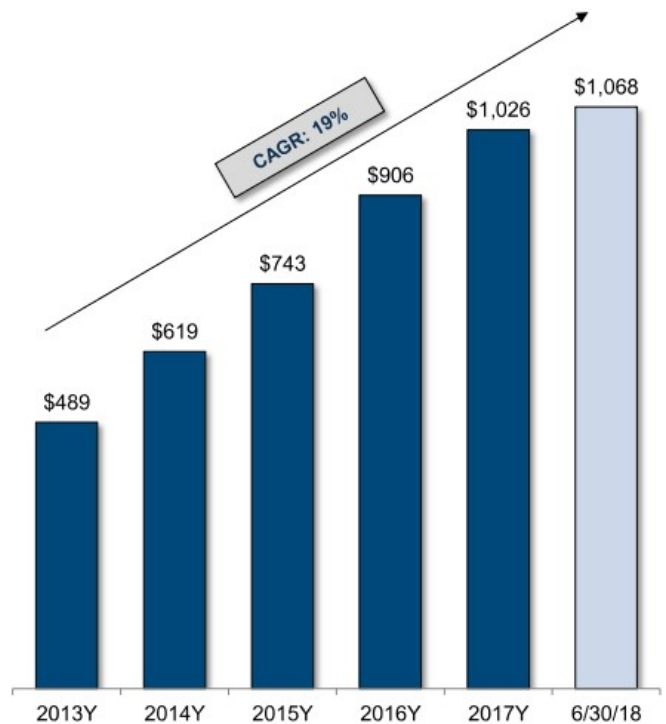
- Social media driven OpenSky and mortgage marketing programs
- User-friendly OpenSky mobile application; 70% of applications are submitted on mobile devices using a digital platform
- Online marketing campaigns are closely tracked and analyzed to assess efficacy and ensure commercial effectiveness
- Expect to launch digital mortgage platform in October 2018

Strategic Approach Drives Track Record of Strong Growth

Disciplined Business Strategy

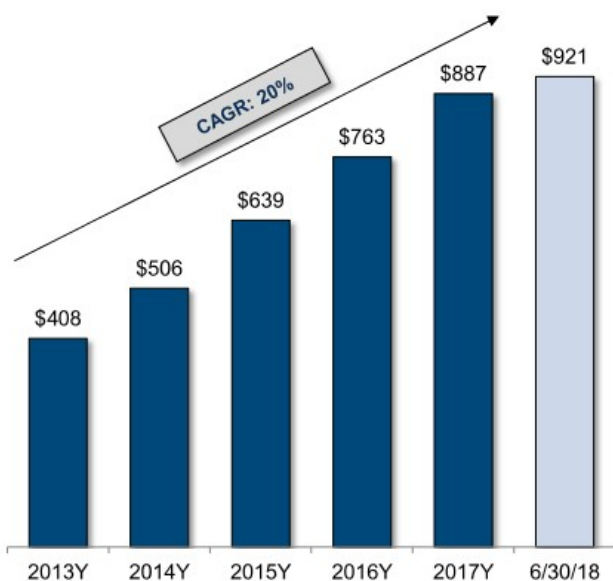
- Deliver premium, advice-based solutions to our customers
- Leverage technology to differentiate products and services
- Instill a sales-focused, entrepreneurial culture

Total Assets (\$MM)

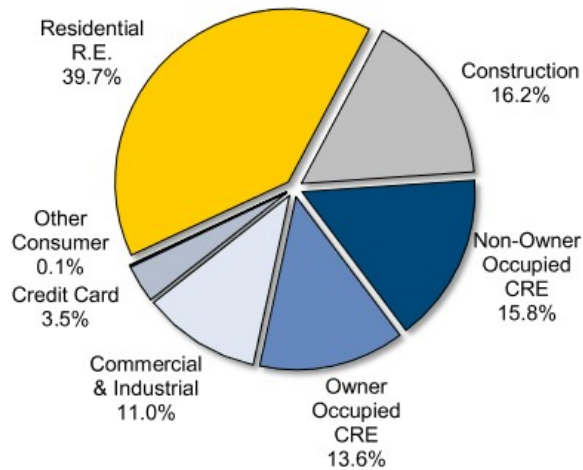


Loan Portfolio

Total Loans HFI (\$MM)



Loan Composition

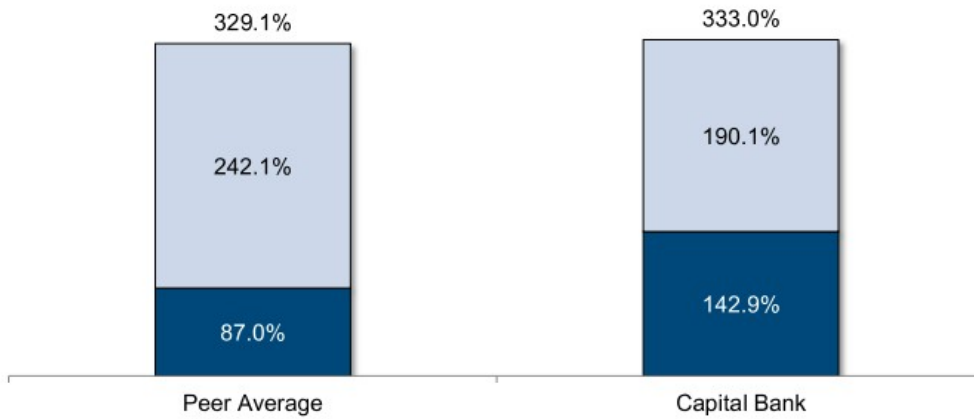


- Owner-occupied CRE loans make up approximately 46% of total commercial real estate loans
- Residential real estate loans consist primarily of investment 1-4 family property (rentals)
- Strong underwriting standards
- Regular portfolio stress testing includes analyzing the construction portfolio for declines in property values

Loan composition data as of 6/30/18.

Commercial Real Estate Concentration Levels

CRE / Total Risk Based Capital Breakdown



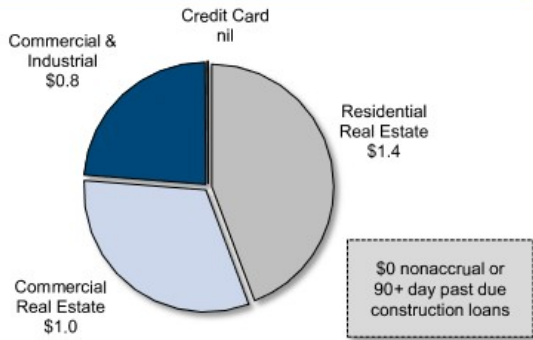
■ Construction / Risk Based Capital □ Non-Owner Occupied CRE / Risk Based Capital

- Construction lending is a historical core competency focused on single family homes and individual condo and townhouse conversions to established builders
- Loan to value limits of 75% for investor and 80% for owner-occupied construction lending
- Construction loans provide a short-duration, high-yield asset class, plus loan fee income, which supports asset sensitivity
- Deep expertise in CRE and real estate development at the Board level

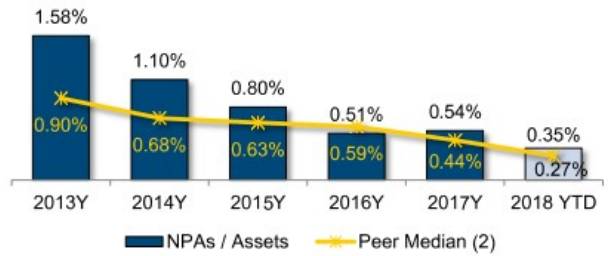
Source: S&P Global Market Intelligence. Data as of 6/30/18.
Peer group consists of: EGBN, SASR, OLBK, ANCX, SONA, JMSB, HBMD, TCFC and FVCB. Represents bank-level regulatory data. Peer data per S&P Global Market Intelligence.

Superior Asset Quality Metrics

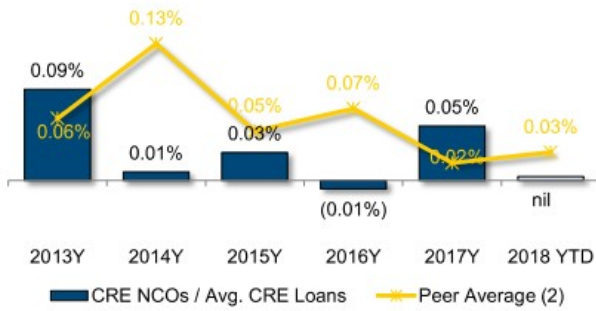
Nonperforming Loans (\$MM)



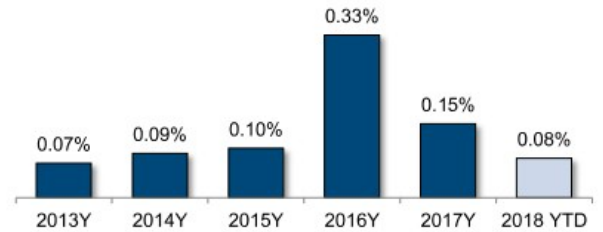
Nonperforming Assets / Assets



Commercial Real Estate NCOs⁽¹⁾ Over Time



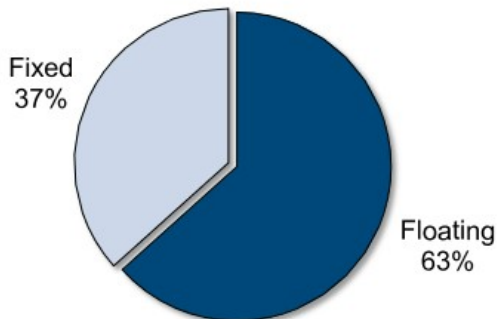
Net Charge-offs / Average Loans



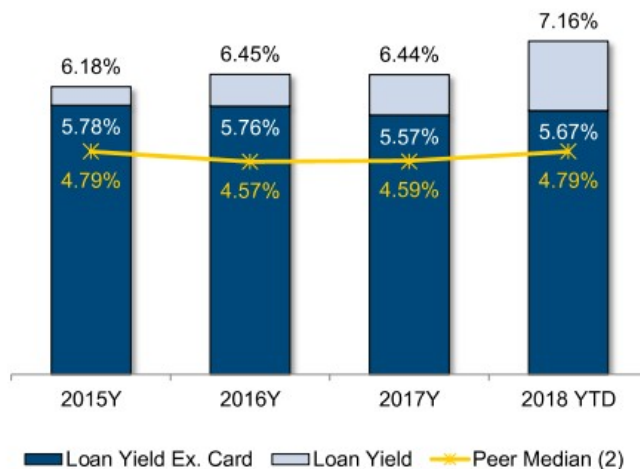
2018 YTD data as of 6/30/18. YTD net charge-off data is not annualized.
 (1) Commercial RE includes all construction and commercial real estate loans. Average commercial real estate loans based upon 2 period averages.
 (2) Peer group consists of: EGBN, SASR, OLBK, ANCX, SONA, JMSB, HBMD, TCFC and FVCB. Peer data per S&P Global Market Intelligence.

Asset Sensitive Balance Sheet

Fixed vs. Floating Rate Loan Mix



Yield on Loans



- Short duration loan portfolio well positioned for current interest rate environment
 - 42.1% of the loan portfolio re-prices within three months and 52.9% re-prices within one year⁽¹⁾
- Excluding credit card portfolio, loan yield has averaged more than a 100bps premium to local peers since 2015

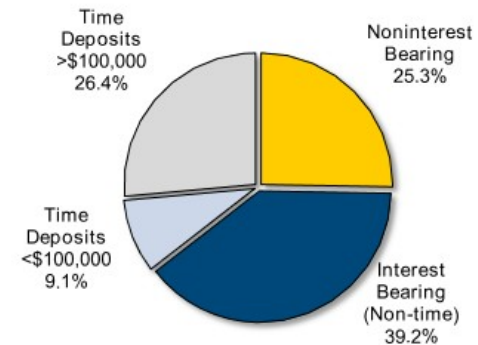
Data as of 6/30/18.
 (1) Data includes loans held for sale.
 (2) Peer group consists of: EGBN, SASR, OLBK, ANCX, SONA, JMSB, HBMD, TCFC and FVCB. Peer data per S&P Global Market Intelligence.

Deposit Portfolio Composition

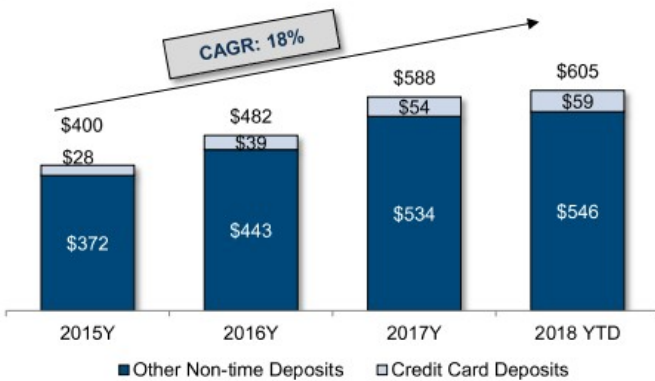
Core deposit momentum:

- Recruiting deposit sales teams, including fiduciary salespeople, from recently acquired competitors driving core deposit growth
- Customizing solutions for clients, including fiduciary and property management firms, to generate low-cost business deposit accounts
- Selectively adding full service branches to support areas with high customer concentration
- OpenSky provides a unique channel for generating zero interest deposits

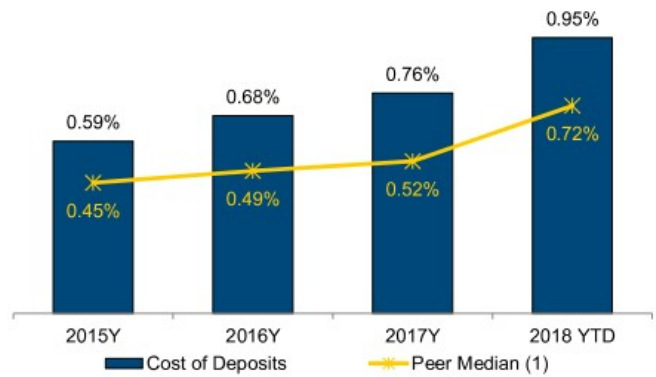
Deposit Portfolio Composition (\$938MM)



Non-time Deposit Growth (\$MM)



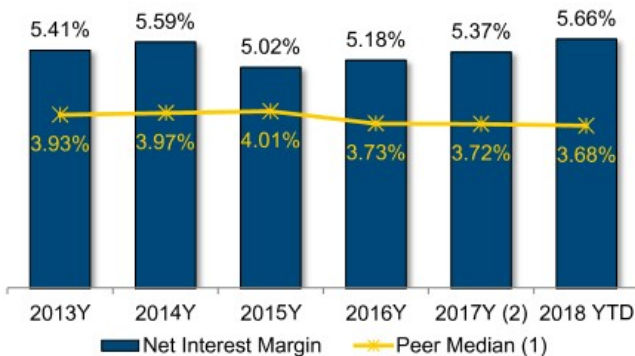
Cost of Deposits



Data as of 6/30/18, 2018 YTD cost of deposit data is annualized. CAGR measured from 12/31/15 through 6/30/18.
 (1) Peer group consists of: EGBN, SASR, OLBK, ANCX, SONA, JMSB, HBMD, TCFC and FVCB. Peer data per S&P Global Market Intelligence.

Delivering Superior Net Interest Margin

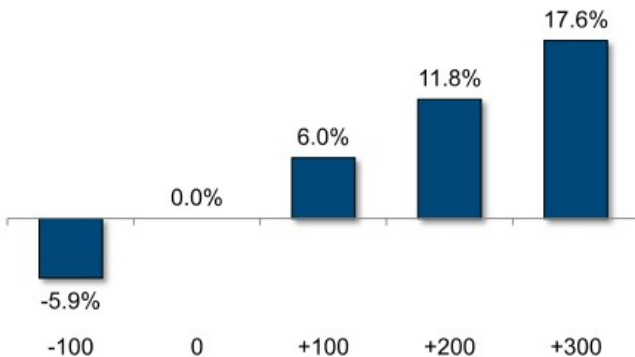
Net Interest Margin



- Deliver real, advice-based solutions to customers' complex credit needs vs. acting as the low-cost provider (largely avoid bid situations)

- Specifically target customers with complex credit needs

Static GAP Analysis – Change in Net Interest Income



- Net interest margin is supported by OpenSky portfolio leveraged to short-term interest rates

- Consistently collect loan fees

2018 YTD data is as of 6/30/18.

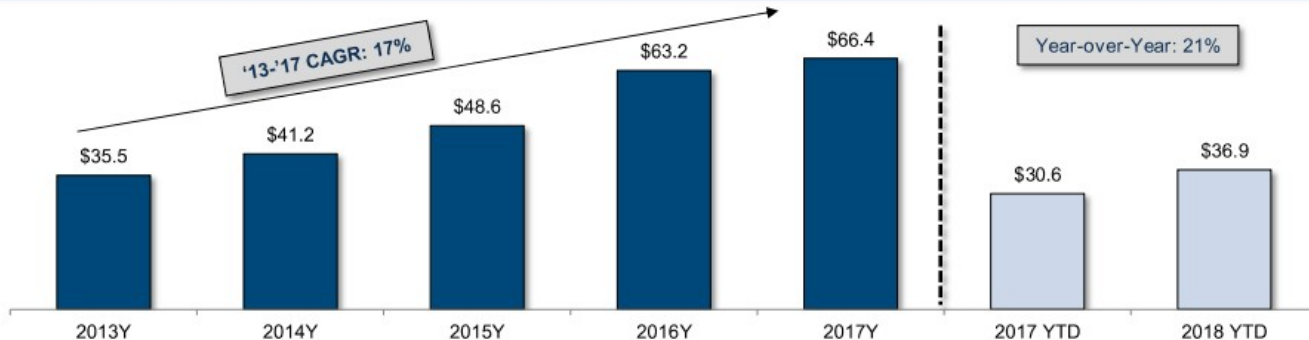
Note: Static GAP Analysis reflects change in net interest income under a parallel rate shock analysis.

(1) Peer group consists of: EGBN, SASR, OLBK, ANCX, SONA, JMSB, HBMD, TCFC and FVCB. Peer data per S&P Global Market Intelligence.

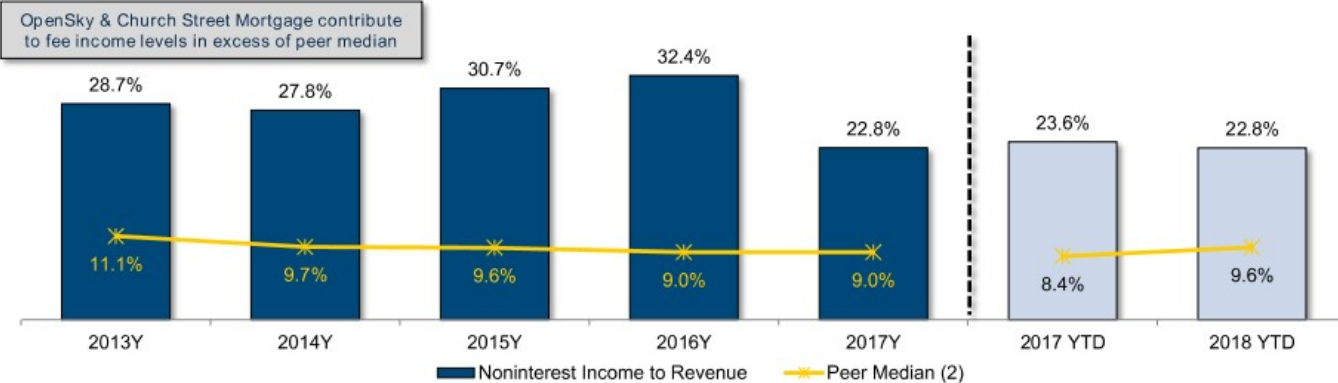
(2) 2017Y represents Net Interest Margin, as Adjusted and is a non-GAAP measure adjusted for the impact of non-recurring foregone interest and fees related to the OpenSky data processing conversion. Please refer to the non-GAAP schedules included in the Appendix to this presentation for a reconciliation of this measure.

Differentiated Revenue Model

Net Revenue⁽¹⁾



Noninterest Income to Net Revenue⁽¹⁾



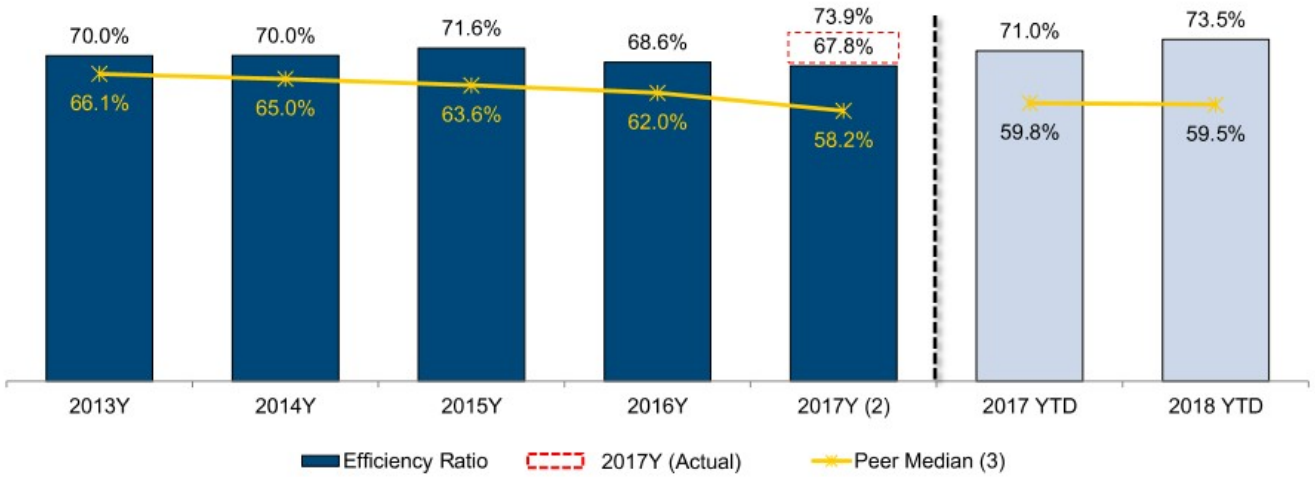
YTD data is as of June 30.

(1) 2017Y data is based on Adjusted Revenue which is a non-GAAP measure adjusted for the impact of \$2.4 million of non-recurring foregone interest and fees related to the OpenSky data processing conversion. Please refer to the non-GAAP schedules included in the Appendix to this presentation for a reconciliation of this measure.

(2) Peer group consists of: EGBN, SASR, OLBK, ANCX, SONA, JMSB, HBMD, TCFC and FVCB. Peer data per S&P Global Market Intelligence.

Efficiency Ratio

Efficiency Ratio⁽¹⁾



- Recent investments should have a positive long-term impact on efficiency:
 - Credit card data processing conversion has elevated expenses but positioned the business line for the long-term
 - Have hired 7 deposit gathering business development officers since the beginning of 2017 to support core funding growth
 - Reston and Columbia branch locations opened in Q2 2017 and Q2 2018, respectively

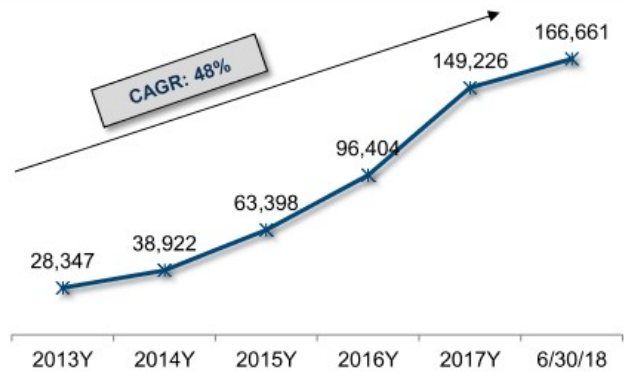
YTD data is as of June 30.
 (1) Efficiency ratio is a non-GAAP measure. Please refer to the non-GAAP schedules included in the Appendix to this presentation for a reconciliation of this measure.
 (2) 2017Y includes Efficiency Ratio, as Adjusted and is a non-GAAP measure adjusted for the impact of \$2.4M of non-recurring foregone interest and fees and \$2.3 million of non-recurring data processing expenses related to the OpenSky data processing conversion. Please refer to the non-GAAP schedules included in the Appendix to this presentation for a reconciliation of this measure.

(3) Peer group consists of: EGBN, SASR, OLBK, ANCX, SONA, JMSB, HBMD, TCFC and FVCB. Peer data per S&P Global Market Intelligence.

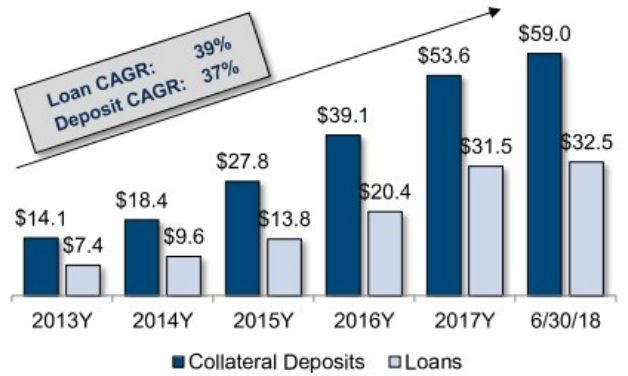
OpenSky Secured Credit Card Division

- Customer Demographics
 - Underserved by traditional credit products
 - Poor or nonexistent credit history
 - Nationwide customer base
 - Minimum initial deposit of \$200 and maximum initial deposit of \$3,000 per card and \$5,000 per individual
- Value Proposition
 - Help customers repair or create acceptable credit history
 - Functions as a traditional VISA credit card
- Technology driven
 - Nationwide web and mobile platform – 70% of applications are submitted on mobile devices using adaptive digital platform
 - Perform proprietary analytics on customer base to monitor and innovate the portfolio

Number of Outstanding Accounts



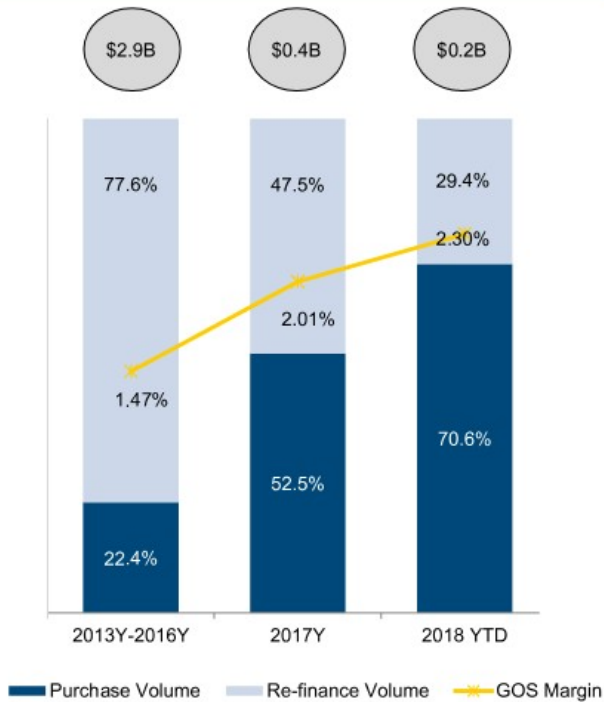
Credit Card Loans & Deposits (\$MM)



Data as of 6/30/18. CAGRs measured from 12/31/13 through 6/30/18.

Church Street Mortgage Division

Purchase vs. Re-finance Volume & GOS Margin



- Right-sized mortgage division in conjunction with Federal Reserve rate hikes and in anticipation of a reduction in industry-wide re-finance volume
- Production hires since the beginning of 2017 focused on niche products and purchase originations
- 71% of origination volume within our primary market areas of MD, VA and Washington, D.C.
- National technology-enabled consumer direct marketing efforts, including social media campaigns
- Right sizing of business model has led to profitability through June 2018

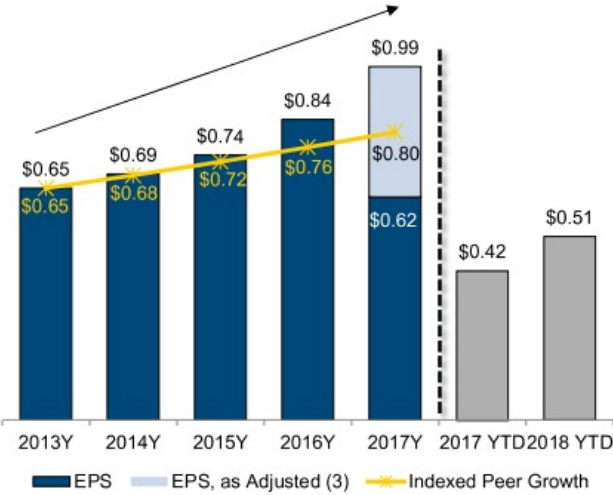
2018 YTD data as of 6/30/18.

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Creating Long-Term Shareholder Value

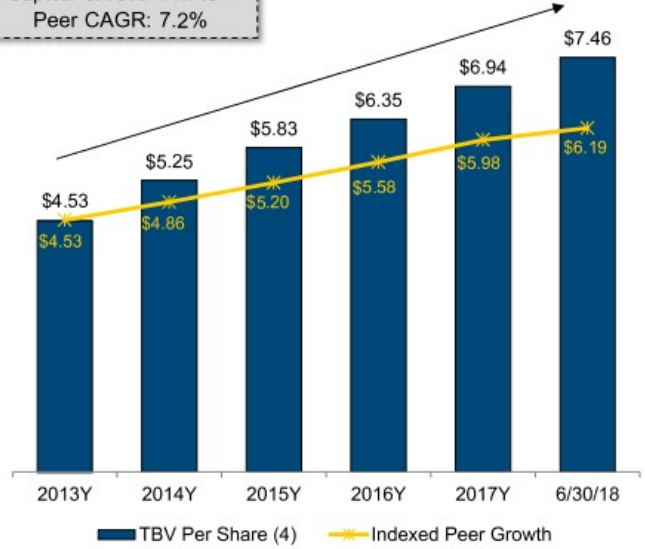
Earnings per Share (EPS) Growth

Capital CAGR: 11.1%⁽¹⁾
Peer CAGR: 5.6%



Tangible Book Value per Share (TBV) Growth

Capital CAGR: 11.7%⁽²⁾
Peer CAGR: 7.2%



Peer group consists of: EGBN, SASR, OLBK, ANCX, SONA, JMSB, HBMD, TCFC and FVCB. Peer data per S&P Global Market Intelligence.
Note: 2013 earnings per share for Capital excludes bargain purchase gains. YTD data is as of June 30.

(1) Based on pro forma EPS for 2017. CAGR represents the period from 2013 through 2017.

(2) CAGR represents the period between 2013 and 6/30/18.

(3) EPS, as Adjusted is a non-GAAP measure and excludes \$4.2 million of non-recurring charges and lost revenue. Please refer to the non-GAAP schedules included in the Appendix to this presentation for a reconciliation of this measure.

(4) Tangible book value per share is a non-GAAP measure. Please refer to the non-GAAP schedules included in the Appendix to this presentation for a reconciliation of this measure.

Conclusions

- Operate in Premier Markets
- Consistently High Performing Community Bank
- Innovation Driven, Fee Based Businesses
- Entrepreneurial Management Team
- Poised with Earnings Momentum

 CAPITAL BANCORP, INC.

CAPITAL
BANK 
PARTNERS *in* YOUR VISION

Thinking

Ahead

Appendix

Exceptional Management Team



Nick Bryan
Chief Marketing Officer
GM – OpenSky

- Joined Capital Bank in 2013
- Mr. Bryan leads the OpenSky credit card business line for Capital Bank and manages the Bank's data analytics platforms
- Prior to Capital Bank, Mr. Bryan spent eight years with Capital One Bank in marketing, operations and corporate finance and began his career at Donaldson, Lufkin & Jenrette



Kathy M. Curtis
Chief Risk/Compliance
Officer

- Joined Capital Bank in 2002
- Day to day responsibilities include all aspects of enterprise risk management including Bank Secrecy Act compliance, information security, and regulatory compliance
- Prior to Capital Bank, Ms. Curtis spent 16 years at Century National Bank until its acquisition by United Bank in 2001



Kathy Yamada
Chief Credit Officer

- Joined Capital Bank in 2010
- Ms. Yamada is responsible for the credit administration function including credit policy, loan approval process, loan quality, portfolio risk management and special assets
- Prior to Capital Bank, Mr. Yamada spent more than 20 years at Equitable Bank managing its loan origination and credit administration functions



Eric M. Suss
Chief Human
Resources Officer

- Joined Capital Bank in 2012
- Nearly 20 years of experience in human resources and talent recruitment
- Prior to Capital Bank, Mr. Suss spent nearly 10 years in human resources with CPA Global, a leading international provider of outsourced intellectual property solutions

Board of Directors Overview

- Total insider ownership of 55%⁽¹⁾

Name	Title	Biography	Ownership
Stephen N. Ashman	Chairman of the Board	- Led recapitalization in 2002 and acted as CEO of the Bank from 2007 to 2012 - President & CEO of a community bank in Rockville, MD from 1991 through its sale in 1998 - Prior experience as a public company director	6%
Steven J. Schwartz	Vice Chairman of the Board	- Founder of Prudent Capital which invests in profitable, later-stage operating businesses - Attorney and CPA with prior experience as CFO and general counsel to companies involved in construction, real estate development and property management among other industries	6%
James F. Whalen	Director Bank Chairman	- CEO and owner of Investment Properties, Inc. commercial real estate development and management company - Developed more than 1,000,000 square feet of real estate in the Washington metropolitan area	9%
Edward F. Barry	CEO and Director	- Joined the Company as Chief Executive Officer in September 2012 - Previously he was Senior Vice President, Product Marketing and Analytics for Capital One Bank	2%
Joshua Bernstein	Director	- President of Bernstein Management Corporation and its development affiliates - The Bernstein entities own and manage 90 properties encompassing 5,200 apartments and over 4 million square feet	8%
Scot R. Browning	President and Director	- Joined the Bank as President in April 2002 - He has over 30 years of banking experience concentrating on commercial lending in the greater Washington, D.C. metropolitan area	5%
Michael Burke	Director	- President of Yorke, Burke & Lee CPAs providing accounting and tax services to individuals, business entities and tax-exempt organizations - Over 30 years of experience as a finance manager and tax planner	3%
Randall J. Levitt	Director	- President of Nellis Corporation, a private capital management firm that manages a national portfolio of commercial real estate and provides wealth advisory services	8%
Deborah Ratner Salzberg	Director	- Executive Vice President of Forest City Enterprises (a publically trade REIT) and President of Forest City Washington, Inc. - Additional public company director experience with CubeSmart (a self-storage REIT)	<1%

(1) Includes non-director named executive officers and bank level directors.

ROATCE Reconciliation

“Return on average tangible common equity” is a non-GAAP measure defined as net income, less bargain purchase gain (net of taxes), plus the amortization of intangible assets (net of taxes) divided by average total equity net of average intangible assets.

Dollars in Thousands	Year Ended December 31,					YTD
	2013	2014	2015	2016	2017	June 30, 2018
Net Income	\$ 6,857	\$ 6,793	\$ 7,492	\$ 9,441	\$ 7,109	\$ 6,135
Less: Bargain Purchase Gain, Net of Taxes	\$ (1,076)	\$ -	\$ -	\$ -	\$ -	\$ -
Add: Intangible Asset Amortization, Net of Taxes	\$ 33	\$ 20	\$ 14	\$ 10	\$ -	\$ -
Net Income Excluding Intangible Amortization, as Adjusted and Bargain Purchase Gain, Net	\$ 5,814	\$ 6,813	\$ 7,506	\$ 9,451	\$ 7,109	\$ 6,135
Average Total Equity	\$ 36,965	\$ 45,775	\$ 53,883	\$ 65,590	\$ 76,543	\$ 82,944
Less: Average Preferred Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Average Intangible Assets	\$ 84	\$ 53	\$ 26	\$ 8	\$ -	\$ -
Average Tangible Common Equity	\$ 36,881	\$ 45,722	\$ 53,857	\$ 65,582	\$ 76,543	\$ 82,944
Return on Average Tangible Common Equity	15.76%	14.90%	13.94%	14.41%	9.29%	14.92%

ROATCE, as Adjusted Reconciliation

“Return on average tangible common equity, as adjusted” is a non-GAAP measure defined as net income, less bargain purchase gain (net of taxes), plus non-recurring foregone interest and fees, plus non-recurring data processing expenses, plus non-recurring deferred tax revaluation, less the tax impact of conversion-related items, plus the amortization of intangible assets (net of taxes), divided by average total equity, net of average intangible assets.

Dollars in Thousands	Year Ended December 31,					YTD
	2013	2014	2015	2016	2017	June 30, 2018
Net Income	\$ 6,857	\$ 6,793	\$ 7,492	\$ 9,441	\$ 7,109	\$ 6,135
Less: Bargain Purchase Gain, Net of Taxes	\$ (1,076)	\$ -	\$ -	\$ -	\$ -	\$ -
Add: Non-recurring foregone interest and fees	\$ -	\$ -	\$ -	\$ -	\$ 2,370	\$ -
Add: Non-recurring data processing expenses	\$ -	\$ -	\$ -	\$ -	\$ 2,275	\$ -
Add: Non-recurring deferred tax revaluation	\$ -	\$ -	\$ -	\$ -	\$ 1,386	\$ -
Less: Tax impact of conversion related items	\$ -	\$ -	\$ -	\$ -	\$ (1,847)	\$ -
Net Income, As Adjusted	\$ 5,781	\$ 6,793	\$ 7,492	\$ 9,441	\$ 11,293	\$ 6,135
Add: Intangible Asset Amortization, Net of Taxes	\$ 33	\$ 20	\$ 14	\$ 10	\$ -	\$ -
Net Income Excluding Intangible Amortization, as Adjusted	\$ 5,814	\$ 6,813	\$ 7,506	\$ 9,451	\$ 11,293	\$ 6,135
Average Total Equity	\$ 36,965	\$ 45,775	\$ 53,883	\$ 65,590	\$ 76,543	\$ 82,944
Less: Average Preferred Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Average Intangible Assets	\$ 84	\$ 53	\$ 26	\$ 8	\$ -	\$ -
Average Tangible Common Equity	\$ 36,881	\$ 45,722	\$ 53,857	\$ 65,582	\$ 76,543	\$ 82,944
Return on Average Tangible Common Equity, as Adjusted	15.76%	14.90%	13.94%	14.41%	14.75%	14.92%

ROAA, as Adjusted Reconciliation

“Return on average assets, as adjusted” is a non-GAAP measure defined as net income, less bargain purchase gain (net of taxes), plus non-recurring foregone interest and fees, plus non-recurring data processing expenses, plus non-recurring deferred tax revaluation, less the tax impact of conversion-related items, divided by average total assets.

Dollars in Thousands	Year Ended December 31,					YTD
	2013	2014	2015	2016	2017 ¹	June 30, 2018
Net Income	\$ 6,857	\$ 6,793	\$ 7,492	\$ 9,441	\$ 7,109	\$ 6,135
Add: Non-recurring foregone interest and fees	\$ -	\$ -	\$ -	\$ -	\$ 2,370	\$ -
Add: Non-recurring data processing expenses	\$ -	\$ -	\$ -	\$ -	\$ 2,275	\$ -
Add: Non-recurring deferred tax revaluation	\$ -	\$ -	\$ -	\$ -	\$ 1,386	\$ -
Less: Tax impact of conversion related items	\$ -	\$ -	\$ -	\$ -	\$ (1,847)	\$ -
Less: Bargain purchase gain, Net of Taxes	\$ (1,076)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income, as Adjusted	\$ 5,781	\$ 6,793	\$ 7,492	\$ 9,441	\$ 11,293	\$ 6,135
Average Total Assets	\$ 471,400	\$ 541,934	\$ 679,595	\$ 832,619	\$ 964,946	\$ 1,026,770
Return on Average Assets, as Adjusted	1.23%	1.25%	1.10%	1.13%	1.17%	1.20%

Net Interest Margin, as Adjusted Reconciliation

“Net interest margin, as adjusted” is a non-GAAP measure defined as net interest income, plus non-recurring foregone interest and fees, divided by average interest earning assets.

Dollars in Thousands	Year Ended December 31,					YTD
	2013	2014	2015	2016	2017	June 30, 2018
Net Interest Income	\$ 25,327	\$ 29,717	\$ 33,676	\$ 42,759	\$ 48,911	\$ 28,507
Add: Non-recurring foregone interest and fees	\$ -	\$ -	\$ -	\$ -	\$ 2,370	\$ -
Adjusted Net Interest Income	\$ 25,327	\$ 29,717	\$ 33,676	\$ 42,759	\$ 51,281	\$ 28,507
Average interest earning assets	\$ 467,772	\$ 531,505	\$ 671,275	\$ 825,676	\$ 955,479	\$ 1,016,446
Net Interest Margin, as Adjusted	5.41%	5.59%	5.02%	5.18%	5.37%	5.66%

Net Revenue & Noninterest Income to Net Revenue Reconciliation

Net revenue for 2017 has been adjusted to exclude the impact of non-recurring foregone interest and fees and as such is considered a non-GAAP measure.

Dollars in Thousands	Year Ended December 31,					YTD	
	2013	2014	2015	2016	2017	June 30, 2017	June 30, 2018
Noninterest Income	\$ 10,171	\$ 11,442	\$ 14,929	\$ 20,473	\$ 15,149	\$ 7,223	\$ 8,417
Net Interest Income	\$ 25,327	\$ 29,717	\$ 33,676	\$ 42,759	\$ 48,911	\$ 23,391	\$ 28,507
Add: Noninterest Income	\$ 10,171	\$ 11,442	\$ 14,929	\$ 20,473	\$ 15,149	\$ 7,223	\$ 8,417
Add: Non-recurring foregone interest and fees	\$ -	\$ -	\$ -	\$ -	\$ 2,370	\$ -	\$ -
Adjusted Revenue	\$ 35,498	\$ 41,159	\$ 48,605	\$ 63,232	\$ 66,430	\$ 30,614	\$ 36,924
Noninterest Income to Adjusted Revenue	28.7%	27.8%	30.7%	32.4%	22.8%	23.6%	22.8%

Efficiency Ratio, as Adjusted Reconciliation

“Efficiency ratio, as adjusted” is a non-GAAP measure defined as total noninterest expense less non-recurring data processing expenses, divided by the sum of net interest income, noninterest income and non-recurring foregone interest and fees.

Dollars in Thousands	Year Ended December 31,					YTD	
	2013	2014	2015	2016	2017	June 30, 2017	June 30, 2018
Total Noninterest Expense	\$ 24,836	\$ 28,821	\$ 34,817	\$ 43,380	\$ 47,306	\$ 21,742	\$ 27,128
Less: Non-recurring data processing expenses	\$ -	\$ -	\$ -	\$ -	\$ (2,275)	\$ -	\$ -
Adjusted Noninterest Expense	\$ 24,836	\$ 28,821	\$ 34,817	\$ 43,380	\$ 45,031	\$ 21,742	\$ 27,128
Net Interest Income	\$ 25,327	\$ 29,717	\$ 33,676	\$ 42,759	\$ 48,911	\$ 23,391	\$ 28,507
Add: Noninterest Income	\$ 10,171	\$ 11,442	\$ 14,929	\$ 20,473	\$ 15,149	\$ 7,223	\$ 8,417
Add: Non-recurring foregone interest and fees	\$ -	\$ -	\$ -	\$ -	\$ 2,370	\$ -	\$ -
Adjusted Revenue	\$ 35,498	\$ 41,159	\$ 48,605	\$ 63,232	\$ 66,430	\$ 30,614	\$ 36,924
Efficiency Ratio, As Adjusted	70.0%	70.0%	71.6%	68.6%	67.8%	71.0%	73.5%

Diluted Earnings Per Share, as Adjusted Reconciliation

“Diluted earnings per share, as adjusted” is a non-GAAP measure defined as net income, less bargain purchase gain (net of taxes), plus non-recurring foregone interest and fees, plus non-recurring data processing expenses, plus non-recurring deferred tax revaluation, less the tax impact of conversion-related items, divided by the diluted weighted average shares outstanding.

Dollars in Thousands (except per share data)	Year Ended December 31,					YTD	
	2013	2014	2015	2016	2017	June 30, 2017	June 30, 2018
Net Income	\$ 6,857	\$ 6,793	\$ 7,492	\$ 9,441	\$ 7,109	\$ 4,716	\$ 6,135
Less: Bargain purchase gain, Net of Taxes	\$ (1,076)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Add: Non-recurring foregone interest and fees	\$ -	\$ -	\$ -	\$ -	\$ 2,370	\$ -	\$ -
Add: Non-recurring data processing expenses	\$ -	\$ -	\$ -	\$ -	\$ 2,275	\$ -	\$ -
Add: Non-recurring deferred tax revaluation	\$ -	\$ -	\$ -	\$ -	\$ 1,386	\$ -	\$ -
Less: Tax impact of conversion related items	\$ -	\$ -	\$ -	\$ -	\$ (1,847)	\$ -	\$ -
Net Income, As Adjusted	\$ 5,781	\$ 6,793	\$ 7,492	\$ 9,441	\$ 11,293	\$ 4,716	\$ 6,135
Add: Convertible debt interest expense	\$ 281	\$ 281	\$ 281	\$ -	\$ -	\$ -	\$ -
Net Income for diluted EPS	\$ 6,062	\$ 7,074	\$ 7,773	\$ 9,441	\$ 11,293	\$ 4,716	\$ 6,135
Diluted Weighted Average Shares Outstanding	9,336,596	10,279,548	10,488,036	11,289,044	11,428,000	11,318,023	11,986,310
Diluted Earnings Per Share, as Adjusted	\$0.65	\$0.69	\$0.74	\$0.84	\$0.99	\$0.42	\$0.51

Tangible Book Value Per Share Reconciliation

“Tangible book value per share” is a non-GAAP measure defined as total stockholders’ equity, less intangible assets, divided by shares of common stock outstanding.

Dollars in Thousands (except per share data)	Year Ended December 31,					June 30, 2018
	2013	2014	2015	2016	2017	
Total Stockholders' Equity	\$ 42,421	\$ 50,216	\$ 59,657	\$ 70,748	\$ 80,119	\$ 86,994
Less: Preferred equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Intangible assets	\$ (72)	\$ (39)	\$ (17)	\$ -	\$ -	\$ -
Tangible Common Equity	\$ 42,349	\$ 50,177	\$ 59,640	\$ 70,748	\$ 80,119	\$ 86,994
Period End Shares Outstanding	9,342,860	9,562,820	10,225,780	11,144,696	11,537,196	11,661,372
Tangible Book Value per Share	\$4.53	\$5.25	\$5.83	\$6.35	\$6.94	\$7.46

