

Capital Funding Bancorp, Inc. (Private; Baltimore, MD) Closes Private Placement Offering of \$25.0 Million of 6.00% Senior Notes due 2023 and \$15.0 Million of 6.75% Subordinated Notes due 2028

Sandler O'Neill + Partners, L.P. served as the lead placement agent for this offering.

These transactions are the 101st and 102nd subordinated note or senior note transactions for a community bank since January 1, 2016 in which Sandler O'Neill acted as a placement agent, sole underwriter, book runner or initial purchaser.¹ These transactions have raised approximately \$5.7 billion for our clients, representing 64.2% market share of announced transactions.¹

About the Offering:

Baltimore, MD, November 19, 2018 – Capital Funding Bancorp, Inc. (the “Company”), the holding company for CFG Community Bank (the “Bank”) today announced the completion of its private placement of \$25.0 million in fixed rate senior notes due 2023 (the “Senior Notes”) and \$15.0 million in fixed-to-floating rate subordinated notes due 2028 (the “Subordinated Notes”). The Senior Notes bear a fixed rate of 6.00% for five years and are not callable. The Subordinated Notes bear a fixed rate of 6.75% for the first five years and will reset quarterly thereafter to the then current three-month LIBOR rate plus 354.5 basis points.

The Company intends to use the net proceeds of the offering for general corporate purposes and to support the growth of the Company's subsidiary bank.

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

About the Company:

Capital Funding Bancorp, Inc. is the privately-held bank holding company of CFG Community Bank, a commercial bank headquartered in Baltimore, Maryland. CFG Community Bank was established in January 1927 as a Maryland state-chartered, full service commercial bank. Capital Funding Bancorp, Inc. was established as CFG Community Bank's holding company in August 2009. As of September 30, 2018, Capital Funding Bancorp, Inc. had total assets of \$787 million, total deposits of \$645 million, total loans of \$612 million and equity of \$93 million.


(1) Source: Sandler O'Neill Syndicate Desk, Bloomberg. Deal count includes subordinated debt or senior note offerings for Community Banks reported by Bloomberg; Community Banks defined as banks or bank holding companies with less than \$35 billion in assets; Excludes transactions less than \$5 million in offering size

(2) Source: S&P Global Market Intelligence; Bank level financial data, not pro forma for the offering

November 19, 2018

6.00% Fixed Rate
Senior Notes due 2023
\$25.0 Million

6.75% Fixed-to-Floating Rate
Subordinated Notes due 2028
\$15.0 Million



Lead Placement Agent
SANDLER O'NEILL + PARTNERS

Financial Highlights as of September 30, 2018²

(Dollars in thousands)

Total Assets	\$786,167
Total Loans	\$611,964
Total Deposits	\$645,360
Total Equity	\$126,721
Tang. Common Equity / Tang. Assets	15.99%

Sandler O'Neill Contacts

Jacques de Saint Phalle

Principal
(212) 466-7721

Jason Mendelson

Managing Director
(212) 466-7907

Ed Stein

Principal
(212) 466-7829

James Furey

Managing Director
(212) 466-7934

Jennifer Docherty

Managing Director
(212) 466-7796

Alex Bondroff

Vice President
(212) 466-7727

Susan Weinberg

Managing Director
(212) 466-7807

Ryan Joyce

Analyst
(212) 466-7739