

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): July 29, 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 second 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 June 2024](#)
  - 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)
-

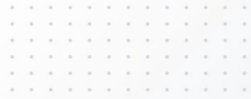
**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**CAPITAL BANCORP, INC.**

Date: July 29, 2024

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



**2Q 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 ability to complete, or any delays in completing, the pending merger between the Company and IFH; any failure to realize the anticipated benefits of the pending merger transaction when expected or at all; certain restrictions during the pendency of the transaction that may impact the Company's ability to pursue certain business opportunities or strategic transactions; the possibility that the pending merger transaction may be more expensive to complete than anticipated, including as a result of conditions imposed by regulators, unexpected conditions, factors or events, diversion of management's attention from ongoing business operations and opportunities; 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)						
	June 30, 2024	March 31, 2024	QoQ Result	June 30, 2023	YoY Result	
<b>Balance Sheet</b>						
Assets	\$ 2,439	\$ 2,324	4.9%	\$ 2,228	9.5%	
Portfolio Loans	2,022	1,965	2.9%	1,838	10.0%	
Deposits	2,100	2,006	4.7%	1,934	8.6%	
<b>Quarterly Financial Performance</b>						
Tangible Book Value per Share <sup>(1)</sup>	\$ 19.26	\$ 18.68	3.1%	\$ 16.98	13.4%	
Earnings per Share, Diluted	\$ 0.59	\$ 0.47	25.5%	\$ 0.52	13.5%	
Earnings per Share, Diluted, as adjusted <sup>(1)</sup>	\$ 0.59	\$ 0.51	15.7%	\$ 0.52	13.5%	
ROAA, annualized	1.40%	1.15%	25 bps	1.34%	6 bps	
ROAA, annualized, as adjusted <sup>(1)</sup>	1.41%	1.24%	17 bps	1.34%	7 bps	
ROAE, annualized	12.53%	10.19%	234 bps	12.30%	23 bps	
ROAE, annualized, as adjusted <sup>(1)</sup>	12.62%	11.03%	159 bps	12.30%	32 bps	
Efficiency Ratio	67.11%	71.95%	-484 bps	70.41%	-330 bps	
Efficiency Ratio, as adjusted <sup>(1)</sup>	66.92%	70.22%	-330 bps	70.41%	-349 bps	
Net Interest Margin	6.46%	6.24%	22 bps	6.63%	-17 bps	
Net Interest Margin, as adjusted <sup>(1)(2)</sup>	4.00%	3.85%	15 bps	4.06%	-6 bps	

### Corporate Timeline



**CAPITAL BANCORP, INC.**

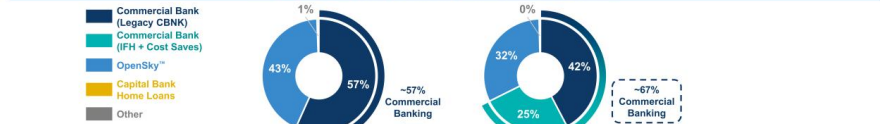
(1) Refer to Appendix for reconciliation of non-GAAP measures.  
(2) Excluding credit card loans

# Business Model Remains Uniquely Diversified



Commercial Banking			Capital Bank Home Loans		OpenSky™		
<b>\$1.9B</b> Portfolio Loans, ex. OpenSky™	<b>\$1.8B</b> Deposits <sup>1</sup>	<b>\$43mm</b> 2Q24 YTD Revenue	<b>\$134mm</b> 2Q24 YTD Volume <sup>2</sup>	<b>\$3mm</b> 2Q24 YTD Revenue	<b>\$122mm</b> Loans, net	<b>\$173mm</b> Deposits	<b>\$39mm</b> 2Q24 YTD 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> </ul>		
<div style="border: 1px dashed blue; padding: 5px;"> <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 6/30/2024.  
<sup>1</sup> Excludes brokered CD's and intracompany deposits.  
<sup>2</sup> Volume in FY 2021 was approximately \$1.0 billion and volume in FY 2022 was approximately \$300 million.  
<sup>3</sup> Excludes \$1.8 million loss in Capital Bank Home Loans. Commercial Bank with IFH includes IFH 2023Y core net income of -\$7.5 million plus \$5.3 million of fully phased-in after-tax cost savings. IFH 2023Y core net income 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.

## Second Quarter 2024 Highlights

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### Earnings and Profitability

- Net Income of \$8.2 million; as adjusted<sup>(1)</sup> of \$8.3 million
- Diluted EPS of \$0.59; as adjusted<sup>(1)</sup> of \$0.59
- Return on Average Assets of 1.40%; as adjusted<sup>(1)</sup> of 1.41%
- Return on Average Equity of 12.53%; as adjusted<sup>(1)</sup> of 12.62%
- Cash dividend of \$0.10 per share declared, or 25% higher than the prior quarter
- Pre-tax Merger-Related Expenses totaled \$0.1 million; \$0.8 million YTD

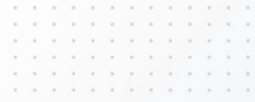
### Key Operating Trends

- Net Interest Margin of 6.46%
- Core Net Interest Margin, Adjusted<sup>(1)(2)</sup> of 4.00%
- Efficiency Ratio of 67.11%; as adjusted<sup>(1)</sup> of 66.92%

### Loans and Deposits

- Total portfolio loans increased \$57.1 million, or 11.7% annualized, to \$2.022 billion
- Total average portfolio loans increased \$65.3 million to \$1.993 billion
- Total deposits increased \$94.7, or 25.2% annualized, million to \$2.100 billion
- Total average deposits increased \$53.2 million to \$2.011 billion
- Portfolio loans-to-deposit ratio (average balances) of 99.1%





# Pending Strategic Acquisition of IFHI



## Transaction Overview and Strategic Rationale

### Strategic Acquisition of IFH

- Capital Bancorp, Inc. (NASDAQ: CBNK) is acquiring Integrated Financial Holdings, Inc. (OTCQX:IFH), a \$518 million asset bank holding company
- 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  
Earnback (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

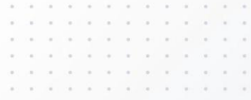


## Merger Closing and Integration Remains on Track

- Federal Reserve approval received on July 9<sup>th</sup>
- Merger is still subject to approval of the Office of the Comptroller of the Currency, CBNK's and IFH's shareholders and other customary closing conditions
- Planning for legal day 1 is substantially complete; Execution plans across a number of functional workstreams have been established
- Decisioning on critical technology and operational components is proceeding as expected



**Priority is to Deliver on Value Creation Commitments to Our Customers, Shareholders and the Communities That We Serve**



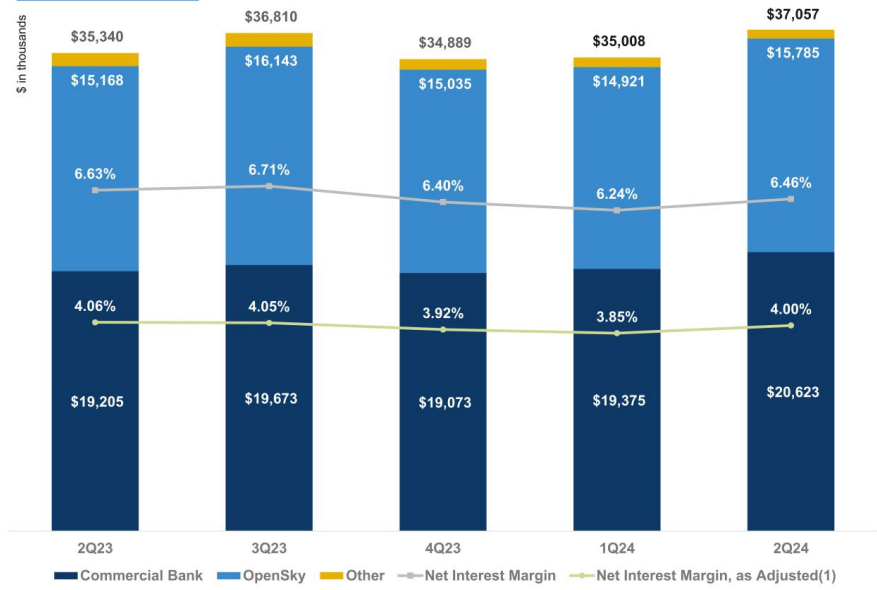
CAPITAL BANCORP, INC.



**Financial Information**



## Net Interest Income and Net Interest Margin

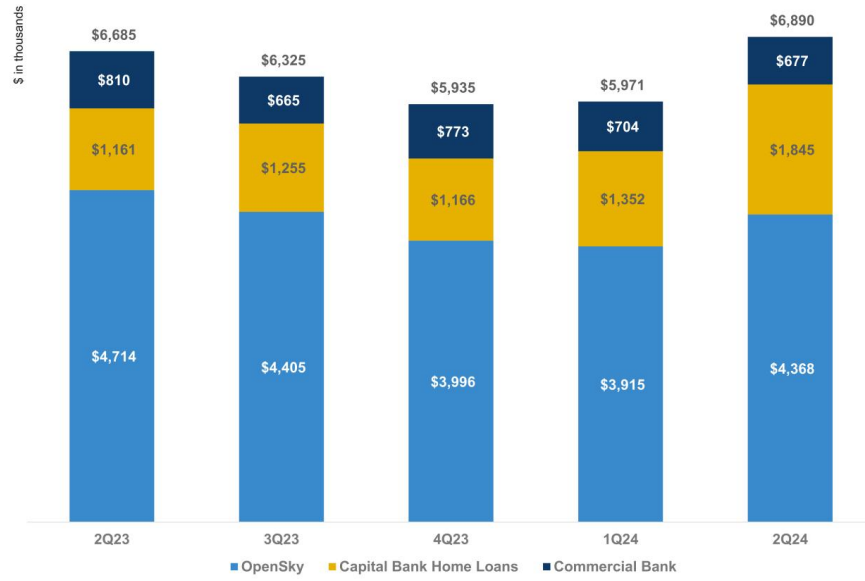


CAPITAL BANCORP, INC.

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

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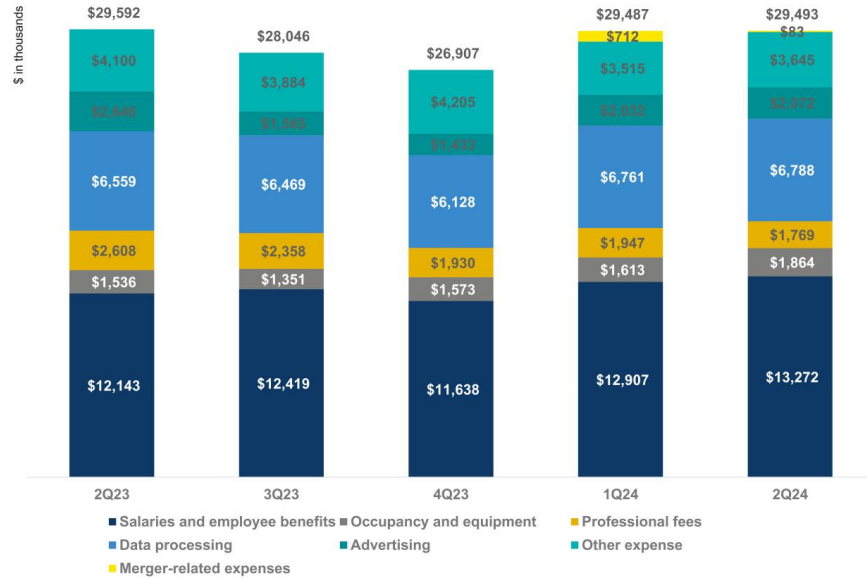
## Noninterest Income – Quarter to Date



CAPITAL BANCORP, INC.

Note: Other income includes BOJ income, customer service fees, and other income.

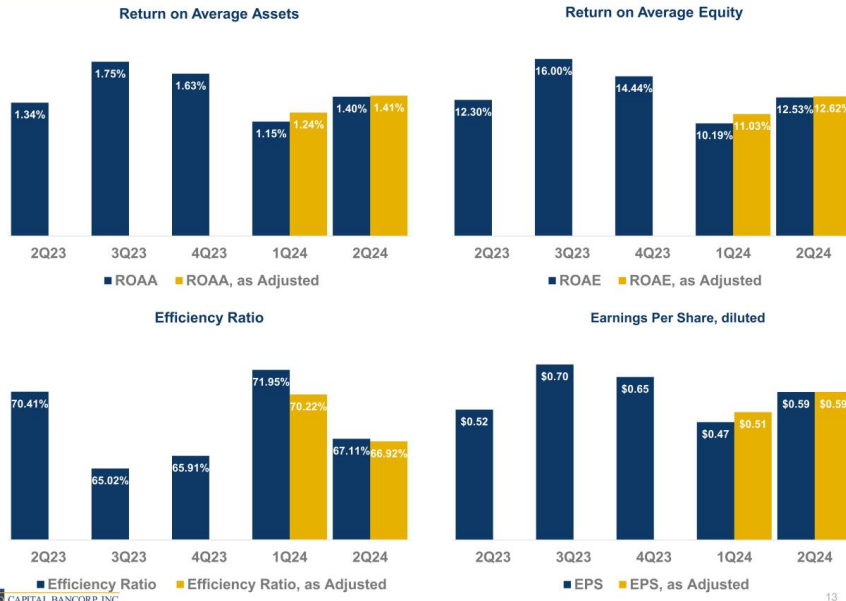
## Noninterest Expense – Quarter to Date



CAPITAL BANCORP, INC.

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

## Profitability

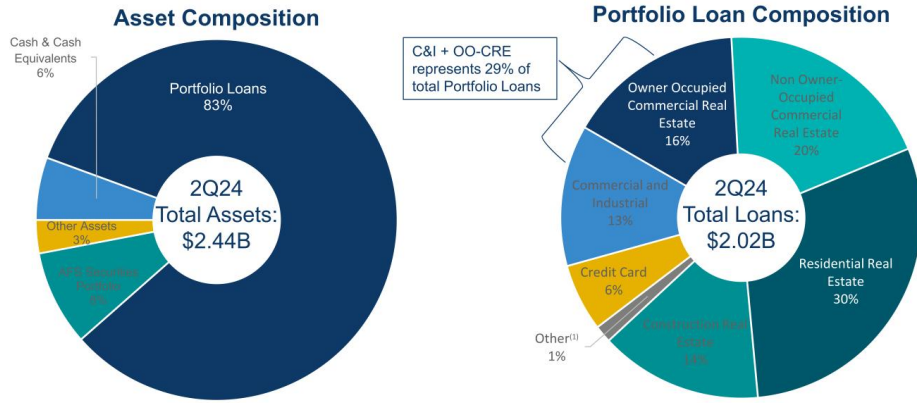


CAPITAL BANCORP, INC.

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



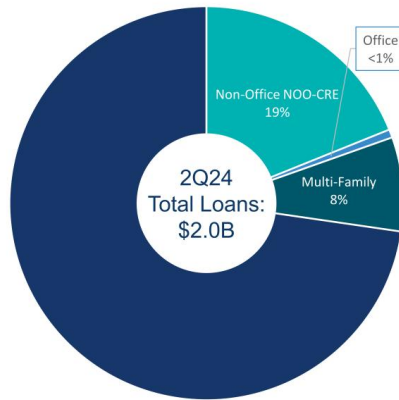
## Balance Sheet Composition



### Portfolio Loan Composition Changes

- Total Portfolio Loans increased \$57.1 million, or 2.9%, from March 31, 2024.
- Owner Occupied Commercial Real Estate Loans totaled \$319.4 million.
- Non-Owner Occupied Commercial Real Estate Loans totaled \$397.1 million.
- Average Portfolio Loans increased \$65.3 million, or 3.4%, from the first quarter 2024.
- Average Portfolio loans-to-deposit ratio of 99.1%.

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



(in thousands)

**As of June 30, 2024**

Loan Type	Amount	% of Total Portfolio Loans, Gross	Weighted Average LTV
Multi-family	\$ 156,744	7.7%	56.1%
Retail	\$ 113,697	5.6%	54.2%
Mixed Use	94,143	4.6%	51.3%
Industrial	61,992	3.1%	54.6%
Hotel	75,427	3.7%	50.8%
Office	13,699	0.7%	63.1%
Other	38,122	1.9%	48.2%
<b>Total NOO-CRE loans</b>	<b>\$ 397,080</b>	<b>19.6%</b>	<b>52.7%</b>
<b>Total portfolio loans, gross</b>	<b>\$ 2,028,367</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 \$13.7 million, or 0.7% of total portfolio loans, gross with a weighted average LTV of 63.1%

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



(in thousands)

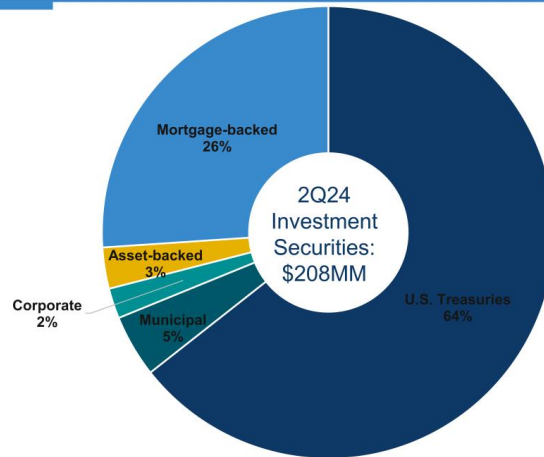
**As of June 30, 2024**

Loan Type	Amount	% of Total Portfolio Loans, Gross	Weighted Average LTV
Industrial	\$ 78,596	3.9%	53.3%
Office	42,876	2.1%	57.1%
Retail	40,596	2.0%	59.1%
Mixed use	17,657	0.9%	65.6%
Other	139,644	6.9%	61.2%
<b>Total OO-CRE loans</b>	<b>\$ 319,369</b>	<b>15.7%</b>	<b>58.7%</b>
<b>Total portfolio loans, gross</b>	<b>\$ 2,028,367</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 \$58.3 million, skilled nursing loans of \$53.8 million, and other loans of \$27.5 million.
- Office Owner-Occupied Commercial Real Estate loans totaled \$42.9 million, or 2.1% of total portfolio loans, gross with a weighted average LTV of 57.1%

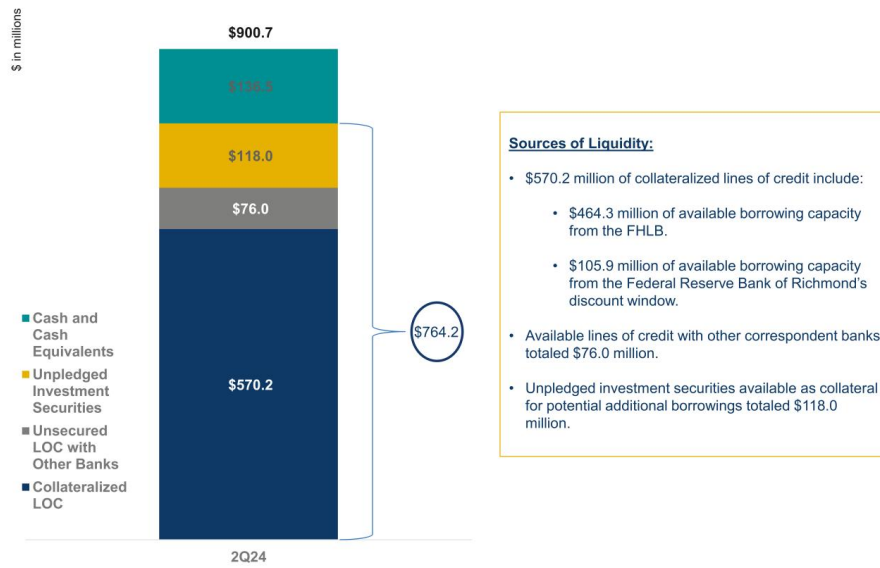
## High Quality, Low Risk Investment Portfolio



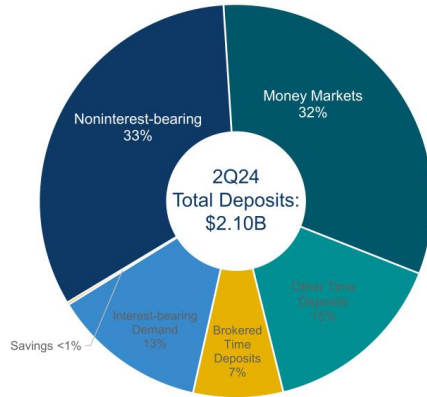
### **Investment Securities Portfolio**

- Classified as available for sale with a fair market value of \$208 million, or 8.5% of total assets.
- The amortized cost of the investment securities portfolio was \$227.1 million, with an effective duration of 2.92 years.
- U.S. Treasuries represent 64.3% of the overall investment portfolio.
- The accumulated other comprehensive loss on the investment securities portfolio of \$13.1 million represents 4.9% of total stockholders' equity and \$0.94 of TBVPS.
- The Company does not have a held to maturity investment securities portfolio.

## Liquidity



## Composition of Deposits

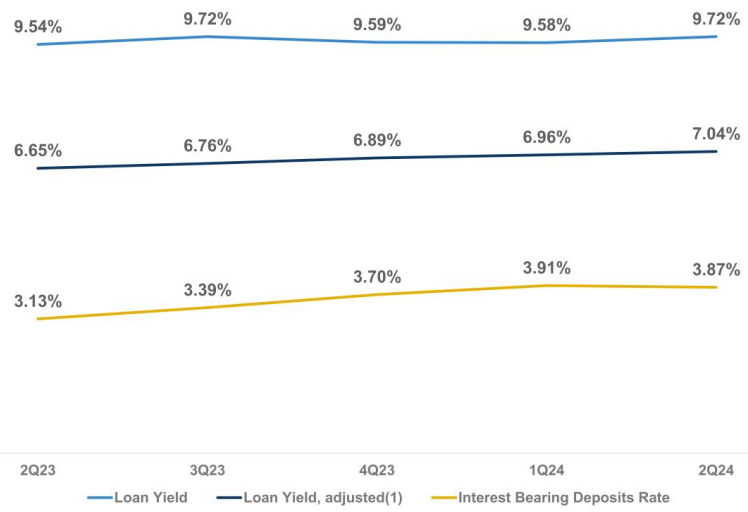


	As of		For the Three Months Ended	
	June 30, 2024		June 30, 2024	
	Spot Balance	Average Balance	Average Rate <sup>(1)</sup>	
<b>Deposits:</b>				
Noninterest-bearing	\$ 684,574	\$ 653,018	0.00%	
Interest-bearing demand	266,070	216,247	0.28%	
Savings	4,270	4,409	0.09%	
Money markets	672,455	671,240	4.21%	
Time deposits	473,059	465,822	5.07%	
<b>Total deposits</b>	<b>\$ 2,100,428</b>	<b>\$ 2,010,736</b>	<b>2.61%</b>	

### Deposit Composition and Costs

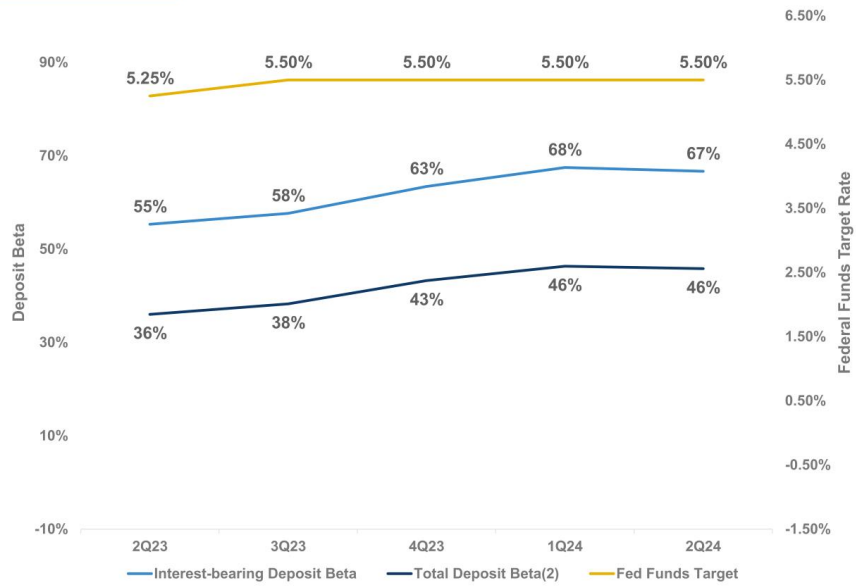
- Total Deposits increased \$94.7 million, or 4.7%, from March 31, 2024.
- Average deposits increased \$53.2 million, or 2.7%, from the first quarter 2024.
- Interest bearing deposit costs decreased 4bps to 3.87% from 3.91% in the prior quarter and total deposit costs decreased 3bps to 2.61% from 2.64% in the prior quarter.
- Transaction accounts (noninterest-bearing and interest-bearing demand) represent 45.3% of overall deposit funding at June 30, 2024.

## Loan Yield and Deposit Rate Trends



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

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



CAPITAL BANCORP, INC.

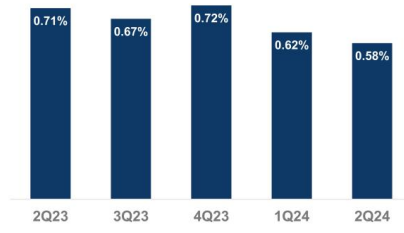
(1) Deposit betas are cumulative customer deposits for the current cycle; Federal Funds Target rates are end-of-period value  
 (2) Includes noninterest bearing and interest-bearing deposits

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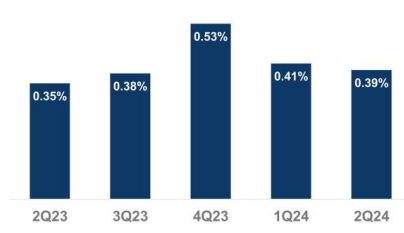


## Credit Metrics

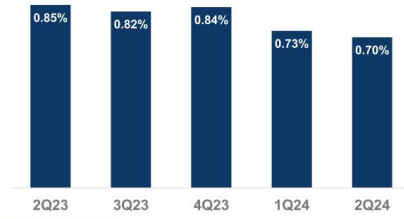
Non-performing Assets / Total Assets



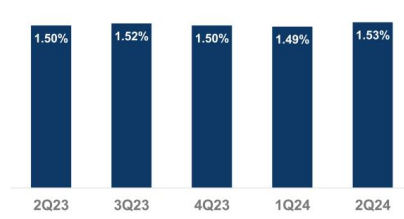
Annualized Net Charge-Offs / Average Portfolio Loans<sup>(1)</sup>



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



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

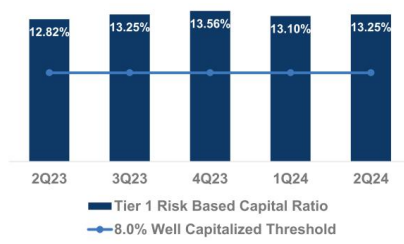


 CAPITAL BANCORP, INC.

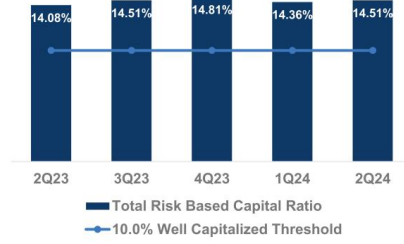
(1) Refer to Appendix for reconciliation of non-GAAP measures.

## Robust Capital Ratios

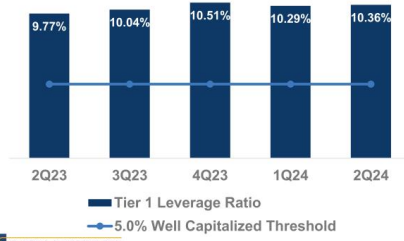
Tier 1 Risk Based Capital Ratio



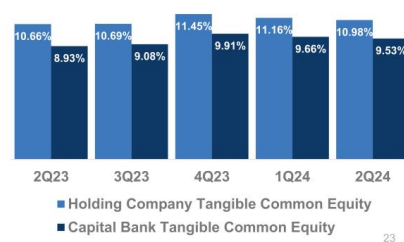
Total Risk Based Capital Ratio



Tier 1 Leverage Ratio



Tangible Common Equity

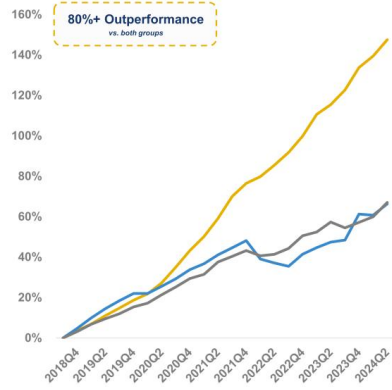


CAPITAL BANCORP, INC.

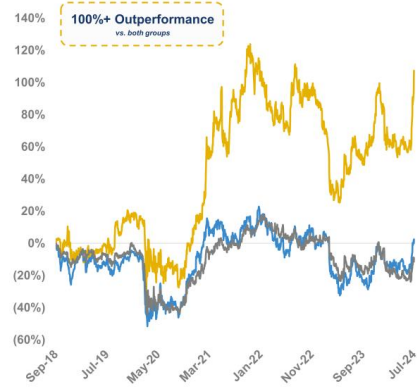
Note: Ratios presented are for Capital Bank unless otherwise noted

# Share Appreciation Outperforms Industry

TBVPS + Dividend Growth Since 2018Q3



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



	CAGR	% Change
CBNK	17.1%	148%
NASDAQ Regional Banking Index	9.3%	66%
Selected Banks <sup>2</sup> Median	9.3%	67%

	% Change
CBNK	107%
NASDAQ Regional Banking Index	2%
Selected Banks <sup>2</sup> Median	(9%)

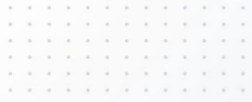
Source: S&P Global Market Intelligence; FactSet.  
 Note: Market data as of 7/22/2024.  
<sup>1</sup> CBNK IPO price of \$12.50 used as starting price for price change calculation.  
<sup>2</sup> Select banks with assets between \$1.5 billion and \$5.0 billion in the Mid-Atlantic (North of Richmond) and New England Region. (ACNB, BCRP, BHRB, BPRN, BWFG, EBTC, FLIC, FRBA, FRST, FVCS, HNWV, JMSB, MNSB, MRBK, MVBF, NBN, PKBK, PVBC, UNTY).  
 CAPITAL BANCORP, INC. 24



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

Ed Barry  
Chief Executive Officer  
(240) 283-1912

NASDAQ: CBNK



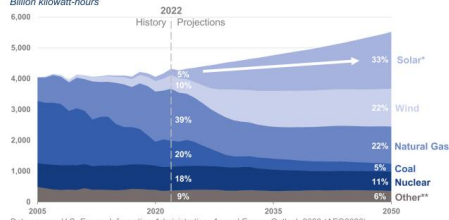
# Appendix



# 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	Lender
<ul style="list-style-type: none"> <li>✓ Longer loan terms relative to conventional lending products</li> <li>✓ Minimal financial covenants with a focus on payment defaults</li> <li>✓ Guaranteed lending products offer competitive pricing</li> <li>✓ USDA programs require matching amortization and loan terms</li> </ul>	<ul style="list-style-type: none"> <li>✓ Up to 80% loan guarantee (US Government)</li> <li>✓ Full discretion to sell the guaranteed portion of the loan into a liquid and lucrative secondary market at any time</li> <li>✓ Increased loan sizes but only the unguaranteed portion of the loan is considered for legal lending purposes</li> </ul>

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

Project Lifecycle	Development	Project Assembly	Operations
Key Milestones	Notice to Proceed, Mechanical Completion	Permission to Operation, Commercial Operations Date, Placed in Service	Substantial Completion, Final Completion
<b>LTC Development Loans</b>	<p>Formula based on mid and late-stage development assets</p> <p><b>Rate:</b> Prime + 1.0% to 3.0% Variable, quarterly adjust</p> <p><b>Term:</b> 24 months</p> <p><b>Loan to Cost:</b> Up to 90%</p>	<p><b>Solar Project Assembly Loan</b></p> <p>Formula based for projects that have reached NTP ("Notice to Proceed")</p> <p><b>Rate:</b> 1YR Treasury + 2.75% to 4.0% Variable, quarterly adjust</p> <p><b>Term:</b> 12 months to 18 months</p> <p><b>Loan to Cost:</b> Up to 95%</p>	<p><b>USDA Guaranteed Term Loans</b></p> <p>Structured fully-amortizing USDA term loans. Up to 80% USDA Guarantee</p> <p><b>Rate:</b> 5/7/10YR Treasury + 2.75% to 4.0% Reset at 5/7/10YR</p> <p><b>Term:</b> 300 months</p> <p><b>Loan to Cost:</b> Up to 75%</p> <p>Investors typically offer secondary market premiums for USDA guaranteed solar loans</p>

CAPITAL BANCORP, INC.

## Reconciliation of Non-GAAP Information

Tangible Book Value Per Share (in thousands, except per share amount)	Quarters Ended		
	June 30, 2024	March 31, 2024	June 30, 2023
<b>Total Stockholders' Equity</b>	\$ 267,854	\$ 259,465	\$ 237,435
Less: Preferred equity	-	-	-
Less: Intangible assets	-	-	-
<b>Tangible Common Equity</b>	\$ 267,854	\$ 259,465	\$ 237,435
Period End Shares Outstanding	13,910,467	13,889,564	13,981,414
<b>Tangible Book Value Per Share</b>	\$ 19.26	\$ 18.68	\$ 16.98

Net Interest Margin, as Adjusted <sup>(1)</sup> (in thousands)	Quarters Ended		
	June 30, 2024	March 31, 2024	June 30, 2023
<b>Net Interest Income</b>	\$ 37,057	\$ 35,008	\$ 35,340
Less: Credit card loan income	15,205	14,457	14,818
<b>Net Interest Income, as Adjusted</b>	\$ 21,852	\$ 20,551	\$ 20,522
Average Interest Earning Assets	2,307,070	2,254,663	2,136,936
Less: Average credit card loans	111,288	110,483	110,574
<b>Total Average Interest Earning Assets, as Adjusted</b>	\$ 2,195,782	\$ 2,144,180	\$ 2,026,362
<b>Net Interest Margin, as Adjusted<sup>(1)</sup></b>	4.00%	3.85%	4.06%

(1) Annualized

## Reconciliation of Non-GAAP Information

	Quarters Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
<b>Net Charge-offs to Average Portfolio Loans<sup>(1)</sup></b>					
(in thousands)					
<b>Total Net Charge-offs</b>	\$ 1,935	\$ 1,987	\$ 2,477	\$ 1,780	\$ 1,583
<b>Total Average Portfolio Loans</b>	1,992,630	1,927,372	1,863,298	1,847,772	1,802,608
<b>Net Charge-offs to Average Portfolio Loans<sup>(1)</sup></b>	0.39%	0.41%	0.53%	0.38%	0.35%
<b>Nonperforming Loans to Total Portfolio Loans</b>					
(in thousands)					
<b>Total Nonperforming Loans</b>	\$ 14,053	\$ 14,361	\$ 16,042	\$ 15,236	\$ 15,709
<b>Total Portfolio Loans</b>	2,021,588	1,964,525	1,903,288	1,862,679	1,838,131
<b>Nonperforming Loans to Total Portfolio Loans</b>	0.70%	0.73%	0.84%	0.82%	0.85%
<b>Allowance for Credit Losses to Total Portfolio Loans</b>					
(in thousands)					
<b>Allowance for Credit Losses</b>	\$ 30,832	\$ 29,350	\$ 28,610	\$ 28,279	\$ 27,495
<b>Total Portfolio Loans</b>	2,021,588	1,964,525	1,903,288	1,862,679	1,838,131
<b>Nonperforming Loans to Total Portfolio Loans</b>	1.53%	1.49%	1.50%	1.52%	1.50%

(1) Annualized



## Reconciliation of Non-GAAP Information

### Earnings Metrics, as Adjusted

(in thousands, except per share data)

	Quarters Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
<b>Net Income</b>	\$ 8,205	\$ 6,562	\$ 9,030	\$ 9,788	\$ 7,318
Add: Merger-Related Expenses, net of tax	62	538	-	-	-
<b>Net Income, as Adjusted</b>	\$ 8,267	\$ 7,100	\$ 9,030	\$ 9,788	\$ 7,318
<b>Weighted average common shares - Diluted</b>	13,895	13,919	13,989	14,024	14,059
<b>Earnings per share - Diluted</b>	\$ 0.59	\$ 0.47	\$ 0.65	\$ 0.70	\$ 0.52
<b>Earnings per share - Diluted, as Adjusted</b>	\$ 0.59	\$ 0.51	\$ 0.65	\$ 0.70	\$ 0.52
<b>Average Assets</b>	\$ 2,353,868	\$ 2,299,234	\$ 2,202,479	\$ 2,221,117	\$ 2,184,351
<b>Return on Average Assets<sup>(1)</sup></b>	1.40%	1.15%	1.63%	1.75%	1.34%
<b>Return on Average Assets, as Adjusted<sup>(1)</sup></b>	1.41%	1.24%	1.63%	1.75%	1.34%
<b>Average Equity</b>	\$ 263,425	\$ 258,892	\$ 248,035	\$ 242,671	\$ 238,684
<b>Return on Average Equity<sup>(1)</sup></b>	12.53%	10.19%	14.44%	16.00%	12.30%
<b>Return on Average Equity, as Adjusted<sup>(1)</sup></b>	12.62%	11.03%	14.44%	16.00%	12.30%
<b>Net Interest Income</b>	\$ 37,057	\$ 35,008	\$ 34,889	\$ 36,810	\$ 35,340
<b>Noninterest Income</b>	6,890	5,972	5,936	6,326	6,687
<b>Total Revenue</b>	\$ 43,947	\$ 40,980	\$ 40,825	\$ 43,136	\$ 42,027
<b>Noninterest Expense</b>	29,493	29,487	26,907	28,046	29,592
<b>Efficiency Ratio<sup>(2)</sup></b>	67.11%	71.95%	65.91%	65.02%	70.41%
<b>Noninterest Expense</b>	\$ 29,493	\$ 29,487	\$ 26,907	\$ 28,046	\$ 29,592
Less: Merger-Related Expenses	83	712	-	-	-
<b>Noninterest Expense, as Adjusted</b>	\$ 29,410	\$ 28,775	\$ 26,907	\$ 28,046	\$ 29,592
<b>Efficiency Ratio, as Adjusted<sup>(2)</sup></b>	66.92%	70.22%	65.91%	65.02%	70.41%

(1) Annualized

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

