

CAPITAL MARKETS ANNOUNCEMENT

Capital Funding Bancorp, Inc. Closes Private Placement of \$35.0 Million of Subordinated Notes due 2027

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

This transaction is the 100th subordinated note or senior note transaction for a community bank since January 1, 2014 in which Sandler O'Neill acted as a placement agent, sole underwriter, book runner or initial purchaser. Since May 20, 2016, Sandler O'Neill has raised approximately \$2.5 Billion for its clients, capturing a 66.2% market share of announced transactions.¹

About the Offering:

BALTIMORE, MD – Capital Funding Bancorp, Inc., parent company of CFG Community Bank (the "Bank"), closed a private placement of \$35 million in subordinated debt (the "Notes"). The Notes are scheduled to mature on March 1, 2027.

Approximately \$30 million of the proceeds will be contributed to the Bank as Tier 1 capital. The Bank intends to use the proceeds to grow the community bank and for general corporate purposes. The Notes were assigned an A- bond rating from the Egan-Jones Rating Company.

"We're pleased to have been able to place this growth capital so quickly and for the offering to have been oversubscribed," said Jack Dwyer, Chairman of the Board and Sole Owner of the Bank. "The proceeds will be used expand the lines of business within the community 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 holding company for CFG Community Bank. CFG Community Bank is a state-chartered, FDIC-insured bank that was incorporated in 2009. Based in Baltimore, Maryland, CFG Community Bank is focused on delivering big-bank capability and expertise with relationship-driven community bank service.

- (1) Source: Sandler O'Neill Syndicate Desk, Bloomberg. Deal count includes nationwide subordinated debt and senior note offerings for Community Banks; Community Banks defined as banks or bank holding companies with less than \$25 billion in assets.
 (2) Financial data is not pro forma for the offering.

February 23, 2017

Fixed-to-Floating Rate
Subordinated Notes
due 2027
\$35.0 Million



Placement Agent

SANDLER O'NEILL + PARTNERS

Bank Financial Highlights (as of 12/31/2016) ²

(\$ in thousands)

Total Assets	\$711,150
Net Loans	\$592,701
Total Deposits	\$617,982
Total Equity	\$82,339
TCE / TA	11.42%
Capital Ratios	
Leverage Ratio	9.91%
Tier 1 Risk-Based Capital Ratio	10.83%
Total Risk-Based Capital Ratio	12.11%

Sandler O'Neill Contacts:

Bob Kleinert
Managing Principal
(212) 466-7806

Jacques de Saint Phalle
Principal
(212) 466-7721

Ed Stein
Principal
(212) 466-7829

Susan Weinberg
Managing Director
(212) 466-7807

Jennifer Docherty
Managing Director
(212) 466-7796

James Furey
Managing Director
(212) 466-7934

Alex Bondroff
Vice President
(212) 466-7727

Joe Krumholz
Associate
(212) 466-8039