



CAPITAL FUNDING BANCORP, INC.
AND ITS SUBSIDIARY CFG Community Bank, DBA
CFG Bank

INVESTOR UPDATE Q2 2022

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Conference Call Information

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Capital Funding Bancorp, Inc. Overview

Founded:

Capital Funding Bancorp, Inc. (the “Company”) was formed through the acquisition of AmericasBank Corp, Inc. in April 2009 which was subsequently renamed to CFG Community Bank (“CFG Bank” or “Bank”). CFG Community Bank is a wholly owned subsidiary of the Company 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. A third bank branch, based in Annapolis, Maryland, opened on August 1, 2022. 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 healthcare and multifamily bridge loans before they are permanently financed through the Department of Housing and Urban Development (“HUD”) or other agency finance programs as well as direct placement through HUD or other agency finance programs. Once permanent financing is complete, Capital Funding, LLC services these loans for their remaining life. Additionally, Capital Funding, LLC, focuses on originating loans to the assisted living sector, on a national basis.

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:

\$3.219 billion (as of Q2 2022)

Headquarters:

1422 Clarkview Rd, Baltimore, Maryland 21209

Initiatives

- Continue to evaluate opportunities to raise additional capital to support organic growth both at the holding company and bank levels
 - The Company anticipates starting a \$200 million capital raise on or around September 30, 2022, with an anticipated closing date in Q4 2022. The \$200 million in capital will provide the Company and the Bank the necessary capital to grow beyond the \$3 billion in consolidated asset level
 - This anticipated capital will increase the holding company capital ratio from the June 30, 2022 level of 5.41% to over 10.00% on a proforma basis. The Company has been operating under the Federal Reserve's small bank holding company policy statement which exempts bank holding companies with assets under \$3 billion from maintaining capital levels under Basel III or CBLR. The Company is required to report under the required regulatory capital levels by March 31, 2023 as total consolidated assets exceeded \$3 billion at June 30, 2022
 - The Company will be in contact with all bondholders later this year to gauge potential interest in participating in the \$200 million recapitalization
- Focused on managing the Bank's balance sheet through various efforts including securitizations, syndications, and other off-balance-sheet conduits, given the Bank's strong loan pipeline across all business lines
- Continue to grow core deposits in online Money Market and Certificate of Deposit accounts by offering highly competitive rates on a national basis
- Recently expanded presence in the Annapolis, Maryland market
 - CFG Bank recently signed a lease for commercial lending offices and a cash-less branch in Annapolis to take advantage of the opportunity presented by the sale of Severn Bank; the branch officially opened on August 1, 2022
 - CFG Bank hired two new additional commercial lending Relationship Managers, focused on the Annapolis market, and the branch is fully up and running

Initiatives (Continued)

- Capitalize on becoming Baltimore's biggest headquartered bank, after the February 2022 sale of Howard Bank to Pittsburgh, PA based F.N.B. Corporation
 - CFG Bank intends to expand its services for clients, increase marketing efforts, and continue giving back to the community
 - A marketing campaign was recently rolled out and included billboards, TV spots, radio, social media and internet advertising

- Continue growth and cross-sell opportunities within the healthcare and multifamily spectrums

- Continue to 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
 - Began accepting cannabis deposit business in early Q3 after completing significant due diligence and investing in compliance (people and systems) to appropriately manage risks
 - Will begin accepting deposits from existing cannabis loan customers first
 - CFG Bank is entering this business due to demand from the Bank's existing cannabis loan customers given the Bank's excellent customer service reputation
 - Fund new loan growth with low-cost core relationship-based deposits

- Management continues to explore work space options as the Bank's workforce continues to grow.

Q2 2022 Highlights

- For the six months ended 6/30/22, the earnings of \$44.5 million were \$8.4 million higher than the comparable YTD prior period of \$36.1M, representing a 23.2% increase. For the quarter ended 6/30/22, the earnings of \$24.4 million were \$3.4 million higher than the comparable QTD prior period of \$21.0 million, representing a 16.2% increase. The increase in earnings was attributed primarily to an increase in net interest income that was volume driven as well as miscellaneous income items discussed further below.
- The Company's Return on Assets (ROA) for the six month period remains strong at 2.28% at 6/30/2022, down slightly from 2.33% at 12/31/2021, reflecting strong net interest income and non-interest income revenue.
- Total loans increased to \$2.58 billion at 6/30/22, an increase of \$691 million and \$530 million during the six months and 2nd quarter, respectively, which represents an increase of 36.5% and 25.8% for the six months and quarter, respectively. This growth was driven primarily by the multifamily and non-healthcare commercial lending businesses.
- Total deposits increased to \$2.74 billion at 6/30/22, an increase of \$517 million and \$375 million during the six months and 2nd quarter, or 23.3% and 15.9% growth, respectively. The YTD growth was primarily attributed to a combined increase in corporate deposits and non-interest bearing deposits of \$476 million.
- YTD net interest income of \$67.3 million exceeded the prior year comparable period by \$27.8 million or 70.4% and QTD net interest income of \$36.3 exceeded prior year comparable period by \$14.0 million or 62.3%. This was primarily driven by the increase in volume.
- The Company's YTD net interest margin improved by 55 basis points from 4.36% at 6/30/21 to 4.91% at 6/30/22. This 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 repricing of the CD portfolio, and growth in non-interest-bearing deposits.
- YTD, the Company recorded two interest rate related transactions as follows:
 - \$1.4 million gain on FHLB advance termination of three 5-year FHLB advances totaling \$40 million.
 - \$1.4 million realized gain (\$891 thousand in 2022) on termination of the interest rate swap (\$50 million 5-year term).
- The Company's debt service coverage ratio stands at 14.18 at 6/30/2022 compared to 10.39 at 12/31/2021 due to the increase in earnings noted above.
- Nonperforming loans to period end loans at 6/30/22 and 12/31/21 were 0.31% and 0.34%, respectively. Asset quality remains strong, which is reflected by the above nonperforming loans ratios and past due to total loans of less than 15 bps at 6/30/22.
- The allowance for loan losses ("ALLL") balance increased to \$40.0 million at 6/30/2022, an increase of \$3.8 million and \$1.6 million during the six months and quarter, respectively. There was an ALLL provision of \$3.8 million and \$1.5 million recorded for the six months and quarter, respectively. The increase in the ALLL provision was attributed primarily to loan growth. The ALLL is 1.55% of Loans at 6/30/22, down from 1.91% at 12/31/21.
- YTD HUD loan production volume was approximately \$134 million, resulting in roughly \$3.9 million in combined mortgage origination and delivery premium revenue, compared to YTD production volume and revenue of \$381 million and \$8.5 million, respectively, for the prior year comparable period. These decreases are due primarily to lingering effects of the pandemic and its overall impact on staffing and census in the skilled nursing industry. Additionally, a significant portion of the 2021 production was a result of refinancing of existing HUD mortgages, which did not occur in the first six months of 2022.
- At 6/30/22, the mortgage servicing rights on the Company's servicing portfolio (HUD and Securitization) had a combined fair value of approximately \$57.7 million, which represents an increase of \$1.9 million, from \$55.8 million at 12/31/21. The increase in the fair value of the MSR YTD was driven primarily by growth in the securitization servicing portfolio. The total combined servicing portfolio was \$6.000 billion at 12/31/21 and \$6.349 billion at 6/30/22.
- For the six months ended 6/30/22, securitization revenue of \$2.2 million was \$3.8 million lower than the comparable YTD prior period of \$6.0 million due to the capital market disruptions such as the war in Ukraine, increased inflation, and rising interest rates, which reduced the volume of new loan securitizations.

Capital Funding Bancorp, Inc. & Subsidiaries
Trended Consolidated Balance Sheet
June 2021 - June 2022
(\$000's)

	<i>(Unaudited)</i> Jun 30, 2021	<i>(Unaudited)</i> Sep 30, 2021	<i>(Audited)</i> Dec 31, 2021	<i>(Unaudited)</i> Mar 31, 2022	<i>(Unaudited)</i> Jun 30, 2022
ASSETS					
Total Cash & Due From Banks	\$ 243,224	\$ 398,479	\$ 335,849	\$ 318,037	\$ 178,399
Participation Certificates	16,710	21,198	50,322	-	9,096
Beneficial Interests in Securitizations	199,025	203,581	251,920	298,084	302,243
Other Securities	16,027	16,011	24,631	40,711	67,864
Restricted Stock & Other Investments	3,302	6,107	7,604	19,669	22,653
Loans Held For Sale	-	-	22,569	-	-
Loans Secured By Real Estate	1,082,189	1,145,188	1,408,074	1,502,102	1,985,223
Commercial & Industrial	370,646	423,079	453,375	530,927	585,809
PPP Loans	72,372	50,206	39,253	29,727	27,182
Consumer Loans	381	371	357	342	322
Lease Financing Receivables	2,866	2,442	1,876	1,547	1,229
Deferred Fees	(7,314)	(7,604)	(9,875)	(10,596)	(15,503)
Total Loans	<u>1,521,141</u>	<u>1,613,682</u>	<u>1,893,059</u>	<u>2,054,050</u>	<u>2,584,262</u>
Allowance For Loan Losses	(30,804)	(33,171)	(36,188)	(38,448)	(40,005)
Net Loans	<u>1,490,337</u>	<u>1,580,510</u>	<u>1,856,872</u>	<u>2,015,601</u>	<u>2,544,257</u>
Other Real Estate Owned	1,546	1,546	1,546	1,546	1,546
Net Fixed Assets	11,992	11,919	11,616	12,559	12,757
Servicing Rights - HUD	43,952	43,448	42,827	43,292	43,331
Servicing Rights - Securitizations	10,271	10,783	12,995	13,245	14,321
Goodwill	1,233	1,233	1,233	1,233	1,233
Accrued Interest Receivable	4,306	10,406	10,702	12,506	14,212
Other Assets	3,535	5,371	5,719	4,488	7,460
Total Assets	<u>\$ 2,045,459</u>	<u>\$ 2,310,592</u>	<u>\$ 2,636,404</u>	<u>\$ 2,780,971</u>	<u>\$ 3,219,372</u>
LIABILITIES AND CAPITAL					
Non-interest Bearing Deposits	\$ 470,791	\$ 526,914	\$ 548,088	\$ 605,025	\$ 638,598
GNMA P&I	23,551	22,346	24,254	12,069	66,308
Interest Checking Deposits	1,974	2,164	2,471	2,131	2,105
Savings Deposits	9,647	9,911	9,925	9,960	9,846
Money Market	473,498	482,378	490,597	496,903	504,384
Certificates & IRA's	430,069	455,701	448,416	458,983	470,914
Brokered CDs	20,000	140,000	370,000	195,000	290,000
Corporate Deposits	-	50,001	50,002	285,006	435,015
Replacement & Repair Deposits	212,962	214,757	227,697	251,999	268,777
Escrow and Other Deposits	54,699	56,508	52,639	48,919	55,380
Total Deposits	<u>1,697,189</u>	<u>1,960,680</u>	<u>2,224,088</u>	<u>2,365,995</u>	<u>2,741,327</u>
FHLB Borrowings	21,000	41,000	61,000	71,000	116,000
PPP Liquidity Facility	71,949	49,840	39,269	31,344	16,974
Secured Borrowings	-	-	19,949	29,126	29,396
Senior Notes Payable	24,596	24,639	24,683	24,726	39,621
Subordinated Notes Payable	77,896	77,961	78,035	78,108	78,179
Accr'd Int Payable & Other Liab	18,824	22,675	40,533	23,936	26,812
Total Liabilities	<u>1,911,455</u>	<u>2,176,796</u>	<u>2,487,556</u>	<u>2,624,235</u>	<u>3,048,309</u>
Common Stock	70	70	70	70	70
Paid In Capital	41,634	41,634	51,634	51,634	51,634
Retained Earnings	92,300	92,092	97,144	105,032	119,358
Total Capital	<u>134,004</u>	<u>133,796</u>	<u>148,848</u>	<u>156,736</u>	<u>171,062</u>
Total Liabilities and Capital	<u>\$ 2,045,459</u>	<u>\$ 2,310,592</u>	<u>\$ 2,636,404</u>	<u>\$ 2,780,971</u>	<u>\$ 3,219,372</u>

Capital Funding Bancorp, Inc. & Subsidiaries
Trended Quarterly Consolidated Statement of Income
2021 - 2022

(\$000's)

(Unaudited)

	Quarter Ended 6/30/21	Quarter Ended 9/30/21	Quarter Ended 12/31/21	Quarter Ended 3/31/22	Quarter Ended 6/30/22
Interest revenue					
Loans and leases, including fees	\$ 22,341	\$ 28,520	\$ 26,789	\$ 29,398	\$ 35,537
Short term investment income	57	92	118	116	337
Investments	4,023	4,707	5,268	5,727	6,123
Total interest revenue	<u>26,421</u>	<u>33,319</u>	<u>32,175</u>	<u>35,241</u>	<u>41,997</u>
Interest expense					
Deposits	2,462	2,319	2,350	2,505	3,846
Notes Payable	1,495	1,693	1,692	1,650	1,607
Borrowings	73	133	125	96	202
Total interest expense	<u>4,030</u>	<u>4,145</u>	<u>4,166</u>	<u>4,252</u>	<u>5,652</u>
Net interest income	22,391	29,174	28,009	30,989	36,344
Provision for loan losses	1,105	2,211	2,849	2,257	1,526
Net interest income after provision for loan losses	<u>21,286</u>	<u>26,963</u>	<u>25,160</u>	<u>28,732</u>	<u>34,817</u>
Non-interest revenue					
Mortgage servicing	1,698	2,003	2,081	2,294	2,353
Mortgage origination & delivery	2,202	5,136	877	3,075	1,067
Service rights valuation	6,783	8	1,415	715	1,115
Service charges on deposit accounts	249	279	310	317	302
Net securitization fees	4,058	1,412	895	1,967	232
Other miscellaneous income	318	(140)	809	3,413	74
Total non-interest revenue	<u>15,309</u>	<u>8,698</u>	<u>6,388</u>	<u>11,780</u>	<u>5,141</u>
Noninterest expenses					
Salaries	9,642	11,186	10,917	13,211	8,428
Employee benefits	902	943	1,382	1,636	1,133
Professional fees	498	606	731	515	730
Occupancy	190	283	222	304	241
Furniture and equipment	287	290	322	317	448
Loan workout costs	32	7	8	-	(3)
Data processing fees	381	300	306	464	557
Other	3,632	3,345	2,331	4,013	3,985
Total noninterest expenses	<u>15,563</u>	<u>16,959</u>	<u>16,217</u>	<u>20,460</u>	<u>15,521</u>
Net income	<u>\$ 21,032</u>	<u>\$ 18,702</u>	<u>\$ 15,328</u>	<u>\$ 20,052</u>	<u>\$ 24,439</u>

Capital Funding Bancorp, Inc. & Subsidiaries
Consolidated Balance Sheet
June 30, 2022
(\$000's)

	<i>(Unaudited)</i>	<i>(Audited)</i>	YTD	YTD
	<u>Jun 30, 2022</u>	<u>Dec 31, 2021</u>	<u>\$ Variance</u>	<u>% Variance</u>
ASSETS				
Total Cash & Due From Banks	\$ 178,399	\$ 335,849	\$ (157,450)	-46.9%
Participation Certificates	9,096	50,322	(41,226)	-81.9%
Beneficial Interests in Securitizations	302,243	251,920	50,323	20.0%
Other Securities	67,864	24,631	43,233	175.5%
Restricted Stock & Other Investments	22,653	7,604	15,049	197.9%
Loans Held For Sale	-	22,569	(22,569)	-
Loans Secured By Real Estate	1,985,223	1,408,074	577,149	41.0%
Commercial & Industrial	585,809	453,375	132,434	29.2%
PPP Loans	27,182	39,253	(12,071)	-30.8%
Consumer Loans	322	357	(35)	-9.9%
Lease Financing Receivables	1,229	1,876	(647)	-34.5%
Deferred Fees	(15,503)	(9,875)	(5,628)	57.0%
Total Loans	<u>2,584,262</u>	<u>1,893,059</u>	<u>691,203</u>	<u>36.5%</u>
Allowance For Loan Losses	(40,005)	(36,188)	(3,817)	10.5%
Net Loans	<u>2,544,257</u>	<u>1,856,872</u>	<u>687,385</u>	<u>37.0%</u>
Other Real Estate Owned	1,546	1,546	-	-
Net Fixed Assets	12,757	11,616	1,141	9.8%
Servicing Rights - HUD	43,331	42,827	504	1.2%
Servicing Rights - Securitizations	14,321	12,995	1,326	10.2%
Goodwill	1,233	1,233	-	-
Accrued Interest Receivable	14,212	10,702	3,510	32.8%
Other Assets	7,460	5,719	1,741	30.4%
Total Assets	<u>\$ 3,219,372</u>	<u>\$ 2,636,404</u>	<u>\$ 582,968</u>	<u>22.1%</u>
LIABILITIES AND CAPITAL				
Non-interest Bearing Deposits	\$ 638,598	\$ 548,088	\$ 90,510	16.5%
GNMA P&I	66,308	24,254	42,054	173.4%
Interest Checking Deposits	2,105	2,471	(366)	-14.8%
Savings Deposits	9,846	9,925	(79)	-0.8%
Money Market	504,384	490,597	13,787	2.8%
Certificates & IRA's	470,914	448,416	22,498	5.0%
Brokered CDs	290,000	370,000	(80,000)	-
Corporate Deposits	435,015	50,002	385,013	-
Replacement & Repair Deposits	268,777	227,697	41,080	18.0%
Escrow and Other Deposits	55,380	52,639	2,741	5.2%
Total Deposits	<u>2,741,327</u>	<u>2,224,088</u>	<u>517,239</u>	<u>23.3%</u>
FHLB Borrowings	116,000	61,000	55,000	90.2%
PPP Liquidity Facility	16,974	39,269	(22,295)	-
Secured Borrowings	29,396	19,949	9,447	-
Senior Notes Payable	39,621	24,683	14,938	60.5%
Subordinated Notes Payable	78,179	78,035	144	0.2%
Accr'd Int Payable & Other Liab	26,812	40,533	(13,721)	-33.9%
Total Liabilities	<u>3,048,309</u>	<u>2,487,556</u>	<u>560,753</u>	<u>22.5%</u>
Common Stock	70	70	-	-
Paid In Capital	51,634	51,634	-	0.00%
Retained Earnings	119,358	97,144	22,214	22.9%
Total Capital	<u>171,062</u>	<u>148,848</u>	<u>22,214</u>	<u>14.9%</u>
Total Liabilities and Capital	<u>\$ 3,219,372</u>	<u>\$ 2,636,404</u>	<u>\$ 582,968</u>	<u>22.1%</u>

Capital Funding Bancorp, Inc. & Subsidiaries
Consolidated Statement of Income
For the Six Months Ended June 30, 2022 and 2021
(\$000's)

	(Unaudited) YTD June 2022	(Unaudited) YTD June 2021	\$ Variance	% Variance
Interest revenue				
Loans and leases, including fees	\$ 64,935	\$ 40,263	\$ 24,672	61.3%
Short term investment income	452	112	340	304.6%
Investments	11,851	7,370	4,481	60.8%
Total interest revenue	<u>77,238</u>	<u>47,745</u>	29,493	61.8%
Interest expense				
Deposits	6,350	5,197	1,153	22.2%
Notes payable	3,257	2,869	388	13.5%
Borrowings	298	164	134	81.4%
Total interest expense	<u>9,905</u>	<u>8,230</u>	1,675	20.4%
Net interest income	67,333	39,515	27,818	70.4%
Loan loss provision	3,783	2,761	1,022	37.0%
Net interest income after loan loss provision	<u>63,550</u>	<u>36,754</u>	26,796	72.9%
Non-interest revenue				
Mortgage servicing	4,647	3,003	1,644	54.7%
Mortgage origination & delivery	4,141	7,271	(3,130)	-43.0%
Service rights valuation	1,830	10,473	(8,643)	-82.5%
Service charges on deposit accounts	618	492	126	25.6%
Securitization net origination fees	2,199	6,033	(3,834)	-63.6%
Other miscellaneous income	3,486	671	2,815	419.5%
Total non-interest revenue	<u>16,921</u>	<u>27,943</u>	(11,022)	-39.4%
Noninterest expenses				
Salaries	21,639	17,989	3,650	20.3%
Employee benefits	2,769	2,242	527	23.5%
Professional fees	1,245	1,172	73	6.3%
Occupancy	545	481	64	13.4%
Furniture and equipment	766	566	200	35.4%
Loan workout costs	(3)	70	(73)	-104.9%
Data processing fees	1,021	740	281	38.0%
Other miscellaneous expense	7,998	5,311	2,687	50.6%
Total noninterest expenses	<u>35,980</u>	<u>28,571</u>	7,409	25.9%
Net income	<u>\$ 44,491</u>	<u>\$ 36,125</u>	<u>\$ 8,366</u>	23.2%

Capital Funding Bancorp, Inc. & Subsidiaries
Consolidated Statement of Changes in Equity Capital
For the Six Months Ended June 30, 2022
(\$000's except share data)

	<u>Common Shares Outstanding</u>	<u>Common Stock</u>	<u>Paid In Capital</u>	<u>Retained Earnings</u>	<u>Total Capital</u>
December 31, 2021	69,515	\$ 70	\$ 51,634	\$ 97,144	\$ 148,848
Net income	-	-	-	44,491	44,491
Change in AOCI - AFS Securities	-	-	-	(4,355)	(4,355)
Dividends paid to shareholder	-	-	-	(17,922)	(17,922)
June 30, 2022	<u>69,515</u>	<u>\$ 70</u>	<u>\$ 51,634</u>	<u>\$ 119,358</u>	<u>\$ 171,062</u>

Capital Funding Bancorp, Inc. & Subsidiaries

Financial and Capital Ratios

June 30, 2022

(\$ in millions, except ratios)

	Capital Funding Bancorp, Inc. & Subsidiaries			
	YTD <u>12/31/20</u>	YTD <u>12/31/21</u>	YTD <u>3/31/22</u>	YTD <u>6/30/22</u>
Net Income ¹	29,332	70,155	20,052	44,491
Average Assets	1,661,422	2,172,000	2,678,900	2,835,337
ROA (Tax-effected)²	1.27%	2.33%	2.19%	2.28%
Net Income ¹	29,332	70,155	20,052	44,491
Average Equity	94,853	122,407	151,374	159,308
ROE (Tax-effected)²	22.27%	41.27%	38.68%	40.55%

	CFG Bank			
	YTD <u>12/31/20</u>	YTD <u>12/31/21</u>	YTD <u>3/31/22</u>	YTD <u>6/30/22</u>
	34,874	76,423	20,697	46,754
	1,661,422	2,078,283	2,675,980	2,831,633
	1.51%	2.65%	2.26%	2.40%
	34,874	76,423	20,697	46,754
	170,577	216,961	256,682	258,376
	14.72%	25.36%	23.54%	26.27%

¹ YTD Net Income amounts presented on an actual basis.

² Assumes a blended federal and state corporate tax rate of 28% as the Company and Bank are taxed as S-Corporations for federal and state income tax purposes.

(\$ in millions, except ratios)

	Capital Funding Bancorp, Inc. & Subsidiaries			
	YTD <u>12/31/20</u>	YTD <u>12/31/21</u>	YTD <u>3/31/22</u>	YTD <u>6/30/22</u>
Total Common Equity	109,179	148,848	156,736	171,062
Less: Goodwil	(1,233)	(1,233)	(1,233)	(1,233)
Less: Disallowed MSR	(17,186)	(18,838)	(16,899)	(14,187)
Plus (Less): Unrealized Losses (Gains) on AFS Securities	(1,689)	(323)	3,050	4,033
Total Common Equity for CBLR	89,071	128,454	141,654	159,675
Total Average Quarterly Assets for CBLR	1,866,213	2,354,206	2,625,170	2,952,326
CBLR	4.77%	5.46%	5.40%	5.41%

	CFG Bank			
	YTD <u>12/31/20</u>	YTD <u>12/31/21</u>	YTD <u>3/31/22</u>	YTD <u>6/30/22</u>
	183,491	249,492	255,712	285,249
	(1,233)	(1,233)	(1,233)	(1,233)
	-	-	-	-
	(1,689)	(323)	3,050	4,033
	180,569	247,936	257,529	288,049
	1,957,693	2,371,005	2,639,149	2,962,033
	9.22%	10.46%	9.76%	9.72%

Capital Funding Bancorp, Inc.
Trended Double Leverage & Debt Service Coverage Ratios
2020 - 2022

(\$ in millions, except ratios)	<u>12/31/20</u>	<u>12/31/21</u>	<u>3/31/22</u>	<u>6/30/22</u>
Senior Notes	25,000	25,000	25,000	40,000
Subordinated Notes	50,000	80,000	80,000	80,000
Total Debt	75,000	105,000	105,000	120,000
Equity [A]	109,180	148,848	156,736	171,062
Investment in Subsidiary Bank [B]	183,491	249,492	255,712	285,249
Double Leverage Ratio [B]/[A]	1.68	1.68	1.63	1.67
Earnings	29,331	70,155	20,052	44,491
Add: Interest expense - Notes	5,496	6,254	1,650	3,257
Add: Depreciation/amort expense	343	434	126	269
Add (Subtract): MSR valuation	(5,360)	(11,896)	(715)	(1,830)
Adjusted EBITDA [C]	29,810	64,947	21,113	46,187
Debt Service - Notes [D]	5,496	6,254	1,650	3,257
Debt Service Coverage Ratio [C]/[D]	5.42	10.39	12.80	14.18

CFG BANK (Not Capital Funding Bancorp, Inc.)
Net Interest Income - Current Year vs. Previous Year
For the Six Months Ended June 30, 2022 and 2021
(\$'000's)

	YTD Actual June 30, 2022			YTD Actual June 30, 2021			Year Over Year Change			Rate / Volume Variance		
	YTD Avg Balance	Interest	Yield	YTD Avg Balance	Interest	Yield	YTD Avg Balance	Interest	Yield	Volume	Rate	Total
ASSETS												
Due From Federal Reserve Bank	\$ 207,038	\$ 442	0.43%	\$ 221,533	\$ 111	0.10%	\$ (14,495)	\$ 330	0.33%	\$ (31)	\$ 361	\$ 330
Interest Earning Deposits	101	10	20.71%	101		0.11%	0	10	20.60%	0	10	10
Total Cash Equivalents	207,140	452	0.44%	221,634	112	0.10%	(14,495)	341	0.34%	(31)	372	341
Participation Certificates	28,158	370	2.65%	83,773	1,019	2.45%	(55,615)	(649)	0.20%	(731)	82	(649)
U.S. Government Securities			0.00%			0.00%			0.00%			
MBS Securities	44,836	420	1.89%	4,474	25	1.13%	40,361	395	0.76%	378	17	395
A & B-Pieces and VRR Securities	281,741	10,942	7.83%	130,459	6,231	9.63%	151,281	4,711	-1.80%	5,875	(1,164)	4,711
Other Investments	12,656	96	1.52%	3,236	96	5.96%	9,420	0	-4.44%	71	(71)	0
Total Investment Securities	339,232	11,458	6.81%	138,169	6,351	9.27%	201,063	5,106	-2.46%	6,325	(1,218)	5,106
Total Investment Portfolio	367,391	11,828	6.49%	221,943	7,370	6.70%	145,448	4,457	-0.20%	5,594	(1,136)	4,457
Loans Secured by Real Estate	1,635,272	43,385	5.35%	913,580	24,717	5.46%	721,693	18,668	-0.11%	19,147	(479)	18,668
Commercial & Industrial	517,088	16,294	6.35%	319,785	8,790	5.54%	197,303	7,504	0.81%	6,217	1,287	7,504
PPP Loans	31,732	159	1.01%	142,387	3,249	4.60%	(110,655)	(3,090)	-3.59%	(555)	(2,536)	(3,091)
Leases	1,510	34	4.57%	4,101	102	5.01%	(2,591)	(68)	-0.44%	(59)	(9)	(68)
Consumer Loans	343	10	5.99%	439	13	5.74%	(97)	(2)	0.25%	(3)	1	(2)
Other Loans/Other Fees	3,602	5,053	0.47%	3,399	3,392	0.49%	203	1,661	-0.03%	1,860	(199)	1,661
Total Loans	2,189,546	64,935	5.98%	1,383,691	40,262	5.87%	805,856	24,673	0.11%	26,607	(1,936)	24,671
Total Interest Earning Assets	2,764,077	77,215	5.63%	1,827,268	47,744	5.27%	936,809	29,471	0.36%	32,170	(2,701)	29,470
Cash and Due From Banks	22,994			8,503			14,491					
Other Non-Interest Earning Assets	44,562			35,417			9,145					
Total Assets	\$ 2,831,633			\$ 1,871,188			\$ 960,445					
LIABILITIES												
Interest Checking	\$ 249,470	\$ 640	0.52%	\$ 4,696	\$ 5	0.22%	\$ 244,774	\$ 635	0.30%	628	\$ 7	\$ 635
Statement Savings	9,932	13	0.27%	9,421	13	0.27%	511		-0.01%	1	(0)	
Money Market	494,886	1,953	0.80%	471,486	1,443	0.62%	23,400	510	0.18%	93	417	510
Certificates of Deposit	740,577	3,352	0.91%	437,129	3,423	1.58%	303,449	(71)	-0.67%	1,373	(1,444)	(71)
Replacement and Repair Reserve MMDA	250,623	391	0.31%	197,970	313	0.32%	52,654	77	0.00%	82	(5)	77
Escrow and Other	451		0.13%	372		0.11%	79		0.02%			
Total Interest Bearing Deposits	1,745,940	6,349	0.73%	1,121,074	5,197	0.93%	624,866	1,151	-0.20%	2,177	(1,025)	1,151
Short Term Borrowings	56,921	65	0.23%	32,807	56	0.35%	24,114	8	-0.12%	27	(19)	8
FHLB Borrowings	61,575	233	0.76%	20,000	108	1.09%	41,575	125	-0.32%	158	(32)	125
Interco Borrowings		0	0.00%			0.00%		(0)	0.00%			
Total Borrowing	118,495	298	0.51%	52,807	164	0.63%	65,688	134	-0.12%	185	(51)	134
Total Interest Bearing Liabilities	1,864,436	6,647	0.72%	1,173,881	5,362	0.92%	690,555	1,285	-0.20%	2,362	(1,077)	1,285
Transfer Pricing - Treasury Mark-up									0.00%			
Non-Interest Bearing DDA	597,551			393,211			204,339					
Escrow and Other	51,488			49,668			1,821					
GNMA P&I	33,908			47,561			(13,653)					
Total Non-Interest Bearing Deposits	682,946			490,440			192,507					
Total Cost of Funds	2,547,382		0.53%	1,664,320		0.65%	883,062		-0.12%			
Other Non-Interest Bearing Liabilities	25,875			12,708			13,167					
Total Liabilities	2,573,257			1,677,028			896,229					
Stockholders' Equity	258,376			194,159			64,216					
Total Liabilities & Stockholders's Equity	\$ 2,831,633			\$ 1,871,188			\$ 960,445					
Cost of Deposits			0.53%			0.65%			-0.12%			
Interest Rate Spread			4.91%			4.35%			0.57%			
Bank Net Interest Margin		\$ 70,568	5.15%		\$ 42,383	4.68%		\$ 28,185	0.47%	\$ 29,808	\$ (1,624)	\$ 28,185
Less: Holding Company Interest Expense		(3,257)			(2,869)			(388)				
Company Net Interest Margin		\$ 67,311	4.91%		\$ 39,514	4.36%		\$ 27,797	0.55%			

CFG Bank
Non-performing Assets Trend
2018-2022

(\$ thousands, except ratios)

	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020¹</u>	<u>12/31/2021¹</u>	<u>3/31/2022¹</u>	<u>6/30/2022¹</u>
Non-accruing loans	\$ 6,528	\$ 5,203	\$ 17,753	\$ 6,173	\$ 7,214	\$ 6,951
Non-accruing - Troubled debt restructuring	5,441	3,444	1,057	73	71	70
Total non-accruing loans	11,970	8,647	18,810	6,246	7,285	7,021
Accruing - Troubled debt restructuring	1,244	387	44	-	-	-
90+ Past Due and still accruing	28	27	-	261	122	944
Total non-performing loans	13,241	9,061	18,854	6,507	7,408	7,966
Other real estate owned	133	18	1,546	1,546	1,546	1,546
Total non-performing assets	13,374	9,080	20,399	8,053	8,953	9,511
Past due 90+ days & still accruing	28	27	-	261	122	944
Past due 60 - 89 days	1,373	-	56	34	43	194
Past due 30 - 59 days	1,150	656	753	1,159	3,008	1,329
Total Past Due	2,551	683	809	1,454	3,173	2,467
PPP Loans	-	-	144,946	39,253	29,727	27,182
Total Loans	696,120	915,454	1,291,960	1,893,059	2,054,050	2,584,262
Total Assets	832,274	1,226,251	1,714,351	2,634,154	2,776,207	3,214,610
Loan Loss Reserve (ALLL)	15,619	18,838	27,212	36,188	38,448	40,005
Past Due to Total Loans (%)	0.37%	0.07%	0.06%	0.08%	0.15%	0.10%
Non-Accruing to Total Loans (%)	1.72%	0.94%	1.46%	0.33%	0.35%	0.27%
Non-Performing Loans to Total Loans (%)	1.90%	0.99%	1.46%	0.34%	0.36%	0.31%
ALLL to Non-Performing Loans (%)	117.96%	207.90%	144.33%	556.12%	519.04%	502.22%
ALLL to Total Loans (%)	2.24%	2.06%	2.11%	1.91%	1.87%	1.55%
Net Charge Offs to Average Total Loans (%) YTD ²	0.02%	0.18%	0.06%	-0.08%	0.00%	0.00%
Tier 1 Capital + ALLL	153,960	186,080	207,781	284,124	295,977	328,053
Total Classified Loans	21,327	19,535	25,846	16,205	16,105	15,177
Total Classified Loans as % of Tier 1 Capital + ALLL	13.85%	10.50%	12.44%	5.70%	5.44%	4.63%

¹ Includes PPP loans.

² Ratio is annualized.

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.

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