

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

Complete all entries in accordance with the instructions to the Form 5500.

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

- A This return/report is for: [] a multiemployer plan [] a multiple-employer plan... [X] a single-employer plan [] a DFE... B This return/report is: [] the first return/report [] the final return/report... C If the plan is a collectively-bargained plan, check here... D Check box if filing under: [X] Form 5558 [] automatic extension... E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here...

Part II Basic Plan Information—enter all requested information

1a Name of plan: CAPITAL BANCORP, INC. 401(K) PROFIT SHARING PLAN
1b Three-digit plan number (PN): 001
1c Effective date of plan: 01/01/1975
2a Plan sponsor's name (employer, if for a single-employer plan): CAPITAL BANCORP, INC.
2b Employer Identification Number (EIN): 74-1501536
2c Plan Sponsor's telephone number: 713-675-2341
2d Business code (see instructions): 522110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Includes rows for employer/plan sponsor and DFE.

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2024) v. 240311

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN	
	4d PN	
5 Total number of participants at the beginning of the plan year	5	109
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1)	98
	6a(2)	99
	6b	1
	6c	11
	6d	111
	6e	0
	6f	111
	6g(1)	103
6g(2)	101	
6h	5	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2G 2F 2E 2K 2T 2J 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:
4B

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) <input checked="" type="checkbox"/> Insurance	(1) <input checked="" type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) **R** (Retirement Plan Information)
- (2) **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) **DCG** (Individual Plan Information) – Number Attached _____
- (5) **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) **H** (Financial Information)
- (2) **I** (Financial Information – Small Plan)
- (3) **A** (Insurance Information) – Number Attached 1
- (4) **C** (Service Provider Information)
- (5) **D** (DFE/Participating Plan Information)
- (6) **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<p style="text-align: center;">SCHEDULE A (Form 5500)</p> <p style="font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="font-size: x-small;">Department of Labor Employee Benefits Security Administration</p> <hr/> <p style="font-size: x-small;">Pension Benefit Guaranty Corporation</p>	<p>Insurance Information</p> <p>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p>▶ File as an attachment to Form 5500.</p> <p>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</p>	<p>OMB No. 1210-0110</p> <hr/> <p style="font-size: large;">2024</p> <hr/> <p>This Form is Open to Public Inspection</p>
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

<p>A Name of plan CAPITAL BANCORP, INC. 401(K) PROFIT SHARING PLAN</p>	<p>B Three-digit plan number (PN) ▶</p>	<p>001</p>
<p>C Plan sponsor's name as shown on line 2a of Form 5500 CAPITAL BANCORP, INC.</p>	<p>D Employer Identification Number (EIN) 74-1501536</p>	

Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
THE CANADA LIFE ASSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
20-0247855	80659	2304844	0	01/01/2024	12/31/2024

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
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3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information
 Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	
5 Current value of plan's interest under this contract in separate accounts at year end.....	5	

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b Premiums paid to carrier **6b**

c Premiums due but unpaid at the end of the year **6c**

d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**
 Specify nature of costs ▶

e Type of contract: (1) individual policies (2) group deferred annuity
 (3) other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) deposit administration (2) immediate participation guarantee
 (3) guaranteed investment (4) other ▶

b Balance at the end of the previous year	7b	
c Additions: (1) Contributions deposited during the year	7c(1)	
	7c(2)	
	7c(3)	
	7c(4)	
	7c(5)	
	(6) Total additions	7c(6)
d Total of balance and additions (add lines 7b and 7c(6))	7d	0
e Deductions:		
	7e(1)	
	7e(2)	
	7e(3)	
	7e(4)	
(5) Total deductions	7e(5)	0
f Balance at the end of the current year (subtract line 7e(5) from line 7d).....	7f	0

Part III Welfare Benefit Contract Information
 If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** Health (other than dental or vision)
- b** Dental
- c** Vision
- d** Life insurance
- e** Temporary disability (accident and sickness)
- f** Long-term disability
- g** Supplemental unemployment
- h** Prescription drug
- i** Stop loss (large deductible)
- j** HMO contract
- k** PPO contract
- l** Indemnity contract
- m** Other (specify) ▶

9 Experience-rated contracts:

a	Premiums: (1) Amount received	9a(1)		
	(2) Increase (decrease) in amount due but unpaid	9a(2)		
	(3) Increase (decrease) in unearned premium reserve	9a(3)		
	(4) Earned ((1) + (2) - (3))		9a(4)	0
b	Benefit charges (1) Claims paid	9b(1)		
	(2) Increase (decrease) in claim reserves	9b(2)		
	(3) Incurred claims (add (1) and (2))		9b(3)	0
	(4) Claims charged		9b(4)	
c	Remainder of premium: (1) Retention charges (on an accrual basis) --			
	(A) Commissions	9c(1)(A)		
	(B) Administrative service or other fees	9c(1)(B)		
	(C) Other specific acquisition costs	9c(1)(C)		
	(D) Other expenses	9c(1)(D)		
	(E) Taxes	9c(1)(E)		
	(F) Charges for risks or other contingencies	9c(1)(F)		
	(G) Other retention charges	9c(1)(G)		
	(H) Total retention		9c(1)(H)	0
	(2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.)		9c(2)	0
d	Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
	(2) Claim reserves		9d(2)	
	(3) Other reserves		9d(3)	
e	Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a	Total premiums or subscription charges paid to carrier	10a	
b	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.	10b	

Specify nature of costs.

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? Yes No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE I (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information—Small Plan This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **12/31/2024**

A Name of plan CAPITAL BANCORP, INC. 401(K) PROFIT SHARING PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 CAPITAL BANCORP, INC.	D Employer Identification Number (EIN) 74-1501536

Complete Schedule I if the plan covered fewer than 100 participants as of the beginning of the plan year. You may also complete Schedule I if you are filing as a small plan under the 80-120 participant rule (see instructions). Complete Schedule H if reporting as a large plan or DFE.

Part I Small Plan Financial Information

Report below the current value of assets and liabilities, income, expenses, transfers and changes in net assets during the plan year. Combine the value of plan assets held in more than one trust. Do not enter the value of the portion of an insurance contract that guarantees during this plan year to pay a specific dollar benefit at a future date. Include all income and expenses of the plan including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. **Round off amounts to the nearest dollar.**

		(a) Beginning of Year	(b) End of Year
1 Plan Assets and Liabilities:			
a Total plan assets	1a	16199191	18503902
b Total plan liabilities	1b	0	0
c Net plan assets (subtract line 1b from line 1a)	1c	16199191	18503902
2 Income, Expenses, and Transfers for this Plan Year:		(a) Amount	(b) Total
a Contributions received or receivable:			
(1) Employers	2a(1)	605121	
(2) Participants	2a(2)	576292	
(3) Others (including rollovers)	2a(3)	97156	
b Noncash contributions	2b	0	
c Other income	2c	2212645	
d Total income (add lines 2a(1), 2a(2), 2a(3), 2b, and 2c)	2d		3491214
e Benefits paid (including direct rollovers)	2e	1182604	
f Corrective distributions (see instructions)	2f	0	
g Certain deemed distributions of participant loans (see instructions)	2g	0	
h Administrative service providers (salaries, fees, and commissions)	2h	3899	
i Other expenses	2i	0	
j Total expenses (add lines 2e, 2f, 2g, 2h, and 2i)	2j		1186503
k Net income (loss) (subtract line 2j from line 2d)	2k		2304711
l Transfers to (from) the plan (see instructions)	2l		0

3 Specific Assets: If the plan held assets at any time during the plan year in any of the following categories, check "Yes" and enter the current value of any assets remaining in the plan as of the end of the plan year. Allocate the value of the plan's interest in a commingled trust containing the assets of more than one plan on a line-by-line basis unless the trust meets one of the specific exceptions described in the instructions.

		Yes	No	Amount
a Partnership/joint venture interests	3a		X	
b Employer real property	3b		X	
c Real estate (other than employer real property)	3c		X	
d Employer securities	3d		X	
e Participant loans	3e	X		525710
f Loans (other than to participants)	3f		X	
g Tangible personal property	3g		X	

Part II	Compliance Questions
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		Yes	No	Amount
4 During the plan year:				
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of plan year or classified during the year as uncollectible? Disregard participant loans secured by the participant's account balance.	4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible?	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a.)	4d		X	
e Was the plan covered by a fidelity bond?	4e	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan at any time hold 20% or more of its assets in any single security, debt, mortgage, parcel of real estate, or partnership/joint venture interest?	4i		X	
j Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4j		X	
k Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? If "No," attach an IQPA's report or 2520.104-50 statement. (See instructions on waiver eligibility and conditions.)	4k	X		
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... Yes No
 If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan <u>CAPITAL BANCORP, INC. 401(K) PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ▶	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CAPITAL BANCORP, INC.</u>	D Employer Identification Number (EIN) <u>74-1501536</u>	

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....

1	
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2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 04-6568107

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....

3	
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Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a	
b Enter the amount contributed by the employer to the plan for this plan year	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline?..... Yes No N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... Yes No N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... Increase Decrease Both No

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... Yes No

11 a Does the ESOP hold any preferred stock?..... Yes No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... Yes No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... Yes No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14b	
c The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment

19 If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:
 Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%
 High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:
 0-5 years 5-10 years 10-15 years 15 years or more

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? Yes No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:
 Yes.
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.
 No. Other. Provide explanation: _____

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).
 Design-based safe harbor method
 "Prior year" ADP test
 "Current year" ADP test
 N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter 06 / 30 / 2020 (MM/DD/YYYY) and the Opinion Letter serial number Q702438A.

CAPITAL BANCORP, INC.
401(k) PROFIT SHARING PLAN

**Financial Statements and
Supplemental Schedule**

December 31, 2024 and 2023

(With Independent Auditor's Report Thereon)

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS:	
Statements of Net Assets Available for Benefits	4
Statement of Changes in Net Assets Available for Benefits	5
NOTES TO FINANCIAL STATEMENTS	6-12
SUPPLEMENTAL SCHEDULE:	
Schedule H - Part IV, Line 4 (i) - Schedule of Assets (Held at End of Year)	14-15



Independent Auditor's Report

To the Board of Trustees
Capital Bancorp, Inc. 401(k) Profit Sharing Plan
Houston, Texas

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the Financial Statements

We have performed audits of the financial statements of Capital Bancorp, Inc. 401(k) Profit Sharing Plan ("the Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits (modified cash basis) as of December 31, 2024 and 2023, and the related statement of changes in net assets available for benefits (modified cash basis) for the year ended December 31, 2024, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2024 and 2023, and for the year ended December 31, 2024, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the Financial Statements

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section:

- The amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with the modified cash basis of accounting as described in Note 2.
- The information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the Financial Statements

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements and supplemental schedule were prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with modified cash basis of accounting as described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of the modified cash basis of accounting as described in Note 2.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with the modified cash basis of accounting as described in Note 2.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters - Supplemental Schedule Required by ERISA

The supplemental Schedule of Assets (Held at End of Year) as of or for the year ended December 31, 2024 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including their form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Payne + Smith, LLC

September 26, 2025

CAPITAL BANCORP, INC. 401(k) PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS
AVAILABLE FOR BENEFITS

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Investments, at fair value:		
Money market fund	\$ 2,989,491	\$ 2,612,265
Mutual funds	<u>14,988,701</u>	<u>13,180,500</u>
Total investments at Fidelity Mnaagement Trust Company	17,978,192	15,792,765
Cash surrender values of life insurance contracts	<u>758</u>	<u>2,032</u>
Total investments, at fair value	17,978,950	15,794,797
Notes receivable from participants	<u>525,710</u>	<u>406,426</u>
Total assets	<u>18,504,660</u>	<u>16,201,223</u>
<u>LIABILITIES</u>		
	-	-
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 18,504,660</u>	<u>\$ 16,201,223</u>

The accompanying notes are an integral part of these financial statements.

CAPITAL BANCORP, INC. 401(k) PROFIT SHARING PLAN

**STATEMENT OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS**

For the Year Ended December 31, 2024

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Investment income:	
Net appreciation in fair value of investments	\$ 1,479,893
Interest income on money market fund	154,977
Dividend income on mutual funds	539,455
Investment advisory fees	<u>(2,299)</u>
Total investment income	2,172,026
Interest income on notes receivable from participants	37,046
Contributions:	
Employer	605,121
Participants'	576,292
Rollovers	<u>97,156</u>
Total contributions	<u>1,278,569</u>
Total additions	<u>3,487,641</u>

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Benefit payments to participants	1,175,631
Administrative expenses	<u>8,573</u>
Total deductions	<u>1,184,204</u>

NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS 2,303,437

NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year	<u>16,201,223</u>
End of year	<u>\$ 18,504,660</u>

The accompanying notes are an integral part of these financial statements.

CAPITAL BANCORP, INC. 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

1. Description of the Plan

The following description of Capital Bancorp, Inc. 401(k) Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all eligible employees of Capital Bancorp, Inc., (the "Plan Sponsor") and certain eligible employees of a third-party service provider of security (the "Security Group") to the Plan sponsor. The Plan was originally adopted on January 1, 1975. The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by a Plan Administrator and overseen by the Plan Sponsor's Board of Directors.

Eligibility

The Plan entry date is the first of every month. The Plan has no age or service requirement for eligible employees of the Plan Sponsor. An eligible employee of the Security Group is an employee who has reached age 21 and has provided at least 1,000 hours of service to the Plan Sponsor during an eligibility computation period. An eligible employee of the Plan Sponsor must complete one year with 1,000 hours of service to receive Employer Non-elective Contributions.

Contributions

Participants who have satisfied the Plan's eligibility requirements may contribute up to 90% of eligible compensation, subject to certain maximum limitations imposed by the Internal Revenue Code ("the Code"), as defined in the Plan. Participants may elect to make pre-tax deferrals or Roth deferrals. Roth deferral contributions cannot be re-characterized as pre-tax deferral contributions once elected. Participants who have attained age 50 before the close of the plan year are also eligible to make catch-up contributions subject to the maximum limitation imposed by the Code. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

The Plan Sponsor elected for the Plan to be treated as a Safe Harbor plan effective January 1, 2023. Under these provisions, the Company will make Safe Harbor matching contributions based on a participant's deferral contributions in an amount equal to 100% of the first three percent of compensation contributed to the Plan by a participant, plus 50% of the next two percent of compensation contributed to the Plan by the participant. Participants will receive Safe Harbor Matching Contributions after completing one year of service.

The Plan Sponsor may make Discretionary nonelective contributions to the Plan on behalf of its eligible participants. The discretionary nonelective contribution shall be allocated to a participant's account based on a formula that takes Social Security into account as specified in the Plan document.

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of the Plan Sponsor's matching and discretionary contributions and Plan earnings and charged with an allocation of any administrative expenses paid by the Plan. Allocations are based on participant's investment elections and earnings or account balances, as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

Investment Options

Participants may direct the investment of their contributions and the Plan Sponsor's contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds and a money market fund as investment options for participants. Participants may change their investment options at any time throughout the year via internet or direct phone access to the Plan's trustee. The Plan's qualified default investment alternative ("QDIA") is the Fidelity Freedom retirement date target funds.

CAPITAL BANCORP, INC. 401(k) PROFIT SHARING PLAN

Vesting

Participants are always 100% vested in their Rollover Contributions, Qualified Nonelective Contributions, Deferral Contributions, Safe Harbor Matching Employer Contributions and any earnings or losses thereon. Vesting of Employer Nonelective Contributions plus earnings is based on years of vesting service according to the following vesting schedule:

<u>Years of Vesting Service</u>	<u>Percentage Vested</u>
Less than 2 years	0%
2 but less than 3 years	20%
3 but less than 4 years	40%
4 but less than 5 years	60%
5 but less than 6 years	80%
At least 6 years	100%

For participants hired before October 1, 2009, a year of service is defined as 1,000 hours of service in a calendar year. For participants hired after October 1, 2009, a year of service is defined as a whole year of service based on a participant's date of hire with the Employer.

Upon termination of service, the non-vested portion is subject to forfeiture rules under the Plan.

Forfeited Accounts

Terminated participants may forfeit the non-vested portion of their Employer Account balance. A forfeiture will occur in the Plan Year that a terminated participant receives a distribution of the entire vested Account, or after five consecutive one-year breaks in service for terminated participants who do not receive a distribution. However, forfeited account balances of a terminated participant will be restored according to the Plan when the participant is rehired by the Company before incurring five consecutive one-year breaks in service, and the participant repays the full amount of the distribution before the end of the five-year period that begins on the date of re-employment. Unrestored forfeitures are retained in the Plan and are used to first pay for administrative expenses before reducing future Employer contributions payable under the Plan. At December 31, 2024 and 2023, forfeited nonvested accounts totaled \$229 and \$65,451, respectively. During 2024, newly forfeited nonvested balances net of earnings and losses totaled \$11,279, and the Company used \$76,501 in forfeited nonvested account balances to reduce its Safe Harbor match contribution.

Notes Receivable from Participants

Participants may borrow from their accounts an amount not to exceed the lesser of: (a) 50% of the participant's vested account balance or (b) \$50,000 reduced by the participant's greatest outstanding loan balance during the 12 months preceding the date of the loan. The loans are secured by the balance in the participant's account and bear interest at rates ranging from 4.25% to 9.50%, which is commensurate with local prevailing rates as determined by the Plan administrator. Loans are required to be repaid within five years of the date the loan proceeds are received except for loans to purchase a principal residence, which may be repaid over a period not to exceed 10 years. Principal and interest are repaid ratably through periodic payroll deductions. Participants may only have two outstanding loans at any time.

Payments of Benefits

Upon termination of service due to death, disability or retirement, participants may receive a lump sum payment equal to their vested account balance. Benefits under the Plan will generally be paid to participants or their beneficiaries in cash. Distributions to participants with vested account balances between \$1,000 and \$5,000 may be made in a single lump-sum payment equal to the value of the participant's vested interest in their account or rolled over to an individual retirement account designated by the Plan Administrator. Participants with vested account balances over \$5,000 may defer distributions or elect to receive distributions. To comply with certain requirements of the SECURE Act and IRS regulations, the Plan requires participants to take their first required minimum distribution (RMDs) in the year they reach age 72.

Participants who are also active employees may request a hardship withdrawal of at least \$500 up to their vested account balance to satisfy certain heavy financial needs, subject to certain conditions and restrictions. A participant with a financial hardship must first exhaust all other assets reasonably available to them prior to obtaining a hardship withdraw. Hardship withdrawals will be subject to the 10% nonperiodic income tax withholding rate unless a participant elects out of the withholding. A qualifying hardship withdrawal may be used to satisfy the following needs: (1) payment of medical expenses that would be tax deductible; (2) purchase of a primary home; (3) stop eviction from primary home, or stop foreclosure on such home; (4) payment of tuition, related educational fees, and room and board expenses for up to the next 12 months of post-secondary education of the participant, spouse, children, or dependents defined in the Plan; (5) burial or funeral expenses for a deceased parent, spouse, child, or dependents defined in the Plan; and (6) expenses to repair damage to primary home that would be tax deductible.

CAPITAL BANCORP, INC. 401(k) PROFIT SHARING PLAN

2. Summary of Significant Accounting Policies

Date of Management's Review and Subsequent Events

The Plan has evaluated events and transactions for potential recognition or disclosure through September 26, 2025, which is the date the financial statements were available to be issued.

Basis of Accounting

The financial statements of the Plan are presented on the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Consequently, certain additions and the related assets are recognized when received rather than when earned and certain deductions are recognized when paid rather than when the obligation is incurred.

Use of Estimates

The preparation of financial statements in conformity with a basis of accounting other than accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Investment Valuation and Income Recognition

Investments of the Plan are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Refer to Note 4 for discussion of fair value measurements.

The net appreciation in the fair value of investments consists of the realized gains and losses on investments bought and sold as well as held during the year and unrealized appreciation (depreciation) of investments. The net change in unrealized appreciation (depreciation) in the fair value of investments is determined by the change in fair value from the beginning of the year to the end of the year or change in fair value from date of the purchase to the end of the year.

Purchases and sales are recorded on a trade date basis. Interest income and dividends are recorded when received.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Related fees are charged directly to the borrowing participant's account and are included in administrative expenses when incurred. As of December 31, 2024 and 2023, no allowance for credit losses has been recorded.

If a participant does not make loan repayments and the plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent participant note receivable is recorded as a benefit payment based on the terms of the Plan document. The fair value disclosures for financial instruments are not required for participant loans. Also, participant loans continue to be considered as investments for Form 5500 reporting purposes.

Excess Contributions

Excess contributions originated in the current reporting period and refunded to participants during the reporting period are offset in participant contributions and benefit payments to participants on the statement of changes in net assets available for benefits. Excess contributions originated in the current reporting period and refunded to participants before or after March 15 of the following reporting period are accrued as liabilities on the statements of net assets available for benefits. For Form 5500 reporting purposes, excess contributions are presented as corrective distributions in expenses section on Schedule H of Form 5500.

Contributions

Contributions are recorded when the contributed cash is received by Fidelity Management Trust Company, the trustee of the Plan in accordance with the modified cash basis of accounting utilized by the Plan. There were no participants' or employer contributions related to the 2024 and 2023 plan years received by the trustee of the Plan subsequent to the respective years then ended.

CAPITAL BANCORP, INC. 401(k) PROFIT SHARING PLAN

Benefits Payments

Benefits are recorded when paid.

Administrative Expenses

Officers or employees of the Company perform certain administrative functions of the Plan. However, such officers and employees receive no compensation from the Plan. Fees and expenses charged under a participant's account fall into three basic categories.

Investment fees are generally assessed as a percentage of assets invested and are deducted directly from the participant's investment returns as applicable.

Plan administration fees cover the day-to-day expenses of the Plan for recordkeeping, accounting, legal and trustee services, as well as additional services that may be available under the Plan. In certain cases, Plan administration costs are covered by investment fees that are deducted directly from investment returns. In other cases, plan administrative fees are either paid directly by the Employer, or are passed to the Plan participants, in which case a recordkeeping fee is deducted from a participant's account.

Transaction-based fees are associated with optional services offered under the Plan and are charged directly to the individual participant accounts of the participants who use the feature associated with such transactions.

3. Information Certified by Trustee

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by Fidelity Management Trust Company, the trustee of the Plan.

	<u>2024</u>	<u>2023</u>
Money market fund	\$ 2,989,491	\$ 2,612,265
Mutual funds	<u>14,988,701</u>	<u>13,180,500</u>
Total	<u>\$ 17,978,192</u>	<u>\$ 15,792,765</u>
Notes receivable from participants	<u>\$ 525,710</u>	<u>\$ 406,426</u>
Interest income on money market fund	<u>\$ 154,977</u>	
Dividend income on mutual funds	<u>\$ 539,455</u>	
Interest income on notes receivable from participants	<u>\$ 37,046</u>	

CAPITAL BANCORP, INC. 401(k) PROFIT SHARING PLAN

4. Fair Value Measurements

ASC Topic 820, *Fair Value Measurements and Disclosures* establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three broad levels of the fair value hierarchy are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority.
- Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1).
- Level 3 inputs consist of unobservable inputs and have the lowest priority.

The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs are not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs are not available. During 2024 and 2023, the valuation of Plan investments did not require the use of Level 2 inputs.

Level 1 Fair Value Measurements

Money market funds - The money market fund is valued using pricing models maximizing the use of observable inputs for similar securities. Although a money market fund seeks to preserve the value of \$1 of investment at \$1 per share (unit), it is possible to lose money by investing in such a fund.

Mutual funds - The fair value of mutual funds is based on quoted net asset value (“NAV”) of the shares as reported by the fund. The mutual funds held by the Plan are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily NAV and transact at that price. The mutual funds held by the Plan are considered to be actively traded.

Level 3 Fair Value Measurements

Life insurance contracts - The life insurance policies of the Plan are held outside of Fidelity Management Trust Company’s trust and are not actively traded, and significant other observable inputs are not available. Thus, the fair value of the life insurance contracts at Plan year end is determined by the Plan based on the estimated cash surrender values provided by the policy issuer, Protective Life Insurance Company, for each policy on March 1st following the Plan year then ended.

The following table set forth, by level within the fair value hierarchy, the Plan’s investments at fair value as of December 31, 2024 and 2023:

	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Unobservable Inputs (Level 3)</u>	<u>Fair Value</u>
December 31, 2024:			
Money market fund	\$ 2,989,491	\$ -	\$ 2,989,491
Mutual funds	14,988,701	-	14,988,701
Cash surrender values of life insurance contracts	-	758	758
Total investments, at fair value	<u>\$ 17,978,192</u>	<u>\$ 758</u>	<u>\$ 17,978,950</u>
December 31, 2023:			
Money market fund	\$ 2,612,265	\$ -	\$ 2,612,265
Mutual funds	13,180,500	-	13,180,500
Cash surrender values of life insurance contracts	-	2,032	2,032
Total investments, at fair value	<u>\$ 15,792,765</u>	<u>\$ 2,032</u>	<u>\$ 15,794,797</u>

Gains and losses included in changes in net assets available for benefits for the year ended December 31, 2024 are reported in net appreciation in fair value of investments.

CAPITAL BANCORP, INC. 401(k) PROFIT SHARING PLAN

5. Party-In-Interest Transactions

Certain Plan investments are shares or units of mutual funds and money market funds sponsored and managed by Fidelity Management Trust Company (“Fidelity”). Fidelity is the Plan trustee and custodian as defined by the Plan. Therefore, Fidelity is a party-in-interest under ERISA and transactions with Fidelity qualify as party-in-interest transactions. Fees paid by the Plan to Fidelity for investment management services are included in net appreciation in fair value of investments on the accompanying statement of changes in net assets available for benefits, as they are paid through revenue sharing arrangements rather than direct payment arrangements.

Plan transactions and records are administered by Fidelity Investments Institutional Operations Company, Inc. (“FIIO”), an affiliate of Fidelity, the Plan Trustee. FIIO is the record keeper of the Plan. Therefore, transactions with FIIO qualify as party-in-interest transactions. During 2024, fees incurred by the Plan for record keeping services totaled \$1,600 and are included in Administrative expenses on the accompanying statement of changes in net assets available for benefits.

Strategic Advisors, Inc. (“SAI”) is the Plan’s third-party provider of investments advisory services. Therefore, SAI is a party-in-interest under ERISA and transactions with SAI qualify as party-in-interest transactions. During 2024, the Plan paid \$2,299 in investment advisory fees to SAI. These fees are presented as investment advisory fees within the Investment income caption on the accompanying statement of changes in net assets available for benefits.

Certain Plan investments are life insurance policies managed by Protective Life Insurance Company (PLIC) and U.S. Business of Canada Life Assurance Company (CLA) for the benefit of three participants who are also owner of the Company. Therefore, PLIC and CLA are parties-in-interest and transactions with PLIC and CLA qualify as party-in-interest transactions. During 2024, fees paid to PLIC and CLA for premiums on the three life insurance policies totaled \$6,973 and are included in administrative expenses on the accompanying statement of changes in net assets available for benefits.

Payne & Smith, LLC is the Plan’s independent public accountant (“IPA”) as defined by the Plan. Therefore, the IPA is a party-in-interest under ERISA and transactions with the IPA qualify as party-in-interest transactions. Fees incurred by the Plan for audit and nonattest services provided by the IPAs are paid by the Company and are therefore, not included, not accrued, and not disclosed in the accompanying financial statements.

These party-in-interest transactions are exempt from the prohibited transaction rules of ERISA.

6. Tax Status

The Plan sponsor is an adopter of a pre-approved plan that received a favorable Internal Revenue Service (“IRS”) Opinion Letter dated June 30, 2020, in which the IRS stated that the Plan was in compliance with the applicable requirements of the Internal Revenue Code (“IRC”). Although the Plan has been amended and restated since receiving the Opinion Letter, the Plan Administrator believes this Plan is designed and is being operated in compliance with the applicable provisions of the IRC.

Accounting principles generally accepted in the United States of America require the Plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audit by tax authorities; however, there are currently no audit for any tax periods in progress.

7. Plan Termination

While there is no intention to do so, the Company reserves the right to terminate the Plan. In the event of termination of the Plan, the participants become fully vested in their employer contribution balances, and the net assets of the Plan will be distributed to the participants of the Plan in accordance with the provisions of ERISA.

CAPITAL BANCORP, INC. 401(k) PROFIT SHARING PLAN

8. Risks and Uncertainties

The Plan provides for various investment options in investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risks associated with investment securities, and the level of uncertainty related to changes in the value of these securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and changes in net assets available for benefits. The following table presents concentrations of investments that represented 5% or more of the Plan's net assets at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Money market fund-		
Fidelity Government Money Market Fund	\$ 2,989,491	\$ 2,612,265
Mutual funds:		
Fidelity 500 Index Fund	963,365	971,173
Fidelity Growth Company Fund	2,830,095	1,863,302
Fidelity Freedom 2025 Fund	***	1,121,623
Fidelity Freedom 2030 Fund	1,252,460	1,091,092
Fidelity Freedom 2040 Fund	1,636,190	1,317,248
Fidelity Freedom 2045 Fund	1,827,709	1,444,544

*** Investment concentration did not represent 5% or more of Plan's assets as of the year end presented.

9. Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Schedule H of Form 5500 at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Net assets available for benefits per the financial statements	\$ 18,504,660	\$ 16,201,223
Cash surrender value of life insurance contracts not on Schedule H of Form 5500	<u>(758)</u>	<u>(2,032)</u>
Net assets available for benefits per Schedule H of Form 5500	<u>\$ 18,503,902</u>	<u>\$ 16,199,191</u>

The following is a reconciliation of statement of changes in net assets available for benefits per the financial statements for the year ended December 31, 2024 to Schedule H of Form 5500:

Net increase in net assets available for benefits per the financial statements	\$ 2,303,437
Change in the fair value of cash surrender value of life insurance contracts per financial statements	<u>1,274</u>
Net income (loss) per Schedule H of Form 5500	<u>\$ 2,304,711</u>

SUPPLEMENTAL SCHEDULE

CAPITAL BANCORP, INC. 401(k) PROFIT SHARING PLAN

SCHEDULE H, PART IV, LINE 4 (i) – SCHEDULE OF ASSETS
(HELD AT END OF YEAR)

December 31, 2024

EIN: 74-1501536

PN: 001

(a)	(b)	(c)	(d)	(e)
<u>Identity of issuer, borrower, lessor or similar party</u>	<u>Description of investment</u>	<u>Units(Shares)</u>	<u>Cost</u>	<u>Current Value</u>
Mutual Funds				
	American Beacon Large Cap Value Fund	Mutual fund	1,695.980	** 38,210
	Baird Core Plus Bond Fund	Mutual fund	10,249.969	** 107,830
	Baron Asset Fund	Mutual fund	1,003.588	** 91,607
	Baron Small Cap Fund	Mutual fund	10,375.766	** 313,452
	Congress Small Capital Growth IS Fund	Mutual fund	2,713.322	** 124,948
*	Fidelity 500 Index Fund	Mutual fund	4,717.985	** 963,365
*	Fidelity Balanced Fund	Mutual fund	14,492.513	** 428,399
*	Fidelity Contrafund Fund	Mutual fund	43,779.490	** 923,747
*	Fidelity Diversified International Fund	Mutual fund	4,235.896	** 178,162
*	Fidelity Freedom 2015 Fund	Mutual fund	1,115.721	** 12,719
*	Fidelity Freedom 2020 Fund	Mutual fund	6,041.157	** 86,751
*	Fidelity Freedom 2025 Fund	Mutual fund	39,499.673	** 537,591
*	Fidelity Freedom 2030 Fund	Mutual fund	71,365.222	** 1,252,460
*	Fidelity Freedom 2035 Fund	Mutual fund	26,481.246	** 414,432
*	Fidelity Freedom 2040 Fund	Mutual fund	141,538.896	** 1,636,190
*	Fidelity Freedom 2045 Fund	Mutual fund	135,687.390	** 1,827,709
*	Fidelity Freedom 2050 Fund	Mutual fund	14,870.346	** 202,980
*	Fidelity Freedom 2055 Fund	Mutual fund	11,004.637	** 173,983
*	Fidelity Freedom 2060 Fund	Mutual fund	9,467.130	** 137,179
*	Fidelity Freedom 2065 Fund	Mutual fund	4,269.895	** 56,448
*	Fidelity Freedom Income Fund	Mutual fund	15,135.533	** 159,529
*	Fidelity Growth Company Fund	Mutual fund	93,064.633	** 2,830,095
*	Fidelity Intermediate Bond Fund	Mutual fund	35,567.632	** 358,166
*	Fidelity International Index Fund	Mutual fund	2,910.882	** 138,383
*	Fidelity Low-Priced Stock Fund	Mutual fund	2,784.729	** 113,283
*	Fidelity Overseas Fund	Mutual fund	623.373	** 38,792
*	Fidelity Puritan Fund	Mutual fund	2,163.442	** 53,697
*	Fidelity Total Bond Fund	Mutual fund	35,005.208	** 329,049
*	Fidelity U.S. Bond Index Fund	Mutual fund	1,376.913	** 14,072
	Invesco American Franchise Fund	Mutual fund	2,246.787	** 71,673
	Janus Henderson Balanced Fund Class T	Mutual fund	11,454.743	** <u>523,138</u>
Mutual funds continued on next page				14,138,039

See accompanying independent auditor's report and notes thereto.

CAPITAL BANCORP, INC. 401(k) PROFIT SHARING PLAN

SCHEDULE H, PART IV, LINE 4 (i) – SCHEDULE OF ASSETS
(HELD AT END OF YEAR)

December 31, 2024

EIN: 74-1501536

PN: 001

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<u>Identity of issuer, borrower, lessor or similar party</u>	<u>Description of investment</u>	<u>Units(Shares)</u>	<u>Cost</u>	<u>Current Value</u>
		Mutual funds continuation from previous page		14,138,039
	Janus Henderson Growth And Income Fund	Mutual fund	1,145.397	** 79,101
	John Hancock Funds Disciplined Value Mid Cap Fund	Mutual fund	16,224.155	** 412,418
	Oakmark Equity and Income Fund	Mutual fund	8,504.746	** 305,746
	PIMCO RAE US Small Fund Institutional Class	Mutual fund	1,175.457	** 13,400
	Principal SmallCap Fund R5 Class Fund	Mutual fund	1,430.517	** <u>39,997</u>
	Total mutual funds			<u>14,988,701</u>
	Money market fund-			
*	Fidelity Government Money Market Fund	Money market fund	2,989,490.810	** <u>2,989,491</u>
	Protective Life Insurance Company:			
	Cash surrender value of life insurance contract	Policy # 2488373		163
	Cash surrender value of life insurance contract	Policy # 2620763		<u>595</u>
	Total life insurance contracts			<u>758</u>
	Notes receivable from participants			
	Participant loans	Interest rates range from 4.25% to 9.50%, various maturity dates through October 2031		<u>525,710</u>
	TOTAL ASSETS AT DECEMBER 31, 2024			<u>\$ 18,504,660</u>

* Denotes Party in interest to the Plan.

** Cost not required for participant-directed investments.

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CAPITAL BANCORP, INC. 401(k) PROFIT SHARING PLAN

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Mutual funds continued on next page

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