CAPITAL FUNDING BANCORP, INC.

AND ITS SUBSIDIARY CFG Community Bank, DBA CFG Bank

INVESTOR UPDATE Q2 2021

August 10, 2021

Time: 2:00 p.m. Eastern
Conference Number: 667-262-0979
Conference ID: 629 610 89#

Capital Funding Bancorp, Inc. Overview

Founded:

Capital Funding Bancorp, Inc. was formed through the acquisition of AmericasBank Corp, Inc. in April 2009 which was subsequently renamed to CFG Community Bank. CFG Community Bank is a wholly owned subsidiary of Capital Funding Bancorp, Inc. and is chartered in the state of Maryland. In 2019, CFG Community Bank rebranded as CFG Bank for marketing purposes.

Areas of Expertise:

CFG Bank operates two bank branches in the Baltimore area and an online branch with a focus on Commercial & Industrial and Commercial Real Estate lending, Cash Management, and deposit solutions for consumers, businesses, and corporations. CFG Bank is committed to consistently offering some of the most competitive CD and money market rates across the nation.

Capital Funding, LLC, a wholly owned subsidiary of CFG Bank, focuses on originating bridge loans to healthcare skilled nursing and assisted living facilities before they are permanently financed through the Department of Housing and Urban Development ("HUD") program as well as direct placement through HUD. Once HUD financing is complete, Capital Funding, LLC services these loans for their remaining life.

Capital Finance, LLC, a wholly owned subsidiary of CFG Bank, focuses on originating accounts receivable loans to skilled nursing facilities who borrow funds to finance their receivables from Medicare and Medicaid.

Total Assets:

$2.045 billion (as of Q2 2021)

Headquarters:

1422 Clarkview Rd, Baltimore, Maryland 21209

CFG Bank Initiatives

- Capitalize on becoming Baltimore's biggest headquartered bank, after the news of Howard Bank selling to F.N.B. Corporation
    - CFG Bank intends to expand its services for clients, increase marketing efforts, and continue giving back to the community. See attached Baltimore Business Journal article on page 15
- Completed $2 million donation in Q2 for healthcare training program
    - Half the money will launch the Jack and Nancy Dwyer Workforce Development Program, a nonprofit that will provide training to unemployed and underemployed people looking to start careers in healthcare
    - The other half will go toward the construction of a new building run by Living Classrooms, a Baltimore nonprofit, that will host the new healthcare training
    - The donation will help address the effects of systemic poverty and inequality by helping individuals with the training they need to launch successful nursing careers. The donation will also help address high turnover of nursing professionals
- Continue to support customers, community members, and employees as they recover from the COIVD-19 pandemic, including:
    - Continue to assist customers with PPP loan forgiveness. Approximately $126 million, or 64%, of the $198 million in PPP loans have been forgiven as of 6/30/2021
    - Monitor and keep in close contact with customers on payment deferrals and other accommodations
- Completed a successful $30 million subordinated debt issuance in May. The notes will mature on June 1, 2031 and will bear an initial 3.875% interest rate. The proceeds will be used to grow the Bank's lending capacity and other initiatives. The issuance was oversubscribed and brings in 16 new debt investors to Capital Funding Bancorp, Inc.

- Made a $2 million strategic investment in New Republic Partners, Inc., a North Carolina based financial services holding company providing wealth management services and concierge banking services. The proposed investment and partnership is believed to be mutually beneficial and will allow for meaningfully new business for both institutions as it relates to:
  - Loan participations/syndications
  - Opportunities to share customer deposit relationships
  - Wealth management referrals
  - Sale of higher risk and higher yielding loans to New Republic Partners' private credit funds
  - Other strategic opportunities
- Continue growth and cross-sell opportunities within the healthcare spectrum
  - Continue to successfully utilize our new loan securitization process which enables the Bank to close large healthcare loans, improving non-interest income and optimizing the Bank's capital. It is anticipated that over 90% of these securitized loans will progress to HUD permanent financing which the Bank would then service
- Onboard new commercial and business deposit accounts
  - New cash management system launched successfully in Q3 2020 to grow operational deposit accounts in the Commercial and Healthcare divisions
  - Significant pipeline of new and existing customers in process of transitioning their operating accounts to CFG Bank
  - Fund new loan growth with low-cost core relationship-based deposits

Capital Funding Bancorp, Inc. and its subsidiary CFG Community Bank, DBA CFG Bank
Q2 2021 Highlights

■ CFG Bank is now the largest Baltimore based bank, ranked by total assets, after the announcement of the acquisition of Howard Bancorp, Inc. by Pittsburgh, PA based bank, F.N.B. Corporation.

■ As of 06/30/21, 2nd quarter earnings of $21.0 million were $16.2 million higher than the comparable QTD prior year period of $4.8 million, representing a 335.5% increase. Q2 2021 is the third consecutive quarter of record earnings. Q2 2021 record earnings were driven primarily by strong performance by the Bank's healthcare securitization and bridge to HUD origination businesses.

■ YTD net interest income of $39.5 million is $16.9 million or 74.5% above the prior year comparable period and QTD net interest income of $22.4 million is $10.7 million, or 91.4% above Q2 QTD 2020 net interest income of $11.7 million. Compared to the 2nd quarter of 2020, the Company's net interest margin has improved by nearly 1.00%, increasing from 3.69% YTD at 06/30/2020, to 4.67% YTD at 06/30/2021. The increase was driven by growth in high-yielding beneficial interests in securitization assets (from the securitization process) and a lower cost of funds, due to lower money market rates, repricing of the CD portfolio, and growth in non-interest-bearing deposits.

■ In May 2021, Capital Funding Bancorp, Inc. successfully raised $30 million in subordinated debt at a rate of 3.875% maturing on 06/1/2031. The proceeds will be used to continue supporting the Bank's healthcare and commercial asset growth.

■ The Company's debt service coverage ratio stands at 10.01 at 06/30/2021 and has nearly doubled from 5.41 at 12/31/2020.

■ Total loans increased to $1.52 billion at 6/30/21, an increase of $229 million and $147 million during the year and 2nd quarter, respectively, which represents an increase of 17.7% and 10.7% increase for the year and quarter, respectively. This growth was driven primarily by our healthcare bridge lending business, Commercial Division C&I loans, partially offset by a decline of $79 million in PPP Loans forgiven by the Small Business Administration.

■ Total deposits increased to $1.70 billion at 6/30/21, an increase of $203 million and $68 million during the year and 2nd quarter, or 13.6% and 4.2% growth, respectively. Growth was broad based and included growth in consumer online and branch deposits and non-interest bearing deposits from the Bank's healthcare and commercial customers.

■ Nonperforming loans to period end loans at 6/30/21 and 12/31/20 were 1.23% and 1.46%, a decrease of 0.23% during the year and a decrease of 0.13% from 1.36% at 03/31/21 for the 2nd quarter, primarily due to growth in loans. Compared to 12/31/21, the balance of nonperforming loans has remained steady, with approximately $16 million of the $19 million of nonperforming loans related to one restaurant group for which Management is expecting positive developments going forward. Asset quality remains strong, which is reflected by the decreasing nonperforming loans to period loans ratios and the decreasing ALLL to Loans ratio noted below.

■ The ALLL balance increased to $30.8 million at 6/30/21, an increase of $3.6 million and $1.9 million during the year and quarter, respectively. The Company recorded an ALLL provision of $2.8 million and $1.1 million for the year and quarter, respectively. This increase in the provision was attributed primarily to loan growth and partially offset by an improved economic outlook. The ALLL is 2.03% of Loans at 6/30/21, down from 2.10% at 12/31/20. Excluding PPP Loans, the ALLL is 2.53% of Loans at 6/30/2021.

Capital Funding Bancorp, Inc. and its subsidiary CFG Community Bank, DBA CFG Bank
Q2 2021 Highlights

- At 6/30/21, the mortgage servicing rights on the Company's HUD servicing portfolio ("MSRs – HUD") had a fair value of approximately $44.0 million, which represents a yearly increase of $1.50 million, from

$42.5 million at 12/31/20. The increase in the fair value of the asset YTD is primarily due to a reduction in the portfolio's weighted average note rate due to rate modifications (refinancing) of existing loans, which result in lower modeled prepayment rates and a higher valuation. The HUD servicing portfolio stands at $3.482 billion at 06/30/2021.

- At 06/30/21, the mortgage servicing rights for the Company's serviced bridge-loan securitization portfolio ("MSRs - Securitizations") had a fair value of approximately $10.3 million, an increase of $9.0 million YTD in 2021. The increase was primarily due to growth in the securitization servicing portfolio, which stands at $2.026 billion at 6/30/2021.

- Healthcare concentration was 397.0% of Tier 1 Capital + ALLL at 6/30/21, compared to 371.0% at 12/31/21.

- Healthcare assets totaled approximately $1.017 billion at 6/30/21 (excluding PPP Loans), an increase of $246 million and $165 million, or 31.9% and 19.3%, over the beginning of the year, and prior quarter, respectively.

- Five securitization transactions closed in Q2 2021 totaling $1.117 billion, of which CFG Bank retained $85.1 million on-balance sheet as beneficial interests in securitizations serviced. Life-to-Date and YTD, the Bank has originated $2.30 billion and $1.49 billion in securitization transactions, respectively.

- YTD HUD loan production volume was approximately $381 million, resulting in roughly $8.5 million in combined mortgage origination and delivery premium revenue, compared to $228 million and $5.1 million, respectively, for the comparable period of 2020. The HUD loan pipeline remains strong and 3rd quarter production is expected to exceed $100 million in closings.

- The CBLR at 6/30/21 was 11.87%. Excluding average PPP Loans, the CBLR at 06/30/21 is 12.66%.

Capital Funding Bancorp, Inc. & Subsidiaries
Trended Consolidated Balance Sheet
June 2020 - June 2021
($000's)

	(Unaudited) **Jun 30, 2020**	*(Unaudited)* **Sep 30, 2020**	*(Audited)* **Dec 31, 2020**	*(Unaudited)* **Mar 31, 2021**	*(Unaudited)* **Jun 30, 2021**
ASSETS					
Total Cash & Due From Banks	$ 326,243	$ 263,010	$ 171,022	$ 279,194	$ 243,224
Participation Certificates	25,408	68,103	112,877	21,784	16,710
Beneficial Interests in Securitizations	-	-	103,938	136,053	199,025
Other Securities	19,847	17,225	1,654	1,456	16,027
Restricted Stock & Other Investments	2,581	2,743	3,178	3,310	3,302
Loans Secured By Real Estate	870,876	1,117,820	838,548	919,335	1,082,189
Commercial & Industrial	293,102	321,598	308,131	303,271	370,646
PPP Loans	159,776	160,303	144,946	152,889	72,372
Consumer Loans	560	527	513	393	381
Lease Financing Receivables	6,495	5,985	5,376	4,806	2,866
Deferred fees	(8,303)	(7,142)	(5,553)	(6,446)	(7,314)
Total Loans	1,322,505	1,599,091	1,291,960	1,374,249	1,521,141
Allowance For Loan Losses	(23,524)	(25,036)	(27,212)	(28,915)	(30,804)
Net Loans	1,298,980	1,574,055	1,264,749	1,345,334	1,490,337
Other Real Estate Owned	-	1,546	1,546	1,546	1,546
Net Fixed Assets	1,104	1,202	1,625	12,130	11,992
Servicing Rights - HUD	40,240	41,217	42,482	44,069	43,952
Servicing Rights - Securitizations	-	-	1,268	3,372	10,271
Goodwill	1,233	1,233	1,233	1,233	1,233
Accrued Interest Receivable	3,006	2,912	3,362	2,885	4,306
Other Assets	3,334	4,423	5,418	3,891	3,535
Total Assets	$ 1,721,977	$ 1,977,670	$ 1,714,351	$ 1,856,255	$ 2,045,459
LIABILITIES AND CAPITAL					
Non-interest Bearing Deposits	$ 245,558	$ 319,040	$ 342,171	$ 432,993	$ 470,791
GNMA P&I	18,768	42,223	55,460	35,365	23,551
Interest Checking Deposits	16,367	17,985	10,776	2,086	1,974
Savings Deposits	9,234	9,281	9,351	9,352	9,647
Money Market	400,078	438,204	428,316	490,992	473,498
Certificates & IRA's	511,253	465,750	414,940	390,224	430,069
Brokered CDs	-	-	-	20,000	20,000
Replacement & Repair Deposits	167,465	172,661	183,434	201,227	212,962
Escrow and Other Deposits	51,141	54,708	49,993	46,485	54,699
Total Deposits	1,419,863	1,519,852	1,494,442	1,628,724	1,697,189
Secured Borrowings	101,621	252,531	-	-	-
PPP Liquidity Facility	-	-	-	-	71,949
FHLB Borrowings	21,000	21,000	21,000	21,000	21,000
Senior Notes Payable	24,423	24,466	24,510	24,553	24,596
Subordinated Notes Payable	48,723	48,769	48,815	48,862	77,896
Accrued Int. Payable & Other Liabilities	11,324	11,853	16,405	13,767	18,824
Total Liabilities	1,626,954	1,878,471	1,605,172	1,736,906	1,911,455
Common Stock	70	70	70	70	70
Paid In Capital	41,630	41,630	41,630	41,630	41,634
Retained Earnings	53,324	57,499	67,480	77,650	92,300
Total Capital	95,024	99,199	109,180	119,350	134,004
Total Liabilities and Capital	$ 1,721,977	$ 1,977,670	$ 1,714,351	$ 1,856,255	$ 2,045,459

Capital Funding Bancorp, Inc. & Subsidiaries

Trended Quarterly Consolidated Statement of Income

2020 - 2021

($000's)

(Unaudited)

	Quarter Ended 6/30/20	Quarter Ended 9/30/20	Quarter Ended 12/31/20	Quarter Ended 3/31/21	Quarter Ended 6/30/21
Interest revenue					
Loans and leases, including fees	$ 17,243	$ 20,141	$ 22,064	$ 17,120	$ 20,600
PPP processing fees	340	258	891	802	1,741
Short term investment income	74	63	52	55	57
Investments and beneficial interests	610	257	879	3,347	4,023
Total interest revenue	18,267	20,719	23,886	21,324	26,421
Interest expense					
Deposits	4,426	4,041	3,377	2,735	2,462
Notes Payable	1,374	1,374	1,374	1,374	1,495
Borrowings	730	1,715	2,790	91	73
Total interest expense	6,531	7,130	7,541	4,200	4,030
Net interest income	11,736	13,589	16,345	17,124	22,391
Provision for loan and lease losses	3,400	1,500	1,221	1,656	1,105
Net interest income after provision for loan and lease losses	8,336	12,089	15,124	15,468	21,286
Non-interest revenue					
Mortgage servicing	1,086	1,094	1,577	1,305	1,698
Mortgage origination	1,068	1,028	1,651	1,290	632
GNMA delivery premium	2,574	689	2,331	4,610	1,998
Valuation of HUD loan commitments	(78)	494	982	(831)	(428)
Service rights valuation	614	977	2,534	3,690	6,783
Service charges on deposit accounts	254	212	224	243	249
Securitization net origination fees	-	83	2,485	1,975	4,058
Other miscellaneous income	14	16	1,412	352	318
Total non-interest revenue	5,532	4,593	13,197	12,633	15,309
Noninterest expenses					
Salaries	5,404	6,579	9,133	8,347	9,642
Employee benefits	522	864	1,003	1,340	902
Professional fees	598	418	783	674	498
Occupancy	436	431	436	291	190
Furniture and equipment	194	207	259	279	287
Loan workout costs	41	55	(137)	38	32
Data processing fees	232	267	325	359	381
Other	1,612	908	1,891	1,679	3,632
Total noninterest expenses	9,039	9,729	13,693	13,008	15,563
Net income	$ 4,829	$ 6,953	$ 14,627	$ 15,093	$ 21,032

Non-GAAP Presentation:

Net income	$ 4,829	$ 6,953	$ 14,627	$ 15,093	$ 21,032
Exclude: Service rights valuation	(614)	(977)	(2,534)	(3,690)	(6,783)
Exclude: Charitable contributions	452	96	101	137	2,277
Adjusted Net income	$ 4,667	$ 6,072	$ 12,194	$ 11,540	$ 16,526

Capital Funding Bancorp, Inc. & Subsidiaries
Consolidated Balance Sheet
June 30, 2021
($000's)

	(Unaudited) Jun 30, 2021	(Audited) Dec 31, 2020	YTD $ Variance	YTD % Variance
ASSETS				
Total Cash & Due From Banks	$ 243,224	$ 171,022	$ 72,202	42.2%
Participation Certificates	16,710	112,877	(96,167)	-85.2%
Beneficial Interests in Securitizations	199,025	103,938	95,088	91.5%
Other Securities	16,027	1,654	14,372	868.8%
Restricted Stock & Other Investments	3,302	3,178	124	3.9%
Loans Secured By Real Estate	1,082,189	838,548	243,641	29.1%
Commercial & Industrial	370,646	308,131	62,515	20.3%
PPP Loans	72,372	144,946	(72,573)	-50.1%
Consumer Loans	381	513	(132)	-25.7%
Lease Financing Receivables	2,866	5,376	(2,510)	-46.7%
Deferred fees	(7,314)	(5,553)	(1,761)	31.7%
Total Loans	1,521,141	1,291,960	229,180	17.7%
Allowance For Loan Losses	(30,804)	(27,212)	(3,593)	13.2%
Net Loans	1,490,337	1,264,749	225,588	17.8%
Other Real Estate Owned	1,546	1,546	-	-
Net Fixed Assets	11,992	1,625	10,367	638.2%
Servicing Rights - HUD	43,952	42,483	1,470	3.5%
Servicing Rights - Securitizations	10,271	1,268	9,004	710.2%
Goodwill	1,233	1,233	-	-
Accrued Interest Receivable	4,306	3,362	944	28.1%
Other Assets	3,535	5,418	(1,883)	-34.8%
Total Assets	$ 2,045,459	$ 1,714,351	$ 331,108	19.3%
LIABILITIES AND CAPITAL				
Non-interest Bearing Deposits	$ 470,791	$ 342,171	$ 128,620	37.6%
GNMA P&I	23,551	55,460	(31,909)	-57.5%
Interest Checking Deposits	1,974	10,776	(8,802)	-81.7%
Savings Deposits	9,647	9,351	296	3.2%
Money Market	473,498	428,316	45,182	10.5%
Certificates & IRA's	430,069	414,940	15,130	3.6%
Brokered CDs	20,000	-	20,000	-
Replacement & Repair Deposits	212,962	183,434	29,528	16.1%
Escrow and Other Deposits	54,699	49,993	4,706	9.4%
Total Deposits	1,697,189	1,494,441	202,750	13.6%
FHLB Borrowings	21,000	21,000	-	-
Senior Notes Payable	24,596	24,510	87	0.4%
Subordinated Notes Payable	77,896	48,815	29,081	59.6%
Accr'd Int Payable & Other Liab	18,824	16,405	2,419	14.7%
Total Liabilities	1,911,455	1,605,172	306,285	19.1%
Common Stock	70	70	-	-
Paid In Capital	41,634	41,630	4	0.0%
Retained Earnings	92,300	67,480	24,820	36.8%
Total Capital	134,004	109,180	24,824	22.7%
Total Liabilities and Capital	$ 2,045,459	$ 1,714,351	$ 331,108	19.3%

Capital Funding Bancorp, Inc. & Subsidiaries
Consolidated Statement of Income
For the Six Months Ended June 30, 2021 and 2020
($000's)
(Unaudited)

	YTD June 2021	YTD June 2020	$ Variance	% Variance
Interest revenue				
Loans and leases, including fees	$ 37,720	$ 33,035	$ 4,685	14.2%
PPP processing fees	2,543	$ 340	2,203	647.8%
Short term investment income	112	805	(693)	-86.1%
Investments and beneficial interests	7,370	908	6,462	711.8%
Total interest revenue	47,745	35,088	12,657	36.1%
Interest expense				
Deposits	5,197	8,947	(3,750)	-41.9%
Notes payable	2,869	2,748	121	4.4%
Borrowings	164	747	(583)	-78.0%
Total interest expense	8,230	12,442	(4,212)	-33.9%
Net interest income	39,515	22,646	16,869	74.5%
Loan loss provision	2,761	6,400	(3,639)	-56.9%
Net interest income after loan loss provision	36,754	16,246	20,508	126.2%
Non-interest revenue				
Mortgage servicing	3,003	2,176	826	38.0%
Mortgage origination	1,922	1,361	561	41.2%
GNMA delivery premium	6,608	3,772	2,836	75.2%
Valuation of HUD loan commitments	(1,259)	(286)	(973)	339.8%
Service rights valuation	10,473	1,849	8,624	466.3%
Service charges on deposit accounts	492	564	(73)	-12.9%
Securitization net origination fees	6,033	-	6,033	-
Other miscellaneous income	671	83	588	708.5%
Total non-interest revenue	27,942	9,520	18,422	193.5%
Noninterest expenses				
Salaries	17,989	10,306	7,683	74.5%
Employee benefits	2,242	1,789	453	25.3%
Professional fees	1,172	1,120	52	4.7%
Occupancy	481	867	(386)	-44.5%
Furniture and equipment	566	391	175	44.8%
Loan workout costs	70	104	(34)	-32.7%
Data processing fees	740	454	286	63.0%
Other	5,311	2,979	2,332	78.3%
Total noninterest expenses	28,571	18,012	10,559	58.6%
Net income	$ 36,125	$ 7,753	$ 28,372	366.0%

Non-GAAP Presentation:

	YTD June 2021	YTD June 2020	$ Variance	% Variance
Net income	$ 36,125	$ 7,753	$ 28,372	366.0%
Exclude: Service rights valuation	(10,473)	(1,849)	(8,624)	466.3%
Exclude: Charitable contributions	2,414	639	1,775	277.8%
Adjusted Net income	$ 28,066	$ 6,543	$ 21,523	328.9%

Capital Funding Bancorp, Inc. & Subsidiaries
Consolidated Statement of Changes in Equity Capital
For the Six Months Ended June 30, 2021
($000's except share data)

(Unaudited)

	Common Shares Outstanding	Common Stock	Paid In Capital	Retained Earnings	Total Capital
December 31, 2020	69,514	$ 70	$ 41,630	$ 67,480	$ 109,180
Net income	-	-	-	36,125	36,125
Change in AOCI - AFS Securities	-	-	-	(1,637)	(1,637)
Purchase of common stock	-	-	4	-	4
Dividends	-	-	-	(9,668)	(9,668)
June 30, 2021	69,514	$ 70	$ 41,634	$ 92,300	$ 134,004

Capital Funding Bancorp, Inc. & Subsidiaries
CFG Bank

Financial Ratios

June 30, 2021

	Capital Funding Bancorp, Inc. & Subsidiaries				CFG Bank			
($ in millions, except ratios)	YTD 12/31/19	YTD 12/31/20	YTD 6/30/20	YTD 6/30/21	YTD 12/31/19	YTD 12/31/20	YTD 6/30/20	YTD 6/30/21
Net Income[1]	14,435	29,331	7,753	36,125	19,968	34,874	10,506	38,996
Average Assets	1,025,465	1,661,421	1,420,780	1,871,188	1,023,265	1,661,421	1,416,371	1,871,188
ROA (Tax-effected)[4]	**1.01%**	**1.27%**	**0.79%**	**2.80%**	**1.41%**	**1.51%**	**1.07%**	**3.03%**
Net Income[1]	14,435	29,331	7,753	36,125	19,968	34,874	10,506	38,996
Average Equity	92,537	98,355	94,254	120,845	167,596	170,577	167,878	194,159
ROE (Tax-effected)[4]	**11.23%**	**21.47%**	**11.91%**	**43.40%**	**8.58%**	**14.72%**	**9.06%**	**29.16%**
Non-GAAP Presentation:								
Net Income[1]	14,435	29,331	7,753	36,125	19,968	34,874	10,506	38,996
Exclude: MSR valuation[3]	179	(5,360)	(1,849)	(10,473)	179	(5,360)	(1,849)	(10,473)
Exclude: Charitable contributions[2]	3,285	836	639	2,414	3,285	836	639	2,414
Exclude: Fixed asset impairment[5]	4,296	-	-	-	4,296	-	-	-
Adjusted Net Income	22,195	24,807	6,543	28,066	27,728	30,350	9,296	30,937
Average Assets	1,025,465	1,661,421	1,420,780	1,871,188	1,023,265	1,661,421	1,416,371	1,871,188
Exclude: Average MSR asset[3]	(37,452)	(39,888)	(39,015)	(45,663)	(37,452)	(39,888)	(39,015)	(45,663)
Adjusted Average Assets	988,013	1,621,533	1,381,765	1,825,525	985,813	1,621,534	1,377,356	1,825,525
Adjusted ROA (Tax-effected)[4]	**1.62%**	**1.10%**	**0.69%**	**2.23%**	**2.03%**	**1.35%**	**0.98%**	**2.47%**
Average Equity	92,537	98,355	94,254	120,845	167,596	170,577	167,878	194,159
Adjusted ROE (Tax-effected)[4]	**17.27%**	**18.16%**	**10.05%**	**33.81%**	**11.91%**	**12.81%**	**8.02%**	**23.20%**

[1] YTD Net Income amounts presented on an actual basis.
[2] Excludes all charitable contributions made during the year.
[3] Excludes the average MSR asset and YTD MSR valuation adjustment.
[4] Assumes a blended federal and state corporate tax rate of 28%.
[5] Excludes fixed asset impairment loss for write-down of railcar investment owned by CFG Bank.

Capital Funding Bancorp, Inc.

Trended Double Leverage & Debt Service Coverage Ratios

2019 - 2021

($ in millions, except ratios)	12/31/19[1]	12/31/20[1]	6/30/21[1]
Senior Notes	25,000	25,000	25,000
Subordinated Notes	50,000	50,000	80,000
Total Debt	75,000	75,000	105,000
Equity **[A]**	95,040	109,180	134,004
Investment in Subsidiary Bank **[B]**	168,945	183,491	226,710
Double Leverage Ratio [B]/[A]	**1.78**	**1.68**	**1.69**
Earnings	14,435	29,331	36,125
Add: Interest expense - Notes	5,499	5,496	2,869
Add: Depreciation/amort expense	655	269	186
Add (Subtract): MSR valuation	179	(5,360)	(10,473)
Adjusted EBITDA **[C]**	20,768	29,736	28,707
Debt Service - Notes[2] **[D]**	5,499	5,496	5,738
Debt Service Coverage Ratio[2] [C]/[D]	**3.78**	**5.41**	**10.01**

[1] YTD amounts presented on an actual basis.

[2] Calculated with YTD net income.

CFG Bank

Non-performing Assets Trend

2021-2019

	12/31/2019	3/31/2020	6/30/2020[1]	9/30/2020[1]	12/31/2020[1]	3/31/2021[1]	6/30/2021[1]	(Excludes PPP Loans) 6/30/2021
Non-accruing loans	$ 5,203,450	$ 4,848,125	$ 2,284,409	$ 3,369,929	$ 17,753,118	$ 17,509,324	$ 17,479,535	$ 17,479,535
Non-accruing - Troubled debt restructuring	3,443,686	2,521,583	1,916,176	467,001	1,056,699	1,056,699	1,056,699	1,056,699
Total non-accruing loans	8,647,136	7,369,707	4,200,585	3,836,930	18,809,817	18,566,023	18,536,234	18,536,234
Accruing - Troubled debt restructuring	387,090	222,139	220,390	209,118	43,879	43,796	-	-
90+ Past Due and still accruing	26,919	59,777	185,710	-	-	142,250	189,197	189,197
Total non-performing loans	9,061,145	7,651,624	4,606,685	4,046,048	18,853,696	18,752,068	18,725,431	18,725,431
Other real estate owned	18,462	18,462	-	1,545,622	1,545,622	1,545,622	1,545,622	1,545,622
Total non-performing assets	9,079,608	7,670,086	4,606,685	5,591,670	20,399,318	20,297,691	20,271,053	20,271,053
Past due 90+ days & still accruing	26,919	59,777	185,710	-	-	142,250	189,197	189,197
Past due 60 - 89 days	-	273,972	203,100	259,224	55,812	-	372,042	372,042
Past due 30 - 59 days	656,430	3,048,234	706,978	507,428	753,284	580,473	146,076	146,076
Total Past Due	683,349	3,381,984	1,095,787	766,651	809,096	722,722	707,316	707,316
PPP Loans	-	-	159,776,006	160,302,701	144,945,588	152,889,293	72,372,202	-
Total Loans	915,454,161	984,829,930	1,220,883,846	1,346,559,975	1,291,960,354	1,374,248,916	1,521,140,580	1,448,768,378
Total Assets	1,226,250,760	1,289,712,020	1,620,356,619	1,725,138,714	1,714,351,457	1,856,255,087	2,045,459,128	1,973,086,926
Loan Loss Reserve (ALLL)	18,837,887	20,753,808	23,524,071	25,035,964	27,211,501	28,915,000	30,804,000	30,804,000
Past Due to Total Loans (%)	0.07%	0.34%	0.09%	0.06%	0.06%	0.05%	0.05%	0.05%
Non-Accruing to Total Loans (%)	0.94%	0.75%	0.34%	0.28%	1.46%	1.35%	1.22%	1.28%
Non-Performing Loans to Total Loans (%)	0.99%	0.78%	0.38%	0.30%	1.46%	1.36%	1.23%	1.29%
ALLL to Non-Performing Loans (%)	207.90%	271.23%	510.65%	618.78%	144.33%	154.20%	164.50%	164.50%
ALLL to Total Loans (%)	2.06%	2.11%	1.93%	1.86%	2.11%	2.10%	2.03%	2.13%
Net Charge Offs to Average Total Loans (%) YTD[2]	0.18%	0.46%	0.33%	0.20%	0.06%	-0.01%	-0.12%	-0.14%
Tier 1 Capital + ALLL	186,080,000	185,982,000	190,245,000	195,629,000	207,781,000	221,078,000	240,395,000	240,395,000
Total Classified Loans	19,535,466	19,815,075	14,740,090	11,178,877	25,845,676	24,583,631	29,279,485	29,279,485
Total Classified Loans as % of Tier 1 Capital + ALLL	10.50%	10.65%	7.75%	5.71%	12.44%	11.12%	12.18%	12.18%

[1] Includes PPP loans.

[2] Ratio is annualized.

FOR THE EXCLUSIVE USE OF EDWYER@THECFGBANK.COM

From the Baltimore Business Journal:
https://www.bizjournals.com/baltimore/news/2021/07/28/cfg-becoming-baltimores-biggest-bank-capitalize.html

CFG looks to capitalize as it becomes Baltimore's biggest locally headquartered bank

Jul 28, 2021, 2:47pm EDT

CFG Bank CEO Bill Wiedel was surprised when he heard Howard Bank is selling to First National Bank of Pennsylvania.

JESSICA IANNETTA/BBJ

CFG Bank will become the largest Baltimore-based bank after First National Bank of Pennsylvania closes its acquisition of Howard Bank.

Since acquiring First Mariner Bank in 2018, Howard had not been shy about touting itself as the biggest Baltimore-based bank. When the sale of Howard to FNB is complete, CFG Bank will carry the mantle. Wiedel said it's a role CFG is ready to embrace and will look to capitalize on quickly.

CFG, owned by local businessman and philanthropist Jack Dwyer, plans to expand its services for clients, step up its marketing and continue giving back to the community.

"There is a lot of responsibility because we always feel like Baltimore should have a bank that provides all the services that they need and does it in a unique way," Wiedel said. "I think we're very good at that with our entrepreneurial approach and the quality of people that we have. But we also look at this as an opportunity to go deeper into the community, to help the community."

Wiedel likes to equate CFG to Baltimore, saying both are a "Goldilocks" size of not too big and not too small. CFG is the 10th-largest bank in Greater Baltimore with $1.42 billion in deposits as of June 30, 2020, according to the Federal Deposit Insurance Corp. The bank can do loans up to $30 million.

CFG is big enough that it can compete with financial giants like Bank of America and M&T Bank, while also being able to ensure clients can talk personally to a credit officer, Wiedel or even Dwyer.

"When you think about doing banking in Baltimore now, you either select a large bank who can do a lot of different things but don't have the same service level or you can work with a smaller bank that has a better service level but not the sophistication," Wiedel said. "And then there's us that gives you the best of both worlds. I don't know that there's anyone else out there that can say that now."

Last year, CFG saw deposits grow more than 75% because of Paycheck Protection Program lending and from advertising its above-average interest rates for money-market funds and certificates of deposit on websites like BankRate.com and DepositAccounts.com. The bank also installed a treasury management system last year to provide those services to clients.

CFG has continued to make advances so far this year. The bank began lending to medical cannabis companies to take advantage of the fast-growing market in Maryland. It also finalized a partnership with Charlotte, North Carolina-based investment advisory firm New Republic Partners on July 23 that will provide CFG clients with access to wealth management services and products.

Wiedel said CFG and New Republic Partners had been talking about a partnership for about four months before closing the deal. New Republic Partners launched earlier this year with $1.35 billion in assets under management, according to the Charlotte Business Journal, a sister publication of the BBJ.

As it moves into the role of being Baltimore's biggest locally headquartered bank, CFG will also pump more money into advertising. Wiedel said the bank is planning to spend three or four times as much on marketing this year as it did last year. It will also do TV commercials for the first time and do some radio ads.

"We definitely need to think bigger," Wiedel said.

One area where the bank will not be investing is in expanding its branch network. Currently, CFG only has two branches in Fells Point and Lutherville-Timonium. Wiedel said he is not looking to add branches because he would rather use the bank's capital to continue offering high rates for money-market funds and certificates of deposit.

When he runs the numbers, he said branches can cost about 30 basis points, or 0.3% on the deposits.

"We actually feel like we have an advantage with our lack of a branch network," Wiedel said. "We offer some of the highest rates, I'd say top five in the country, for money-market and certain CD products. We can do that because we don't have that overhead of a big branch network."

Holden Wilen
Reporter
Baltimore Business Journal

Forward-Looking Statements

This presentation contains certain "forward-looking statements" about the Company within the meaning of Section 27A of the Securities Act, such as statements relating to the Company's use of proceeds; plans, objectives and prospects; annualized metrics and pro forma financial projections; potential for future gains and losses; dividends; and legal and regulatory compliance. Forward-looking statements, which are based on various assumptions (some of which are beyond the Company's control), may be identified by reference to a future period or periods, or by the use of forward-looking terminology such as "believe," "expect," "estimate," "anticipate," "continue," "plan," "approximately," "intend," "objective," "goal," "project" or "projected", "pro forma" or other similar terms or variations on those terms, or the future or conditional verbs such as "will," "may," "should," "could," and "would." Actual results could differ materially from those expressed or implied by such forward-looking statements as a result of, among other factors, including, without limitation, changes in interest rates, tax rates and real estate values; competitive pressures from other financial institutions; weakness in general economic conditions on a national basis or in the local markets in which the Company operates, including changes that adversely affect borrowers' ability to service and repay the Company's loans; changes in loan defaults and charge-off rates; changes in the value of securities and other assets; adequacy of loan loss reserves, or deposit levels necessitating increased borrowing to fund loans and investments; changes in government or banking regulations; the risk that the Company may not be successful in the implementation of its business strategy or in achieving its planned HUD loan origination volume; the risk of compromises or breaches of the Company's security systems; the risk that intangibles recorded in the Company's financial statements will become impaired; changes in assumptions used in making such forward-looking statements; and other risks and uncertainties. Forward-looking statements speak only as of the date on which they are made.

The Company does not undertake any obligation to update or revise any of these forward-looking statements to reflect events or circumstances occurring after the date of this presentation or to reflect the occurrence of unanticipated events.

This presentation contains certain non-GAAP financial measures. The Company's management uses these non-GAAP measures to measure the Company's performance and believes that the non-GAAP measures provide a greater understanding of on-going operations, enhance compatibility of results of operation with prior periods and show the effects of significant gains and changes in the periods presented. The Company's management believes that investors may use these non-GAAP measures to analyze the Company's financial performance without the impact of unusual items or events that may obscure trends in the Company's underlying performance. These disclosures should not be viewed as a substitute for financial measures determined in accordance with GAAP. These measures are commonly used by investors in evaluating investment opportunities and financial condition.