

CAPITAL MARKETS ANNOUNCEMENT

Capital Bancorp, Inc. Closes Private Placement of \$13.5 Million of Subordinated Notes due 2025

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

This transaction is the 39th 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 or book-runner, more than any other investment bank and approaching half of all the deals done during that period.¹

About the Offering:

Rockville, MD – Capital Bancorp, Inc., parent of Capital Bank, has recently completed a capital raise of \$13.5 million.

The proceeds will be used to support Capital Bank's continued organic growth across its regional commercial banking business as well as its growing nationwide consumer-lending businesses in mortgages and credit cards. More immediately, the funds will give Capital Bank the ability to refinance outstanding debt and to buy back shares to further enhance shareholder value, as well as fund potential future acquisitions.

"We made the decision to raise capital with clear goals in mind," says Ed Barry, CEO of Capital Bank, N.A. "With strong management and a solid infrastructure across all of our divisions, we are in a good place to accelerate our growth trajectory in the Washington DC-Baltimore MSA and believe that this capital infusion will help us expand our already proven strategy."

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 Bank, N.A., is a leading private bank in the Washington, D.C. metropolitan area that offers a range of services encompassing cash management, commercial lending, consumer credit and residential mortgage/Veterans Administration home loans.

(1) Note: Includes nationwide subordinated debt and senior note offerings since 1/1/2014 that involved one or more book managers or placement agents for banks or bank holding companies with less than \$25bn in assets; excludes deals that were not reported and deals where no underwriter or placement agent was reported; Source: SNL Financial and Sandler O'Neill + Partners, L.P.

(2) Financial data is not pro forma for the offering; Bank level data shown

November 24, 2015

Subordinated Notes due 2025
\$13.5 Million



Sole Placement Agent
SANDLER O'NEILL + PARTNERS

Financial Highlights (as of 9/30/2015)²

(\$ in thousands)

Total Assets	\$698,522
Gross Loans	624,113
YTD ROAA (%)	1.17%
YTD ROAE (%)	13.26%
Tier 1 Leverage Ratio	9.41%
Tier 1 Risk-Based Capital Ratio	11.30%
Total Risk-Based Capital Ratio	12.47%

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