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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 10-Q**

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(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2024

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-42302

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**Chain Bridge Bancorp, Inc.**  
(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of incorporation or organization)  
**1445-A Laughlin Avenue, McLean, VA**  
(Address of Principal Executive Offices)

**20-4957796**  
(I.R.S. Employer Identification No.)  
**22101**  
(Zip Code)

**(703) 748-2005**  
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.01 per share	CBNA	NYSE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input checked="" type="radio"/>	Smaller reporting company	<input checked="" type="radio"/>
		Emerging growth company	<input checked="" type="radio"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

As of November 12, 2024, the registrant had outstanding 2,701,887 shares of Class A Common Stock, par value \$0.01 per share and 3,859,930 shares of the registrant's Class B Common Stock, par value \$0.01 per share.

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Unless we state otherwise or the context otherwise requires, “we,” “us,” “our,” “Chain Bridge,” “our Company,” and “the Company,” refer to Chain Bridge Bancorp, Inc., a Delaware corporation, and its consolidated subsidiary, Chain Bridge Bank, National Association. The “Bank” and “Chain Bridge Bank, N.A” refer to Chain Bridge Bank, National Association, a nationally chartered bank.

This Quarterly Report on Form 10-Q contains forward-looking statements, which involve risks and uncertainties. You should not place undue reliance on forward-looking statements because they are subject to numerous uncertainties and factors relating to our operations and business, all of which are difficult to predict and many of which are beyond our control. Forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These forward-looking statements are generally identified by the use of forward-looking terminology, including the terms “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would” and, in each case, their negative or other variations or comparable terminology and expressions. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our strategies, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management and expected market growth are forward-looking statements. The forward-looking statements are contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements relating to:

- Changes in trade, monetary and fiscal policies of, and other activities undertaken by, governments, agencies, central banks and similar organizations, including the effects of United States federal government spending;
- The level of, or changes in the level of, interest rates and inflation, including the effects on our net interest income and the market value of our investment and loan portfolios;
- The level and composition of our deposits, including our ability to attract and retain, and the seasonality of, client deposits, including those in the IntraFi Cash Service (“ICS<sup>®</sup>”) network, as well as the amount and timing of deposit outflows through the end of the fourth quarter of 2024 and into early 2025;
- The level and composition of our loan portfolio, including our ability to maintain the credit quality of our loan portfolio;
- Current and future business, economic and market conditions in the United States generally or in the Washington, D.C. metropolitan area in particular;
- The effects of disruptions or instability in the financial system, including as a result of the failure of a financial institution or other participants in it, or geopolitical instability, including war, terrorist attacks, pandemics and man-made and natural disasters;
- The impact of, and changes, in applicable laws, regulations, regulatory expectations and accounting standards and policies;
- Our likelihood of success in, and the impact of, legal, regulatory or other actions, investigations or proceedings related to our business;
- Adverse publicity or reputational harm to us, our senior officers, directors, employees or clients;
- Our ability to effectively execute our growth plans or other initiatives;
- Changes in demand for our products and services;
- Our levels of, and access to, sources of liquidity and capital;
- The ability to attract and retain essential personnel or changes in our essential personnel;
- Our ability to effectively compete with banks, non-bank financial institutions, and financial technology firms and the effects of competition in the financial services industry on our business;
- The effectiveness of our risk management and internal disclosure controls and procedures;
- Any failure or interruption of our information and technology systems, including any components provided by a third party;
- Our ability to identify and address cybersecurity threats and breaches;
- Our ability to keep pace with technological changes;
- Our ability to receive dividends from the Bank and satisfy our obligations as they become due;
- The one-time and incremental costs of operating as a public company;
- Our ability to meet our obligations as a public company, including our obligation under Section 404 of Sarbanes-Oxley; and

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- The effect of our dual-class structure and the concentrated ownership of our Class B common stock, including beneficial ownership of our shares by the lineal descendants of Gerald Francis Fitzgerald, deceased, and Marjorie Gosselin Fitzgerald, their spouses or surviving spouses, children, and grandchildren, and the spouses of their children and grandchildren (the “Fitzgerald Family”).

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled “Risk Factors” included in our prospectus dated October 3, 2024, as filed with the U.S. Securities and Exchange Commission in accordance with Rule 424(b) of the Securities Act of 1933, as amended, on October 7, 2024 (the “Prospectus”). Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q. And while we believe such information provides a reasonable basis for such statements, such information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements. Past performance is not a guarantee of future results or returns and no representation or warranty is made regarding future performance.

**Part I - Financial Information**

**Item 1. Financial Statements**

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**Chain Bridge Bancorp, Inc. and Subsidiary**  
**Consolidated Balance Sheets**  
*(Dollars in thousands, except per share data)*  
*(unaudited)*

	September 30, 2024	December 31, 2023 <sup>1</sup>
<b>Assets</b>		
Cash and due from banks	\$ 11,732	\$ 6,035
Interest-bearing deposits in other banks	628,035	310,732
Total cash and cash equivalents	639,767	316,767
Securities available for sale, at fair value	294,754	258,114
Securities held to maturity, at carrying value, net of allowance for credit losses of \$261 and \$348, respectively (fair value of \$285,780 and \$283,916, respectively)	302,348	308,058
Equity securities, at fair value	527	505
Restricted securities, at cost	2,886	2,613
Loans, net of allowance for credit losses of \$4,206 and \$4,319, respectively	295,826	299,825
Premises and equipment, net of accumulated depreciation of \$7,163 and \$6,791, respectively	9,613	9,858
Accrued interest receivable	5,360	4,354
Other assets	4,201	5,108
<b>Total assets</b>	<b>\$ 1,555,282</b>	<b>\$ 1,205,202</b>
<b>Liabilities and stockholders' equity</b>		
<b>Liabilities</b>		
Deposits:		
Noninterest-bearing	\$ 1,249,724	\$ 766,933
Savings, interest-bearing checking and money market accounts	172,275	328,350
Time, \$250 and over	6,589	9,385
Other time	5,280	7,357
Total deposits	1,433,868	1,112,025
Short-term borrowings	10,000	5,000
Accrued interest payable	25	61
Accrued expenses and other liabilities	6,546	4,679
<b>Total liabilities</b>	<b>1,450,439</b>	<b>1,121,765</b>
<b>Commitments and contingencies</b>		
<b>Stockholders' equity</b>		
Preferred Stock: <sup>2</sup>		
No par value, 10,000,000 shares authorized, no shares issued and outstanding	—	—
Class A Common Stock: <sup>2</sup>		
\$0.01 par value, 20,000,000 shares authorized, 0 shares issued and outstanding	—	—
Class B Common Stock: <sup>2</sup>		
\$0.01 par value, 10,000,000 shares authorized, 4,568,920 and 4,568,240 shares issued and outstanding, respectively	46	46
Additional paid-in capital	38,276	38,264
Retained earnings	73,901	56,692
Accumulated other comprehensive loss	(7,380)	(11,565)
<b>Total stockholders' equity</b>	<b>104,843</b>	<b>83,437</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,555,282</b>	<b>\$ 1,205,202</b>

See Notes to Consolidated Financial Statements.

<sup>1</sup> Derived from audited financial statements.

<sup>2</sup> On October 3, 2024, the Company filed an Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware, which reclassified and converted each outstanding share of the Company's existing common stock, par value \$1.00 per share ("Old Common Stock"), into 170 shares of Class B Common Stock, par value \$0.01 per share (the "Reclassification"). The Reclassification also authorized 20,000,000 shares of Class A Common Stock, and 10,000,000 shares of Preferred Stock. Share information is presented on an as adjusted basis giving effect to the Reclassification. Accordingly, all shares and balances relating to Old Common Stock are reflected in Class B Common Stock. See Note 2—Capital Structure in the Notes to Unaudited Consolidated Financial Statements contained within this Form 10-Q.

**Chain Bridge Bancorp, Inc. and Subsidiary**  
**Consolidated Statements of Income**  
*(Dollars in thousands, except per share data)*  
*(unaudited)*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Interest and dividend income</b>				
Interest and fees on loans	\$ 3,445	\$ 3,417	\$ 10,115	\$ 10,124
Interest and dividends on securities, taxable	3,573	2,741	9,312	8,360
Interest on securities, tax-exempt	284	304	863	918
Interest on interest-bearing deposits in banks	7,366	1,681	15,568	3,680
Total interest and dividend income	14,668	8,143	35,858	23,082
<b>Interest expense</b>				
Interest on deposits	813	861	2,437	2,822
Interest on short-term borrowings	209	96	409	284
Total interest expense	1,022	957	2,846	3,106
<b>Net interest income</b>	13,646	7,186	33,012	19,976
<b>(Recapture of) provision for credit losses</b>				
Provision for (recapture of) loan credit losses	(131)	1	(113)	(82)
Provision for (recapture of) securities credit losses	13	6	(297)	804
Total provision for (recapture of) credit losses	(118)	7	(410)	722
<b>Net interest income after provision for (recapture of) credit losses</b>	13,764	7,179	33,422	19,254
<b>Noninterest income</b>				
Deposit placement services	2,464	859	5,617	1,106
Service charges on accounts	376	227	1,008	651
Trust and wealth management	243	149	669	407
Gain on sale of mortgage loans	13	—	25	—
Loss on sale of securities	(65)	(30)	(65)	(312)
Other income	49	16	104	89
Total noninterest income	3,080	1,221	7,358	1,941
<b>Noninterest expenses</b>				
Salaries and employee benefits	4,280	3,116	11,553	9,237
Professional services	1,206	207	2,154	623
Data processing and communication expenses	669	570	1,928	1,683
Virginia bank franchise tax	253	188	604	564
Occupancy and equipment expenses	236	232	748	695
FDIC and regulatory assessments	212	159	560	443
Directors fees	191	100	523	286
Insurance expenses	61	54	181	166
Marketing and business development costs	47	48	169	170
Other operating expenses	277	207	758	574
Total noninterest expenses	7,432	4,881	19,178	14,441
<b>Net income before taxes</b>	9,412	3,519	21,602	6,754
<b>Income tax expense</b>	1,925	676	4,393	1,237
<b>Net income</b>	\$ 7,487	\$ 2,843	\$ 17,209	\$ 5,517
Earnings per common share, basic and diluted <sup>3</sup>	\$ 1.64	\$ 0.62	\$ 3.77	\$ 1.21

<sup>3</sup> Share information for all periods presented gives effect to the Reclassification. All earnings are attributed to Class B shares because no Class A shares were outstanding during the periods presented. The number of basic and diluted shares are the same because there are no potentially dilutive instruments. See Note 2—Capital Structure and Note 9—Earnings Per Share in the Notes to Unaudited Consolidated Financial Statements contained within this Form 10-Q.

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See Notes to Consolidated Financial Statements.



**Chain Bridge Bancorp, Inc. and Subsidiary**  
**Consolidated Statements of Comprehensive Income**  
*(Dollars in thousands)*  
*(unaudited)*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Net income</b>	\$ 7,487	\$ 2,843	\$ 17,209	\$ 5,517
<b>Other comprehensive income (loss):</b>				
Unrealized holding gain (loss) on securities available for sale	3,972	(1,240)	4,439	354
Income tax (expense) benefit related to above unrealized gain (loss) item	(834)	261	(932)	(74)
Amortization of unrealized holding loss on securities available for sale, transferred to held to maturity	220	280	793	830
Income tax expense related to above amortization item	(46)	(59)	(166)	(174)
Reclassification adjustment for losses included in net income	65	30	65	312
Income tax expense related to above reclassification item	(14)	(6)	(14)	(66)
Other comprehensive income (loss), net of tax	3,363	(734)	4,185	1,182
<b>Comprehensive income</b>	<u>\$ 10,850</u>	<u>\$ 2,109</u>	<u>\$ 21,394</u>	<u>\$ 6,699</u>

See Notes to Consolidated Financial Statements.

**Chain Bridge Bancorp, Inc. and Subsidiary**  
**Consolidated Statements of Cash Flows**  
For the Nine Months Ended September 30, 2024 and 2023  
*(Dollars in thousands)*  
*(unaudited)*

	September 30, 2024	September 30, 2023
<b>Cash flows from operating activities</b>		
Net income	\$ 17,209	\$ 5,517
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization of premises and equipment	372	243
Premium amortization (discount accretion) and on investment securities, net	(325)	1,263
Recapture of impairment loss on securities previously recognized in earnings	(3)	(12)
Fair value adjustment (gain) loss on equity security	(11)	15
Provision for (recapture of) loan credit losses	(113)	(82)
Provision for (recapture of) securities credit losses	(297)	804
Loss on sale of securities	65	312
Gain on sale of mortgage loans	(25)	—
Origination of loans held for sale	(2,537)	(415)
Proceeds from sale of loans	2,562	—
Changes in assets and liabilities:		
Increase in accrued interest receivable and other assets	(1,211)	(585)
Decrease in accrued interest payable, accrued expenses and other liabilities	1,831	244
<b>Net cash provided by operating activities</b>	<u>17,517</u>	<u>7,304</u>
<b>Cash flows from investing activities</b>		
Securities available for sale:		
Purchases of securities	(111,508)	(3,474)
Proceeds from calls, maturities, paydowns and sales	80,964	28,378
Securities held to maturity:		
Proceeds from calls, maturities and paydowns	5,471	248
Purchase of restricted securities, net	(273)	(112)
Reinvestment of dividends on equity security	(11)	(9)
Net decrease in loans	4,112	9,679
Purchases of premises and equipment	(127)	(48)
<b>Net cash (used in) provided by investing activities</b>	<u>(21,372)</u>	<u>34,662</u>
<b>Cash flows from financing activities</b>		
Net increase in noninterest-bearing, savings, interest-bearing checking and money market deposits	326,716	109,142
Net (decrease) increase in time deposits	(4,873)	4,673
Increase in short-term borrowings	5,000	—
Proceeds from stock issuance	12	—
<b>Net cash provided by financing activities</b>	<u>326,855</u>	<u>113,815</u>
Net increase in cash and cash equivalents	323,000	155,781
Cash and cash equivalents, beginning of period	316,767	98,663
<b>Cash and cash equivalents, end of period</b>	<u>\$ 639,767</u>	<u>\$ 254,444</u>
<b>Supplemental disclosures of cash flow information</b>		
Cash payments for interest	\$ 2,882	\$ 3,087
Cash payments for taxes	\$ 2,551	\$ 1,047
<b>Supplemental disclosures of noncash investing activities</b>		
Fair value adjustment for available for sale securities	\$ 4,439	\$ 666

See Notes to Consolidated Financial Statements.

**Chain Bridge Bancorp, Inc. and Subsidiary**  
**Consolidated Statements of Changes in Stockholders' Equity**  
For the Nine Months Ended September 30, 2024 and 2023  
*(Dollars in thousands)*  
*(unaudited)*

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
<b>Balance at December 31, 2022</b>	\$ 46	\$ 38,264	\$ 48,121	\$ (17,648)	\$ 68,783
Adjustment for adoption of ASC 326	—	—	(329)	—	(329)
Net income	—	—	1,048	—	1,048
Other comprehensive income	—	—	—	3,067	3,067
<b>Balance at March 31, 2023</b>	<u>\$ 46</u>	<u>\$ 38,264</u>	<u>\$ 48,840</u>	<u>\$ (14,581)</u>	<u>\$ 72,569</u>
Adjustment for adoption of ASC 326	—	—	—	—	—
Net income	—	—	1,626	—	1,626
Other comprehensive income	—	—	—	(1,151)	(1,151)
<b>Balance at June 30, 2023</b>	46	38,264	50,466	(15,732)	73,044
Adjustment for adoption of ASC 326	—	—	—	—	—
Net income	—	—	2,843	—	2,843
Other comprehensive income	—	—	—	(734)	(734)
<b>Balance at September 30, 2023</b>	<u>\$ 46</u>	<u>\$ 38,264</u>	<u>\$ 53,309</u>	<u>\$ (16,466)</u>	<u>\$ 75,153</u>
<b>Balance at December 31, 2023</b>	\$ 46	\$ 38,264	\$ 56,692	\$ (11,565)	\$ 83,437
Net income	—	—	3,917	—	3,917
Other comprehensive income	—	—	—	235	235
Issuance of common stock	—	12	—	—	12
<b>Balance at March 30, 2024</b>	\$ 46	\$ 38,276	\$ 60,609	\$ (11,330)	\$ 87,601
Net income	—	—	5,805	—	5,805
Other comprehensive income	—	—	—	587	587
<b>Balance at June 30, 2024</b>	46	38,276	66,414	(10,743)	93,993
Net income	—	—	7,487	—	7,487
Other comprehensive income	—	—	—	3,363	3,363
<b>Balance at September 30, 2024</b>	<u>\$ 46</u>	<u>\$ 38,276</u>	<u>\$ 73,901</u>	<u>\$ (7,380)</u>	<u>\$ 104,843</u>

See Notes to Consolidated Financial Statements.

\* Share information for all periods presented gives effect to the Company's share Reclassification. Accordingly, all shares and balances relating to Old Common Stock are reflected in Class B Common Stock. See Note 2—Capital Structure in the Notes to Unaudited Consolidated Financial Statements contained within this Form 10-Q.

**Chain Bridge Bancorp, Inc. and Subsidiary**

**Notes to Consolidated Financial Statements**  
*(unaudited)*

**Note 1. Organization and Summary of Significant Accounting Policies**

**Organization and Nature of Operations**

Chain Bridge Bancorp, Inc. (the “Company”) is a Delaware corporation and is the registered bank holding company for Chain Bridge Bank, National Association (the “Bank”). Both the Company and Bank have their headquarters and sole executive office in McLean, Virginia.

The Bank operates a model that combines electronic banking channels with its physical banking headquarters in McLean, Virginia, allowing it to serve clients nationally.

The Bank provides a wide range of commercial and personal banking services, including deposit accounts, mortgage financing, various loan products, trust administration, wealth management, and asset custody. The core deposit products offered by the Bank include noninterest-bearing and interest-bearing checking accounts, along with savings accounts. The Bank’s lending portfolio is comprised primarily of mortgage-related loans, with the majority being consumer residential mortgages in the Washington, D.C. area. The Bank offers tailored solutions to individuals, families, businesses, non-profit organizations, and political organizations. The term “political organizations” refers to campaign committees, party committees, separate segregated funds (including trade association political action committees (“PACs”) and corporate PACs), non-connected committees (including independent expenditure-only committees (“Super PACs”), committees maintaining separate accounts for direct contributions and independent expenditures (“Hybrid PACs”), and committees other than authorized campaign committees, or those affiliated therewith, maintained or controlled by a candidate or federal officeholder (“Leadership PACs”), and other tax-exempt 527 organizations.

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information. The statements do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of the Company’s management, all adjustments, consisting only of normal recurring adjustments, which are necessary for a fair presentation of the consolidated financial statements, have been included. These unaudited interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2023 and the notes thereto.

The results of operations for the nine months ended September 30, 2024 are not necessarily indicative of the results to be expected for any other interim period or for the full year.

**Principles of Consolidation**

The consolidated financial statements include the accounts of Chain Bridge Bancorp, Inc. and its wholly-owned subsidiary, Chain Bridge Bank, National Association. All significant intercompany balances and transactions have been eliminated in consolidation.

**Reclassification**

Certain amounts reported in prior years may be reclassified to conform to the current year’s presentation. There were no reclassifications for the periods reported.

**Significant Accounting Policies**

The accounting and reporting policies of the Company are in accordance with GAAP and conform to general practices within the banking industry. The Company’s significant accounting policies are described in the Note 1 of the “Notes to the Consolidated Financial Statements” included in the audited consolidated financial statements for the fiscal year ended December 31, 2023. There have been no significant changes to the application of significant accounting policies since December 31, 2023.

## Notes to Unaudited Consolidated Financial Statements

In preparing financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and reported amounts of revenues and expenses during the reporting period. Estimates are evaluated on an ongoing basis. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for credit losses (“ACL”) on loans and held to maturity debt securities.

### Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board (“FASB”) issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures.” The amendments in this ASU require an entity to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold, which is greater than five percent of the amount computed by multiplying pretax income by the entity’s applicable statutory rate, on an annual basis. Additionally, the amendments in this ASU require an entity to disclose the amount of income taxes paid (net of refunds received) disaggregated by federal, state, and foreign taxes and the amount of income taxes paid (net of refunds received) disaggregated by individual jurisdictions that are equal to or greater than five percent of total income taxes paid (net of refunds received). Lastly, the amendments in this ASU require an entity to disclose income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign and income tax expense (or benefit) from continuing operations disaggregated by federal, state, and foreign. This ASU is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied on a prospective basis; however, retrospective application is permitted. The Company does not expect the adoption of ASU 2023-09 to have a material impact on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, “Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses.” ASU 2024-03 requires public companies to disclose, in the notes to the financial statements, specific information about certain costs and expenses at each interim and annual reporting period. This includes disclosing amounts related to employee compensation, depreciation, and intangible asset amortization. In addition, public companies will need to provide qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. ASU 2024-03 is effective for public business entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Implementation of ASU 2024-03 may be applied prospectively or retrospectively. The Company does not expect the adoption of ASU 2024-03 to have a material impact on its consolidated financial statements.

Other accounting standards that have been issued by the FASB or other standard setting bodies are not currently expected to have material effect on the Company’s financial position, results of operations or cash flows.

## Notes to Unaudited Consolidated Financial Statements

### Note 2. Capital Structure

On September 13, 2024, the Company filed a Registration Statement on Form S-1 with the U.S. Securities and Exchange Commission (“SEC”) in connection with its initial public offering (“IPO”), as amended on September 30, 2024, and declared effective by the SEC on October 3, 2024 (the “Registration Statement”). On October 7, 2024, the Company issued 1,850,000 shares of Class A common stock, par value of \$0.01 (“Class A Common Stock”), at a public offering price of \$22.00 per share. On October 7, 2024, the Company completed its IPO and received total net proceeds of \$37.1 million, after deducting the underwriters’ discount and reimbursements for the underwriters’ legal and other out of pocket expenditures. The net proceeds less other related expenses, including audit fees, legal fees, listing fees, and other expenses, totaled \$33.6 million.

On October 10, 2024, the Company used a portion of the net proceeds to fully repay \$10.0 million in short-term borrowings. The Company subsequently closed the line of credit on October 11, 2024.

On November 1, 2024, the Company issued an additional 142,897 shares of Class A Common Stock as a result of the underwriters' exercise of their 30-day option to purchase up to an additional 277,500 shares of its Class A Common Stock. The issuance resulted in net proceeds to the Company of approximately \$2.9 million, after deducting underwriting discounts and commissions.

In connection with the IPO, on October 3, 2024, the Company filed an Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware, which established two new classes of common stock, the Class A Common Stock and Class B common stock, par value \$0.01 per share (“Class B Common Stock”), and reclassified and converted each outstanding share of the Company’s existing common stock, par value \$1.00 per share (“Old Common Stock”), into 170 shares of Class B Common Stock (the “Reclassification”). The Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware also changed the number of authorized shares of Preferred Stock from 100,000 to 10,000,000.

As of September 30, 2024, the Company had 26,876 shares of Old Common Stock issued and outstanding and no shares of Class A Common Stock and Class B Common Stock issued and outstanding. After giving effect to the Reclassification, which was retroactively applied to the financial statements, the Company had no shares of Old Common Stock and Class A Common Stock issued and outstanding and 4,568,920 shares of Class B Common Stock issued and outstanding. Because the Reclassification was applied retroactively to all periods presented, a share that was previously reported as Old Common stock at \$1.00 par value and Additional Paid in Capital, is now reported as 170 shares of Class B Common Stock at \$0.01 par value and Additional Paid in Capital. The following table sets forth selected balance sheet components as of September 30, 2024:

- On an unadjusted basis, giving no effect to the Reclassification;
- On an as adjusted basis, giving effect to the Reclassification transactions described above; and
- On an as further adjusted basis after giving effect to (1) the Reclassification, (2) the Company’s receipt of the net proceeds from the IPO, after deducting underwriting discounts and commission and other direct expenses of the offering, and (3) the use of a portion of the net proceeds to repay the outstanding principal balance of \$10.0 million of borrowings under the Company’s unsecured line of credit with a correspondent bank.

**Notes to Unaudited Consolidated Financial Statements**

	As of September 30, 2024		
	Unadjusted	As adjusted for Reclassification	As Further Adjusted for IPO
(dollars in thousands, except per share data)			
<b>Cash and cash equivalents</b>	\$ 639,767	\$ 639,767	\$ 666,293
<b>Debt: Short-term borrowings</b>	\$ 10,000	\$ 10,000	\$ —
<b>Stockholders' equity:</b>			
Preferred Stock, no par value; 100,000 shares authorized, none issued and outstanding, <i>unadjusted</i> ; no par value, 10,000,000 shares authorized, none issued and outstanding, <i>as adjusted for Reclassification</i> and <i>as further adjusted for IPO</i>	\$ —	\$ —	\$ —
Old Common Stock, \$1.00 par value; 200,000 shares authorized, 26,876 shares issued and outstanding, <i>unadjusted</i> ; no shares authorized, no shares issued and outstanding, <i>as adjusted for Reclassification</i> and <i>as further adjusted for IPO</i>	\$ 27	\$ —	\$ —
Class A Common Stock, \$0.01 par value; no shares authorized, no shares issued and outstanding, <i>unadjusted</i> ; 20,000,000 shares authorized, no shares issued and outstanding, <i>as adjusted for Reclassification</i> ; 20,000,000 shares authorized, 1,992,897 shares issued and outstanding, <i>as further adjusted for IPO</i>	\$ —	\$ —	\$ 20
Class B Common Stock, \$0.01 par value; no shares authorized, no shares issued and outstanding, <i>unadjusted</i> ; 10,000,000 shares authorized, 4,568,920 shares issued and outstanding, <i>as adjusted for Reclassification</i> and <i>as further adjusted for IPO</i>	\$ —	\$ 46	\$ 46
Additional paid-in capital	\$ 38,295	\$ 38,276	\$ 74,782
Retained earnings	\$ 73,901	\$ 73,901	\$ 73,901
Accumulated other comprehensive loss	\$ (7,380)	\$ (7,380)	\$ (7,380)
Total stockholders' equity	\$ 104,843	\$ 104,843	\$ 141,369

**Notes to Unaudited Consolidated Financial Statements**
**Note 3. Securities & Allowance for Securities Credit Losses**

The Company invests in a variety of debt securities, principally obligations of the U.S. government and federal agencies, mortgage backed securities, state and municipal agencies, and corporations. As of September 30, 2024 and December 31, 2023, all debt securities were classified as held to maturity (“HTM”) or available for sale (“AFS”).

Management considers the appropriateness of the accounting treatment applied to the Company’s debt securities portfolio on an ongoing basis. During a prior year, certain AFS bonds were transferred to the HTM portfolio. Bonds selected for transfer included U.S. government and federal agencies, corporate bonds, and state and municipal bonds. The unrealized loss at the time of transfer is being amortized monthly over the remaining lives of the debt securities with an increase to the carrying value of the debt securities and a decrease to the related accumulated other comprehensive loss, which is included in the stockholders’ equity section of the consolidated balance sheets.

The following tables summarize the amortized cost, gross unrealized gains and losses, fair value and allowance for credit losses of AFS and HTM debt securities at September 30, 2024 and December 31, 2023 (dollars in thousands):

	September 30, 2024				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value	Allowance for Credit Losses
<b>Securities available for sale:</b>					
U.S. government and federal agencies	\$ 131,089	\$ 52	\$ (1,416)	\$ 129,725	\$ —
Mortgage backed securities	8,658	—	(429)	8,229	—
Corporate bonds	53,283	62	(750)	52,595	—
State and municipal securities	107,323	88	(3,206)	104,205	—
Total securities available for sale	\$ 300,353	\$ 202	\$ (5,801)	\$ 294,754	\$ —
<b>Securities held to maturity:</b>					
U.S. government and federal agencies	\$ 122,447	\$ 6	\$ (7,236)	\$ 115,217	\$ —
Mortgage backed securities	1,173	—	(1)	1,172	—
Corporate bonds	58,409	90	(1,545)	56,954	(230)
State and municipal securities	120,580	23	(8,166)	112,437	(31)
Total securities held to maturity	\$ 302,609	\$ 119	\$ (16,948)	\$ 285,780	\$ (261)
Total securities	\$ 602,962	\$ 321	\$ (22,749)	\$ 580,534	\$ (261)

	December 31, 2023				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value	Allowance for Credit Losses
<b>Securities available for sale:</b>					
U.S. government and federal agencies	\$ 95,129	\$ 32	\$ (2,864)	\$ 92,297	\$ —
Mortgage backed securities	9,247	11	(609)	8,649	—
Corporate bonds	57,304	5	(1,837)	55,472	—
State and municipal securities	106,472	34	(4,810)	101,696	—
Total securities available for sale	\$ 268,152	\$ 82	\$ (10,120)	\$ 258,114	\$ —
<b>Securities held to maturity:</b>					
U.S. government and federal agencies	\$ 123,938	\$ —	\$ (10,069)	\$ 113,869	\$ —
Mortgage backed securities	1,190	—	(17)	1,173	—
Corporate bonds	59,629	59	(3,027)	56,661	(322)
State and municipal securities	123,649	6	(11,442)	112,213	(26)
Total securities held to maturity	\$ 308,406	\$ 65	\$ (24,555)	\$ 283,916	\$ (348)
Total securities	\$ 576,558	\$ 147	\$ (34,675)	\$ 542,030	\$ (348)



**Notes to Unaudited Consolidated Financial Statements**

There were no holdings of municipal or corporate debt that equaled or exceeded 10.0% of stockholders' equity at September 30, 2024 and December 31, 2023.

There were no securities pledged to secure a line of credit with the Federal Reserve Bank of Richmond, Virginia at September 30, 2024 and December 31, 2023.

Proceeds from calls, maturities, paydowns and sales of debt securities available for sale totaled \$81.0 million for the nine months ended September 30, 2024 and \$28.4 million for the nine months ended September 30, 2023. Proceeds from calls, maturities, and paydowns of debt securities held to maturity totaled \$5.5 million and \$248 thousand for the nine month periods ended September 30, 2024 and 2023, respectively.

During the nine months ended September 30, 2024, the Bank sold an AFS bond that was charged off during a prior year for \$210 thousand. The proceeds were recorded as a recapture of credit loss. Because this sale did not result in a realized gain or loss on sale of securities, it is excluded from the related tables below.

The proceeds, gross realized gains and losses from sales of debt securities during the three and nine months ended September 30, 2024 and 2023 were as follows (dollars in thousands):

	Three Months Ended September 30, 2024		Nine Months Ended September 30, 2024	
	Available for Sale	Held to Maturity	Available for Sale	Held to Maturity
Proceeds from sales of securities	\$ —	\$ 953	\$ —	\$ 953
Gross gains	—	—	—	—
Gross losses	—	(65)	—	(65)
Net losses on sale of a securities	\$ —	\$ (65)	\$ —	\$ (65)
Income tax benefit attributable to realized net losses on sale of securities	\$ —	\$ 14	\$ —	\$ 14

	Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023	
	Available for Sale	Held to Maturity	Available for Sale	Held to Maturity
Proceeds from sales of securities	\$ 977	\$ —	\$ 1,929	\$ —
Gross gains	—	—	—	—
Gross losses	(30)	—	(312)	—
Net losses on sale of a securities	\$ (30)	\$ —	\$ (312)	\$ —
Income tax benefit attributable to realized net losses on sale of securities	\$ 6	\$ —	\$ 66	\$ —

Management classifies bonds as HTM only when the Company has the ability and intent to hold the bond to maturity, and certain sales or transfers of HTM could call into question management's ability or intent to hold the remaining HTM bond portfolio to maturity, thereby "tainting" the entire portfolio and triggering a reclassification of the entire portfolio to available for sale. However, there are limited situations, including evidence of deterioration in the issuer's creditworthiness, in which the Company could sell an HTM bond without tainting the remaining HTM portfolio. During the third quarter of 2024, the Company sold two HTM bonds from a single issuer due to significant documented deterioration of the issuer's creditworthiness evidenced by the downgrading of the issuer's public credit rating. The sales are included in the tables above. Under these circumstances, the sale did not taint the HTM portfolio.

The amortized cost and fair value of debt securities by contractual maturity at September 30, 2024 is as follows (dollars in thousands):

**Notes to Unaudited Consolidated Financial Statements**

	Available for Sale		Held to Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Within one year	\$ 166,593	\$ 166,033	\$ 16,873	\$ 16,668
After one year through five years	98,391	95,808	189,090	181,392
After five years through ten years	29,950	27,843	92,329	83,923
Over ten years	5,419	5,070	4,317	3,797
Total	\$ 300,353	\$ 294,754	\$ 302,609	\$ 285,780

Expected maturities may differ from contractual maturities if issuers have the right to call or repay obligations with or without prepayment penalties.

The following table shows the gross unrealized losses and fair value of the Company's AFS debt securities with unrealized losses aggregated by investment category and length of time that individual debt securities have been in a continuous unrealized loss position at September 30, 2024 and December 31, 2023 (dollars in thousands):

	September 30, 2024					
	Less Than Twelve Months		Over Twelve Months		Total	
	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss	Fair Value
Securities available for sale:						
U.S. government and federal agencies	\$ (1)	\$ 10,997	\$ (1,415)	\$ 46,445	\$ (1,416)	\$ 57,442
Mortgage backed securities	—	27	(429)	8,170	(429)	8,197
Corporate bonds	(17)	5,454	(733)	37,865	(750)	43,319
State and municipal securities	(27)	6,061	(3,179)	83,089	(3,206)	89,150
Total securities available for sale	\$ (45)	\$ 22,539	\$ (5,756)	\$ 175,569	\$ (5,801)	\$ 198,108

  

	December 31, 2023					
	Less Than Twelve Months		Over Twelve Months		Total	
	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss	Fair Value
Securities available for sale:						
U.S. government and federal agencies	\$ (16)	\$ 5,860	\$ (2,848)	\$ 70,906	\$ (2,864)	\$ 76,766
Mortgage backed securities	—	—	(609)	8,604	(609)	8,604
Corporate bonds	(3)	2,482	(1,834)	51,987	(1,837)	54,469
State and municipal securities	(31)	3,675	(4,779)	89,828	(4,810)	93,503
Total securities available for sale	\$ (50)	\$ 12,017	\$ (10,070)	\$ 221,325	\$ (10,120)	\$ 233,342

In the AFS portfolio at September 30, 2024, 46 out of 61 debt securities of the U.S. government and federal agencies, 15 out of 20 mortgage backed securities, 89 out of 108 corporate bonds, and 269 out of 306 state and municipal securities were in an unrealized loss position. All of the Company's investment portfolio was evaluated under the monitoring process described in Note 1 of the audited consolidated financial statements for the year ended December 31, 2023, and all investments were deemed investment grade. All of the unrealized losses are attributed to changes in market interest rates, and are not a result of deterioration of creditworthiness among any of the issuers.

Of the total AFS and HTM portfolio at September 30, 2024 and December 31, 2023, 792 and 880 debt securities had unrealized losses with aggregate impairment of 3.8% and 6.0%, respectively, of the Company's amortized cost basis. These unrealized losses related principally to interest rate movements and not the creditworthiness of the issuer. In analyzing an issuer's financial condition, management considers whether the debt securities are issued by the federal government or its

**Notes to Unaudited Consolidated Financial Statements**

agencies, whether downgrades by bond rating agencies have occurred, and industry analysts' reports. Credit loss allowances for the AFS and HTM portfolios are described in the following sections.

**Allowance for Credit Losses—AFS Securities**

Management evaluates debt securities to determine whether the unrealized loss is due to credit-related factors or non-credit-related factors. This analysis occurs on a quarterly basis. Consideration is given to the extent to which fair value is less than cost, the financial condition and near-term prospects of the issuer, and the intent and ability of the Company to retain its investment in the security for a period of time sufficient to allow for full recovery of its amortized cost. If the assessment reveals that a credit loss exists, the present value of the expected cash flows of the security is compared to the amortized cost basis of the security. If the present value of future cash flows expected to be collected is less than the amortized cost, an allowance for the credit loss is recorded. The loss is limited by the amount that the amortized cost exceeds fair value.

As of the reporting date, the Company did not intend to sell any of the AFS debt securities, did not expect to be required to sell these debt securities, and expected to recover the entire amortized cost basis of all of the debt securities.

The Company did not record an ACL on the AFS debt securities at September 30, 2024 and December 31, 2023. The Company has evaluated these debt securities for credit-related impairment at the reporting date and concluded that no impairment existed. In analyzing an issuer's financial condition, management considers whether the debt securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred, industry analysts' reports, and correlations between fair value changes and interest rate changes among instruments that are not credit sensitive. All AFS debt securities were current with no debt securities past due or on non-accrual as of September 30, 2024 and December 31, 2023. The Company considers the unrealized losses on the debt securities as of September 30, 2024 and December 31, 2023 to be related to fluctuations in market conditions, primarily interest rates, and is not reflective of deterioration in credit.

The table below presents a rollforward by major security type of the allowance for credit losses on AFS debt securities for the nine months ended September 30, 2024 and 2023 (dollars in thousands):

	September 30, 2024				
	U.S. Government and Federal Agencies	Mortgage Backed Securities	Corporate Bonds	State and Municipal Securities	Total AFS Securities
For the nine months ended					
Allowance for credit losses:					
Beginning balance, December 31, 2023	\$ —	\$ —	\$ —	\$ —	\$ —
Provision for (recapture of) credit losses	—	—	(210)	—	(210)
Write offs charged against the allowance	—	—	—	—	—
Recoveries of amounts previously written off	—	—	210	—	210
Ending balance, September 30, 2024	\$ —	\$ —	\$ —	\$ —	\$ —

**Notes to Unaudited Consolidated Financial Statements**

At September 30, 2024, there was no allowance for credit losses on AFS debt securities recorded. During the nine months ended September 30, 2024, the Bank received proceeds totaling \$210 thousand for a bond that was fully charged off during 2023, and recorded a recovery of credit loss. The entire ACL recovery during 2024 was recorded in the first quarter.

For the nine months ended	September 30, 2023				
	U.S. Government and Federal Agencies	Mortgage Backed Securities	Corporate Bonds	State and Municipal Securities	Total AFS Securities
Allowance for credit losses:					
Beginning balance, December 31, 2022	\$ —	\$ —	\$ —	\$ —	\$ —
Impact of adopting ASC 326	—	—	—	—	—
Provision for credit losses	—	—	785	—	785
Write offs charged against the allowance	—	—	(785)	—	(785)
Recoveries of amounts previously written off	—	—	—	—	—
Ending balance, September 30, 2023	\$ —	\$ —	\$ —	\$ —	\$ —

At September 30, 2023 and December 31, 2023, there was no allowance for credit losses on AFS debt securities recorded. The entire ACL provision recorded for the AFS portfolio during 2023 was recorded in the first quarter and pertained to a holding from a single corporate issuer whose business was ultimately closed by a regulatory authority. The bond, initially classified as HTM, was transferred to the AFS portfolio based on the unlikely collectability of the unsecured bond and significant documented credit deterioration. A portion of the bond was subsequently sold at a loss, and the remaining unsold portion was written off entirely.

**Credit Quality Indicators and Allowance for Credit Losses - HTM Securities**

The Company evaluates the credit risk of its HTM debt securities on a quarterly basis. The Company estimates expected credit losses on HTM debt securities using an instrument -level process described in Note 1 of the audited consolidated financial statements for the year ended December 31, 2023. The primary indicators of credit quality for the Company's HTM portfolio are security type, time remaining to maturity, and credit rating. Credit ratings may be influenced by a number of factors including obligor cash flows, geography, seniority and others. The HTM portfolio includes debt securities issued by the U.S. Treasury and agencies of the federal government, and mortgage-backed securities issued by government agencies. These types of investments carry implicit or explicit backing of the U.S. Treasury, and therefore are deemed to carry no credit risk for purposes of the ACL evaluation.

The following table presents the amortized cost of HTM debt securities as of September 30, 2024 and December 31, 2023 by security type and credit rating (dollars in thousands):

	September 30, 2024				
	U.S. Government and Federal Agencies	Mortgage Backed Securities	Corporate Bonds	State and Municipal Securities	Total HTM Securities
AAA / AA / A	\$ 122,447	\$ 1,173	\$ 18,447	\$ 120,580	\$ 262,647
BBB / BB / B	—	—	39,962	—	39,962
Total	\$ 122,447	\$ 1,173	\$ 58,409	\$ 120,580	\$ 302,609

**Notes to Unaudited Consolidated Financial Statements**

	December 31, 2023				
	U.S. Government and Federal Agencies	Mortgage Backed Securities	Corporate Bonds	State and Municipal Securities	Total HTM Securities
AAA / AA / A	\$ 123,938	\$ 1,190	\$ 20,091	\$ 123,168	\$ 268,387
BBB / BB / B	—	—	39,538	481	40,019
Total	<u>\$ 123,938</u>	<u>\$ 1,190</u>	<u>\$ 59,629</u>	<u>\$ 123,649</u>	<u>\$ 308,406</u>

The following tables summarize the change in the allowance for credit losses on HTM debt securities for the three and nine months ended September 30, 2024 and 2023 and the twelve months ended December 31, 2023 (dollars in thousands):

	September 30, 2024				
	U.S. Government and Federal Agencies	Mortgage Backed Securities	Corporate Bonds	State and Municipal Securities	Total HTM Securities
<b>For the three months ended</b>					
Allowance for credit losses:					
Beginning balance, June 30, 2024	\$ —	\$ —	\$ 215	\$ 33	\$ 248
Provision for (recapture of) credit losses	—	—	15	(2)	13
Write offs charged against the allowance	—	—	—	—	—
Recoveries of amounts previously written off	—	—	—	—	—
Ending balance, September 30, 2024	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 230</u>	<u>\$ 31</u>	<u>\$ 261</u>

	September 30, 2023				
	U.S. Government and Federal Agencies	Mortgage Backed Securities	Corporate Bonds	State and Municipal Securities	Total HTM Securities
<b>For the three months ended</b>					
Allowance for credit losses:					
Beginning balance, June 30, 2023	\$ —	\$ —	\$ 316	\$ 26	\$ 342
Provision for (recapture of) credit losses	—	—	(8)	14	6
Write offs charged against the allowance	—	—	—	—	—
Recoveries of amounts previously written off	—	—	—	—	—
Ending balance, September 30, 2023	<u>—</u>	<u>—</u>	<u>308</u>	<u>40</u>	<u>348</u>

	September 30, 2024				
	U.S. Government and Federal Agencies	Mortgage Backed Securities	Corporate Bonds	State and Municipal Securities	Total HTM Securities
<b>For the nine months ended</b>					
Allowance for credit losses:					
Beginning balance, December 31, 2023	\$ —	\$ —	\$ 322	\$ 26	\$ 348
Provision for (recapture of) credit losses	—	—	(92)	5	(87)
Write offs charged against the allowance	—	—	—	—	—
Recoveries of amounts previously written off	—	—	—	—	—
Ending balance, September 30, 2024	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 230</u>	<u>\$ 31</u>	<u>\$ 261</u>

**Notes to Unaudited Consolidated Financial Statements**

For the nine months ended	September 30, 2023				
	U.S. Government and Federal Agencies	Mortgage Backed Securities	Corporate Bonds	State and Municipal Securities	Total HTM Securities
Allowance for credit losses:					
Beginning balance, December 31, 2022	\$ —	\$ —	\$ —	\$ —	\$ —
Impact of adopting ASC 326	—	—	303	26	329
Provision for credit losses	—	—	5	14	19
Write offs charged against the allowance	—	—	—	—	—
Recoveries of amounts previously written off	—	—	—	—	—
Ending balance, September 30, 2023	\$ —	\$ —	\$ 308	\$ 40	\$ 348

At September 30, 2024, the Company had no HTM debt securities that were 30 days or more past due as to principal and interest payments. The Company had no debt securities held to maturity classified as non-accrual as of September 30, 2024.

**Equity Securities**

The Company reported a fair value gain of \$18 thousand in its equity security holding during the three month period ended September 30, 2024 and fair value loss of \$15 thousand for the three month period ended September 30, 2023. The Company reported a fair value gain of \$11 thousand in its equity security holding during the nine month period ended September 30, 2024 and fair value loss of \$15 thousand for the nine month period ended September 30, 2023. The gains and losses were reflected in the “other income” component of noninterest income on the consolidated statements of income.

**Note 4. Loans and Allowance for Loan Credit Losses**

A summary of the composition of the loan portfolio at September 30, 2024 and December 31, 2023 (dollars in thousands):

	September 30, 2024	December 31, 2023
Commercial real estate	\$ 51,387	\$ 60,138
Commercial	11,144	12,438
Residential real estate closed-end	218,129	210,358
Other consumer loans	19,372	21,210
	300,032	304,144
Less allowance for credit losses	(4,206)	(4,319)
Loans, net	\$ 295,826	\$ 299,825

Overdrafts totaling \$697 thousand and \$10 thousand at September 30, 2024 and December 31, 2023, respectively, were reclassified from deposits to loans.

The totals above include deferred costs (net of deferred fees) of \$511 thousand at September 30, 2024 and \$466 thousand at December 31, 2023.

**Notes to Unaudited Consolidated Financial Statements**

The following tables present the activity in the allowance for credit losses by portfolio segment for the three and nine months ended September 30, 2024 and 2023 (dollars in thousands):

	September 30, 2024				
	Commercial Real Estate	Commercial	Residential Real Estate Closed-End	Other Consumer Loans	Total
<u>For the three months ended</u>					
Allowance for credit losses:					
Beginning balance, June 30, 2024	\$ 1,136	\$ 167	\$ 2,756	\$ 278	\$ 4,337
Provision for (recapture of) credit losses	(114)	(3)	18	(32)	(131)
Loans charged-off	—	—	—	—	—
Recoveries collected	—	—	—	—	—
Ending balance, September 30, 2024	<u>\$ 1,022</u>	<u>\$ 164</u>	<u>\$ 2,774</u>	<u>\$ 246</u>	<u>\$ 4,206</u>

	September 30, 2023				
	Commercial Real Estate	Commercial	Residential Real Estate Closed-End	Other Consumer Loans	Total
<u>For the three months ended</u>					
Allowance for credit losses:					
Beginning balance, June 30, 2023	\$ 1,142	\$ 239	\$ 2,793	\$ 225	\$ 4,399
Provision for (recapture of) credit losses	(102)	(48)	170	(19)	1
Loans charged-off	—	—	—	—	—
Recoveries collected	—	—	—	—	—
Ending balance, September 30, 2023	<u>\$ 1,040</u>	<u>\$ 191</u>	<u>\$ 2,963</u>	<u>\$ 206</u>	<u>\$ 4,400</u>

	September 30, 2024				
	Commercial Real Estate	Commercial	Residential Real Estate Closed-End	Other Consumer Loans	Total
<u>For the nine months ended</u>					
Allowance for credit losses:					
Beginning balance, December 31, 2023	\$ 1,233	\$ 189	\$ 2,668	\$ 229	\$ 4,319
Provision for (recapture of) credit losses	(211)	(25)	106	17	(113)
Loans charged-off	—	—	—	—	—
Recoveries collected	—	—	—	—	—
Ending balance, September 30, 2024	<u>\$ 1,022</u>	<u>\$ 164</u>	<u>\$ 2,774</u>	<u>\$ 246</u>	<u>\$ 4,206</u>

	September 30, 2023				
	Commercial Real Estate	Commercial	Residential Real Estate Closed-End	Other Consumer Loans	Total
<u>For the nine months ended</u>					
Allowance for credit losses:					
Beginning balance, December 31, 2022	\$ 905	\$ 573	\$ 2,650	\$ 354	\$ 4,482
Impact of adopting ASC 326	130	19	(16)	(133)	—
Provision for (recapture of) credit losses	5	(401)	329	(15)	(82)
Loans charged-off	—	—	—	—	—
Recoveries collected	—	—	—	—	—
Ending balance, September 30, 2023	<u>\$ 1,040</u>	<u>\$ 191</u>	<u>\$ 2,963</u>	<u>\$ 206</u>	<u>\$ 4,400</u>

**Notes to Unaudited Consolidated Financial Statements**

There were no nonaccrual loans, loans 90 days past due and still accruing, or past due for 30 or more days as of September 30, 2024 and December 31, 2023.

The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information and current economic trends, among other factors. The Company's loan risk grading system and ongoing monitoring process is discussed in Note 1 of the audited consolidated financial statements for the year ended December 31, 2023. The following table presents the outstanding balance of the loan portfolio, by year of origination, loan classification, and credit quality, as of September 30, 2024 and December 31, 2023 (dollars in thousands):

September 30, 2024	Term Loans by Year of Origination					Prior	Revolving Loans	Revolving to Term Loans	Total
	2024	2023	2022	2021	2020				
<b>Commercial real estate</b>									
Pass	\$ —	\$ 1,338	\$ 5,458	\$ 8,950	\$ 3,500	\$ 26,581	\$ —	\$ 3,690	\$ 49,517
Special Mention	—	—	—	—	—	1,526	—	—	1,526
Substandard	—	—	—	—	—	344	—	—	344
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ —</b>	<b>\$ 1,338</b>	<b>\$ 5,458</b>	<b>\$ 8,950</b>	<b>\$ 3,500</b>	<b>\$ 28,451</b>	<b>\$ —</b>	<b>\$ 3,690</b>	<b>\$ 51,387</b>
Current period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Commercial</b>									
Pass	\$ 424	\$ —	\$ 557	\$ 11	\$ 3	\$ 1,389	\$ 8,760	\$ —	\$ 11,144
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ 424</b>	<b>\$ —</b>	<b>\$ 557</b>	<b>\$ 11</b>	<b>\$ 3</b>	<b>\$ 1,389</b>	<b>\$ 8,760</b>	<b>\$ —</b>	<b>\$ 11,144</b>
Current period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —



Notes to Unaudited Consolidated Financial Statements

September 30, 2024	Term Loans by Year of Origination						Revolving Loans	Revolving to Term Loans	Total
	2024	2023	2022	2021	2020	Prior			
<b>Residential real estate closed-end</b>									
Pass	\$ 18,574	\$ 17,911	\$ 47,541	\$ 43,650	\$ 23,600	\$ 66,616	\$ —	\$ —	\$ 217,892
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	237	—	—	237
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ 18,574</b>	<b>\$ 17,911</b>	<b>\$ 47,541</b>	<b>\$ 43,650</b>	<b>\$ 23,600</b>	<b>\$ 66,853</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 218,129</b>
Current period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Other consumer loans</b>									
Pass	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 17,869	\$ 1,503	\$ 19,372
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 17,869</b>	<b>\$ 1,503</b>	<b>\$ 19,372</b>
Current period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>December 31, 2023</b>									
	Term Loans by Year of Origination						Revolving Loans	Revolving to Term Loans	Total
	2023	2022	2021	2020	2019	Prior			
<b>Commercial real estate</b>									
Pass	\$ 849	\$ 5,521	\$ 9,327	\$ 3,713	\$ 8,015	\$ 21,875	\$ —	\$ 8,895	\$ 58,195
Special Mention	—	—	—	—	—	1,570	—	—	1,570
Substandard	—	—	—	—	—	373	—	—	373
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ 849</b>	<b>\$ 5,521</b>	<b>\$ 9,327</b>	<b>\$ 3,713</b>	<b>\$ 8,015</b>	<b>\$ 23,818</b>	<b>\$ —</b>	<b>\$ 8,895</b>	<b>\$ 60,138</b>
Current period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Commercial</b>									
Pass	\$ —	\$ 573	\$ 14	\$ 42	\$ 1,352	\$ 309	\$ 10,148	\$ —	\$ 12,438
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ —</b>	<b>\$ 573</b>	<b>\$ 14</b>	<b>\$ 42</b>	<b>\$ 1,352</b>	<b>\$ 309</b>	<b>\$ 10,148</b>	<b>\$ —</b>	<b>\$ 12,438</b>
Current period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

**Notes to Unaudited Consolidated Financial Statements**

December 31, 2023	Term Loans by Year of Origination						Revolving Loans	Revolving to Term Loans	Total
	2023	2022	2021	2020	2019	Prior			
<b>Residential real estate closed end</b>									
Pass	\$ 20,230	\$ 45,920	\$ 45,528	\$ 25,150	\$ 18,035	\$ 55,253	\$ —	\$ —	\$ 210,116
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	242	—	—	242
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ 20,230</b>	<b>\$ 45,920</b>	<b>\$ 45,528</b>	<b>\$ 25,150</b>	<b>\$ 18,035</b>	<b>\$ 55,495</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 210,358</b>
Current period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Other consumer loans</b>									
Pass	\$ —	\$ —	\$ 32	\$ —	\$ —	\$ —	\$ 17,703	\$ 3,475	\$ 21,210
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 32</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 17,703</b>	<b>\$ 3,475</b>	<b>\$ 21,210</b>
Current period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

**Collateral Dependent Loans**

FASB ASC Topic 326 describes a collateral-dependent asset as a financial asset for which the repayment is expected to be provided substantially through the operation or sale of the collateral when the borrower, based on management’s assessment, is experiencing financial difficulty as of the reporting date. Whether the underlying collateral is expected to be a substantial source of repayment for an asset depends on the availability, reliability, and capacity of sources other than the collateral to repay the debt. Collateral-dependent loans are individually evaluated for expected credit losses as of the reporting date, and they are removed from their respective pools of collectively evaluated assets. Expected credit losses for these types of assets are based on the fair value of the collateral at the measurement date, adjusted for estimated selling costs. There were no collateral-dependent loans that were individually evaluated for purposes of determining the allowance for credit loss under FASB ASC Topic 326 as of September 30, 2024 and December 31, 2023.

**Modifications to Borrowers Experiencing Financial Difficulty**

The Company may modify loans to borrowers in financial distress by providing principal forgiveness, term extension, and other-than-insignificant payment delay or interest rate reduction. When principal forgiveness is provided, the amount of forgiveness is charged-off against the allowance for credit losses. There were no loan modifications provided to borrowers exhibiting financial distress during the nine months ended September 30, 2024 and 2023, and there were no such prior modifications in existence during the periods reported. During the reported periods, there were no payment defaults from any such loans during the twelve months preceding the modification because no such modifications were in existence during the periods.

**Related Party Loan Transactions**

Officers, directors and their affiliates had loans outstanding with the Company of \$8.6 million and \$6.9 million as of September 30, 2024 and December 31, 2023, respectively. The increase in loans outstanding relates to the cumulative effect of changes in the composition of related parties, due to the hiring of a new officer. These transactions occurred in the ordinary course of business on substantially the same terms as those prevailing at the time for comparable transactions with unrelated persons.

**Note 5. Deposits**

The Bank held no deposits classified as brokered as of September 30, 2024 and December 31, 2023. To achieve full insurance from the Federal Deposit Insurance Corporation (“FDIC”), some of the Bank’s depositors have enrolled in the

## Notes to Unaudited Consolidated Financial Statements

IntraFi Cash Service® (“ICS®”) program offered by the Bank through the IntraFi® network. When accounts are enrolled in this service, the Bank must elect, for each account, whether it will receive a reciprocal deposit balance or sell the deposit balance. There were no reciprocal deposits held as of September 30, 2024. At December 31, 2023, the Bank held \$177.3 million of reciprocal deposits through ICS® on its consolidated balance sheets. Total ICS® One-Way Sell® deposits of \$432.3 million and \$130.1 million as of September 30, 2024, and December 31, 2023, respectively, were sold to the network and excluded from the Company’s consolidated balance sheets. The Company receives fee income for sold accounts, which is included in deposit placement services income on the consolidated statements of income.

The Bank’s deposit balances have consistently followed the trend of historic seasonality surrounding federal election cycles, where political organization deposits generally increase in the quarters leading up to federal elections and decline in the quarters during and after the elections. Consistent with this trend, as of September 30, 2024, the Bank maintained elevated deposit levels ahead of the November 2024 federal elections, with deposits reported on the balance sheet totaling \$1.4 billion, and One-Way Sell® deposits totaling \$432.3 million. Entering the fourth quarter of 2024—the quarter of the 2024 presidential election—between October 1, 2024 and November 12, 2024, the date prior to the filing of this quarterly report, total deposits, including reciprocal ICS® deposits, have ranged from approximately \$1.1 billion to \$1.4 billion, and ICS® One-Way Sell® accounts have approximately ranged from a minimum of \$85.4 million to a maximum of \$462.5 million. At the close of business on November 12, 2024, total deposits were \$1.2 billion and ICS® One-Way Sell® accounts were \$85.4 million. Declines in the volume of deposits retained on the balance sheet will cause net interest income to decrease, and declines in ICS® One-Way Sell® balances will cause noninterest income to decrease. The amount and timing of these deposit inflows and outflows are difficult to predict and may differ from historical patterns.

FDIC deposit insurance covers \$250 thousand per depositor, per FDIC-insured bank, for each account ownership category. The Company estimates uninsured deposits held at the Bank as of September 30, 2024 are \$1.2 billion, which is 81.4% of total deposits. The Company estimated uninsured deposits as of December 31, 2023 were \$648.0 million, which is 58.3% of total deposits.

There were two clients with an individual deposit balance exceeding 5.0% of total deposits as of September 30, 2024. The total deposit balance related to these clients as of September 30, 2024 was \$226.6 million or 15.8% of total deposits. There were no clients whose individual deposit balances exceeded 5.0% of total deposits as of December 31, 2023.

### Note 6. Borrowings

#### Federal Home Loan Bank Advance

The Bank has a secured line of credit with the Federal Home Loan Bank, which is renewed annually in December. The Bank has historically pledged 1-4 family residential real estate loans within the Bank’s loan portfolio to establish credit availability. At September 30, 2024 and December 31, 2023, the secured line of credit had no collateral pledged and therefore no available or outstanding balance.

#### Short-Term Borrowings

At September 30, 2024 and December 31, 2023, the Company had an unsecured line of credit from a correspondent bank totaling \$10.0 million with an outstanding balance of \$10.0 million as of September 30, 2024 and \$5.0 million as of December 31, 2023. On October 10, 2024, the Company used a portion of the net proceeds from the IPO to fully repay the \$10.0 million outstanding balance. The Company subsequently closed the line on October 11, 2024. The interest rate on the line of credit was 7.85% and 7.95% at September 30, 2024 and December 31, 2023, respectively. As of December 6, 2023, the agreement was amended to require payment of a quarterly unused commitment fee at the rate of 1.00% per annum on the undisbursed and uncanceled daily balance during the preceding quarter.

The Bank has unsecured federal fund purchase lines of credit with Community Bankers’ Bank totaling \$8.0 million maturing March 12, 2025, First National Bankers’ Bank totaling \$10.0 million maturing on June 30, 2025, and Pacific Coast Bankers’ Bank totaling \$50.0 million maturing June 30, 2025. The federal funds lines renew annually and balances may remain outstanding for period of up to 10 to 90 consecutive days. The use of the facilities is subject to certain terms and conditions, including those related to the Bank’s financial condition. There were no outstanding federal funds purchased balances as of September 30, 2024 and December 31, 2023.

## Notes to Unaudited Consolidated Financial Statements

### Note 7. Fair Value Measurements

#### Determination of Fair Value

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value measurements and disclosure topic specifies a hierarchy of valuation techniques based on whether the inputs to these valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. U.S. GAAP requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

#### Fair Value Hierarchy

U.S. GAAP establishes a fair value hierarchy which categorizes the valuation inputs into three broad levels. Based on the underlying inputs, each fair value measurement in its entirety is reported in one of the three levels. These levels are:

Level 1 - Valuation is based on quoted prices in active markets for identical assets and liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuation is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3 - Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

An asset or liability's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

#### Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following describes the valuation techniques used by the Company to measure certain financial assets and liabilities recorded at fair value on a recurring basis in the financial statements:

#### Securities Available for Sale & Equity Securities

Debt securities available for sale and equity securities are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted market prices, when available (Level 1). If quoted market prices are not available, fair values are measured utilizing independent valuation techniques of identical or similar securities for which significant assumptions are derived primarily from or corroborated by observable market data (Level 2). If the inputs used to provide the evaluation for certain securities are unobservable and/or there is little, if any, market activity then the security would fall to the lowest level of the hierarchy (Level 3).

The Company's investment portfolio is valued using fair value measurements that are considered to be Level 1 or Level 2 but may also use Level 3 measurements if required by the composition of the portfolio. The Bank has contracted with a securities portfolio accounting service provider for valuation of its securities portfolio. Most security types are priced using the securities accounting provider's internally developed pricing software which appraises securities from an online real-time database. Subscription pricing services such as ICE Data Services and Bloomberg Valuation Services may be used to supplement the internal pricing system for security types where the underlying collateral, cash flow projections or trade data is not readily available. If Level 1 or Level 2 inputs are not available, the software may rely upon a discounted cash flow analysis based on the net present value of a security's projected cash flow to arrive at fair market value. Valuations for direct obligations of the U.S. Treasury, exchange listed stock and preferred stock are obtained from on-line real-time databases.

**Notes to Unaudited Consolidated Financial Statements**

The securities accounting service provider utilizes proprietary valuation matrices for valuing all municipal securities. The initial curves for determining the price, movement, and yield relationships within the municipal matrices are derived from industry benchmark curves or sourced from a municipal trading desk. The securities are further broken down according to issuer, credit support, state of issuance and rating to incorporate additional spreads to the industry benchmark curves.

The following table presents the balances of financial assets measured at fair value on a recurring basis (dollars in thousands):

<u>Financial Assets</u>	<u>Balances</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
As of September 30, 2024:				
Available for sale securities:				
U.S. government and federal agencies	\$ 129,725	\$ 125,773	\$ 3,952	\$ —
Mortgage backed securities	8,229	—	8,229	—
Corporate bonds	52,595	492	52,103	—
State and municipal securities	104,205	—	104,205	—
Total available for sale securities	\$ 294,754	\$ 126,265	\$ 168,489	\$ —
Equity securities	527	527	—	—
Total	\$ 295,281	\$ 126,792	\$ 168,489	\$ —
As of December 31, 2023:				
Available for sale securities:				
U.S. government and federal agencies	\$ 92,297	\$ 78,817	\$ 13,480	\$ —
Mortgage backed securities	8,649	—	8,649	—
Corporate bonds	55,472	475	54,997	—
State and municipal securities	101,696	—	101,696	—
Total available for sale securities	\$ 258,114	\$ 79,292	\$ 178,822	\$ —
Equity securities	505	505	—	—
Total	\$ 258,619	\$ 79,797	\$ 178,822	\$ —

**Assets Measured at Fair Value on a Non-recurring Basis**

Certain assets are measured at fair value on a nonrecurring basis in accordance with generally accepted accounting principles. Adjustments to the fair value of these assets usually result from the application of lower-of-cost-or-market accounting or write-downs of individual assets.

Collateral Dependent Loans

Individually evaluated loans are analyzed to determine whether they are collateral dependent. Any individually evaluated loans, which are deemed to be collateral dependent, with an allocation to the ACL are measured at fair value on a non-recurring basis. Any fair value adjustments are recorded in the period incurred as provision for credit losses on the consolidated statements of income.

The measurement of loss associated with collateral dependent loans can be based on either the observable market price of the loan or fair value of the collateral. Fair value is measured based on the value of the collateral securing the loans. Collateral may be in the form of real estate or business assets including equipment, inventory, and accounts receivable. The vast majority of the collateral is real estate. The value of real estate collateral is determined utilizing a market valuation approach based on an appraisal conducted by an independent, licensed appraiser outside of the Company using observable market data (Level 2). However, if the collateral is a house or building in the process of construction or if an appraisal of the real estate property using an income approach or is over two years old, then the fair value is considered Level 3. The value of business equipment is based upon an outside appraisal if deemed significant, or the net book value on the applicable business's financial statements if not considered significant using observable market data. Likewise, values for inventory and accounts receivables collateral are based on financial statement balances or aging reports (Level 3). Any fair

**Notes to Unaudited Consolidated Financial Statements**

value adjustments are recorded in the period incurred as a provision for loan credit losses on the consolidated statements of income. There were no collateral dependent loans with a recorded reserve as of September 30, 2024 and December 31, 2023.

Other Real Estate Owned

Other real estate owned (“OREO”) is measured at fair value less costs to sell. Valuation of OREO is determined using current appraisals from independent parties, a Level 2 input. If current appraisals cannot be obtained, or if declines in value are identified after a recent appraisal is received, appraisal values may be discounted, resulting in a Level 3 estimate. If the Company markets the property with a realtor, estimated selling costs reduce the fair value, resulting in a valuation based on Level 3 inputs. Fair value adjustments are recorded in the period incurred and expensed against current earnings. The Bank held no OREO at September 30, 2024 and December 31, 2023.

Loans Held for Sale

Loans held for sale are carried at the lower of cost or fair value. These loans currently consist of 1-4 family residential loans originated for sale in the secondary market. Fair value is based on the price secondary markets are currently offering for similar loans using observable market data which is not materially different than cost due to the short duration between origination and sale (Level 2). As such, the Company records any fair value adjustments on a nonrecurring basis. No nonrecurring fair value adjustments were recorded on loans held for sale at September 30, 2024 or December 31, 2023.

There were no assets measured at fair value on a nonrecurring basis at September 30, 2024 and December 31, 2023.

**Fair Value of Financial Instruments**

The following tables present the carrying value and estimated fair value including the level within the fair value hierarchy of the Company’s financial instruments as of September 30, 2024 and December 31, 2023 (dollars in thousands):

	Carrying Amount	Fair Value Measurements Using			Total Fair Value
		Level 1	Level 2	Level 3	
As of September 30, 2024:					
Financial assets:					
Cash and due from banks	\$ 639,767	\$ 639,767	\$ —	\$ —	\$ 639,767
Securities available for sale	294,754	126,265	168,489	—	294,754
Securities held to maturity, net	302,348	109,514	176,266	—	285,780
Equity securities	527	527	—	—	527
Restricted securities	2,886	—	2,886	—	2,886
Loans, net	295,826	—	—	286,987	286,987
Accrued interest receivable	5,360	—	5,360	—	5,360
Financial liabilities:					
Demand and savings deposits	\$ 1,421,999	\$ —	\$ 1,249,724	\$ 163,186	\$ 1,412,910
Time deposits	11,869	—	—	11,829	11,829
Short-term borrowings	10,000	—	10,000	—	10,000
Accrued interest payable	25	—	25	—	25

**Notes to Unaudited Consolidated Financial Statements**

	Carrying Amount	Fair Value Measurements Using			Total Fair Value
		Level 1	Level 2	Level 3	
As of December 31, 2023:					
Financial assets:					
Cash and due from banks	\$ 316,767	\$ 316,767	\$ —	\$ —	\$ 316,767
Securities available for sale	258,114	79,292	178,822	—	258,114
Securities held to maturity, net	308,058	106,837	177,079	—	283,916
Equity securities	505	505	—	—	505
Restricted securities	2,613	—	2,613	—	2,613
Loans, net	299,825	—	—	280,352	280,352
Accrued interest receivable	4,354	—	4,354	—	4,354
Financial liabilities:					
Demand and savings deposits	\$ 1,095,283	\$ —	\$ 766,933	\$ 299,765	\$ 1,066,698
Time deposits	16,742	—	—	16,600	16,600
Short-term borrowings	5,000	—	5,000	—	5,000
Accrued interest payable	61	—	61	—	61

**Note 8. Accumulated Other Comprehensive Loss**

The following table presents the changes in each component in accumulated other comprehensive income (loss), net of tax for the nine months ended September 30, 2024 and 2023 (dollars in thousands):

	Unrealized Gain (Loss) on Available for Sale Securities	Unrealized Gain (Loss) on Securities Transferred from Available for Sale to Held to Maturity	Accumulated Other Comprehensive Loss
<b>Balance at December 31, 2022</b>	\$ (13,135)	\$ (4,513)	\$ (17,648)
Unrealized holding gains, net of tax of \$74	280	—	280
Amortization of unrealized holding losses, net of tax of \$174	—	656	656
Reclassification adjustment, net of tax of \$66	246	—	246
<b>Balance at September 30, 2023</b>	\$ (12,609)	\$ (3,857)	\$ (16,466)
<b>Balance at December 31, 2023</b>	\$ (7,931)	\$ (3,634)	\$ (11,565)
Unrealized holding gains, net of tax of \$932	3,507	—	3,507
Amortization of unrealized holding losses, net of tax of \$166	—	627	627
Reclassification adjustment, net of tax of \$14	—	51	51
<b>Balance at September 30, 2024</b>	\$ (4,424)	\$ (2,956)	\$ (7,380)

The following table presents the amounts reclassified out of accumulated other comprehensive loss, net of tax for the period ending September 30, 2024 (dollars in thousands):

	September 30, 2024	Line Item in the Consolidated Statements of Income
<b>Securities held to maturity</b>		
Net securities loss reclassified into earnings	\$ (65)	Loss on sale of securities
Related income tax benefit	14	Income tax expense
Total reclassifications into net income	\$ (51)	Net of tax

**Notes to Unaudited Consolidated Financial Statements**

The following table presents the amounts reclassified out of accumulated other comprehensive loss, net of tax for the period ending September 30, 2023 (dollars in thousands):

	September 30, 2023	Line Item in the Consolidated Statements of Income
<b>Securities available for sale</b>		
Net securities loss reclassified into earnings	\$ (312)	Loss on sale of securities
Related income tax benefit	66	Income tax expense
Total reclassifications into net income	<u>\$ (246)</u>	Net of tax



## Notes to Unaudited Consolidated Financial Statements

### Note 9. Earnings Per Share

Effective October 3, 2024, and pursuant to the stock Reclassification described in Note 2 - Capital Structure, the Company's stock is comprised of two classes: Class A Common Stock and Class B Common Stock. Except in regard to voting and conversion rights, the rights of Class A Common Stock and Class B Common Stock are identical, and the classes rank equally and share ratably with regard to all other matters. Each share of Class B Common Stock is convertible at any time into one share of Class A Common Stock.

On October 3, 2024, 26,876 existing shares of Old Common Stock held by the company's pre-IPO investors were reclassified into 4,568,920 shares of Class B Common Stock. In connection with the IPO, the Company issued 1,850,000 shares of Class A Common Stock on October 7, 2024 and 142,897 shares of Class A Common Stock on November 1, 2024. See Note 2—Capital Structure in the Notes to Unaudited Consolidated Financial Statements contained within this Form 10-Q for further information regarding the stock Reclassification and the IPO.

When declared by the Company's Board of Directors, holders of Class A Common Stock and Class B Common Stock are entitled to receive dividends equally and ratably on a per-share basis. The Company did not pay dividends to any stockholder during 2023 or the nine-month period ending September 30, 2024.

Under the two-class method, earnings available to common stockholders are allocated ratably on a per-share basis between Class A Common Stock and Class B Common Stock. The table below provides a reconciliation of the combined Class A and Class B Common Stock numerators and denominators of the earnings per share computations. The table gives effect to the Reclassification of 26,876 shares of Old Common Stock into 4,568,920 shares of Class B Common Stock on October 3, 2024. It does not give effect to the issuance of 1,850,000 and 142,897 shares of Class A Common Stock issued in connection with the IPO on October 7, 2024 and November 1, 2024, respectively, and there were no shares of Class A Common Stock outstanding during any of the periods reported. The number of basic and diluted shares are the same because there are no potentially dilutive instruments.

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net Income	\$ 7,487	\$ 2,843	\$ 17,209	\$ 5,517
Dividends declared on common stock				
Class A Common Stock	\$ —	\$ —	\$ —	\$ —
Class B Common Stock	\$ —	\$ —	\$ —	\$ —
Undistributed net income for basic and diluted earnings per share	\$ 7,487	\$ 2,843	\$ 17,209	\$ 5,517
Weighted average shares outstanding				
Class A Common Stock	—	—	—	—
Class B Common Stock	4,568,920	4,568,240	4,568,920	4,568,240
Weighted average shares outstanding, basic and dilutive	4,568,920	4,568,240	4,568,920	4,568,240

**Notes to Unaudited Consolidated Financial Statements**

	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Earnings per common share, basic and diluted				
Class A Common Stock				
Per share dividends distributed	\$ —	\$ —	\$ —	\$ —
Undistributed earnings per share	—	—	—	—
Total basic and diluted earnings per share - Class A Common Stock	\$ —	\$ —	\$ —	\$ —
Class B Common Stock				
Per share dividends distributed	\$ —	\$ —	\$ —	\$ —
Undistributed earnings per share	1.64	0.62	3.77	1.21
Total basic and diluted earnings per share - Class B Common Stock	\$ 1.64	\$ 0.62	\$ 3.77	\$ 1.21

**Note 10. Subsequent Events**

There were no subsequent events other than those disclosed in *Note 2. Capital Structure*, *Note 5. Deposits*, and *Note 6. Borrowings*.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis of our financial condition and results of operations should be read together with our unaudited consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements and the related notes and the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" for the year ended December 31, 2023 included in our Prospectus. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from our expectations. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this Quarterly Report on Form 10-Q, particularly in the section entitled "Cautionary Note Regarding Forward-Looking Statements" as well as the section entitled "Risk Factors" in our Prospectus. We assume no obligation to update any of these forward-looking statements except to the extent required by law.*

*The following discussion relates to our historical results, on a consolidated basis. Because we conduct all our material business operations through our wholly owned subsidiary, Chain Bridge Bank, N.A., the discussion and analysis primarily focus on activities conducted at the subsidiary level.*

### **Introduction**

Chain Bridge Bancorp, Inc. (the "Company") is a Delaware-chartered bank holding company and the parent of its wholly-owned subsidiary, Chain Bridge Bank, N.A. (the "Bank"), a nationally chartered commercial bank with fiduciary powers granted by the Office of the Comptroller of the Currency (the "OCC"). The Company was incorporated on May 26, 2006, and the Bank opened on August 6, 2007. The Company conducts substantially all of its operations through the Bank and has no other subsidiaries.

We offer a range of commercial and personal banking services, including deposits, treasury management, payments, loans, commercial lending, residential mortgage financing, consumer loans, trusts and estate administration, wealth management, and asset custody.

Our mission is to deliver exceptional banking and trust services nationwide, blending financial strength, personalized service, and advanced technology to offer tailored solutions to businesses, non-profit organizations, political organizations, individuals, and families. We aspire to grow responsibly by adapting our personalized service and advanced technology solutions to our clients' evolving needs while emphasizing liquidity, asset quality, and financial strength. We aim to be recognized for our "Strength, Service, Solutions: Your Bridge to Better Banking Nationwide."

### **Reclassification and Initial Public Offering**

On October 3, 2024, in connection with its initial public offering (the "IPO") Class A common stock, par value \$0.01 per share ("Class A Common Stock"), the Company reclassified and converted each outstanding share of the Company's existing common stock, par value \$1.00 per share, into 170 shares of Class B common stock, par value \$0.01 per share ("Class B Common Stock") (the "Reclassification").

On October 7, 2024, the Company completed an offering of 1,850,000 shares of Class A Common Stock and received net proceeds of approximately \$33.6 million after deducting underwriting discounts and commissions and estimated offering expenses. On November 1, 2024, the Company issued an additional 142,897 shares of Class A Common Stock as a result of the underwriters' exercise of their 30-day option to purchase up to an additional 277,500 shares of its Class A Common Stock, resulting in net proceeds to the Company of approximately \$2.9 million, after deducting underwriting discounts and commissions and estimated offering expenses.

Share information in this Quarterly Report on Form 10-Q is presented on an as adjusted basis giving effect to the Reclassification.

## Nine Months ended September 30, 2024 Highlights

Highlights of our results of operations and financial condition as of and for the nine months ended September 30, 2024 are provided below.

### Financial Performance

- Consolidated net income was \$17.2 million for the nine months ended September 30, 2024, compared to \$5.5 million for the nine months ended September 30, 2023. Earnings per share for the nine months ended September 30, 2024 were \$3.77, compared to \$1.21 for the nine months ended September 30, 2023.<sup>4</sup>
- Net interest income, before provision for, or recapture of, credit losses, was \$33.0 million for the nine months ended September 30, 2024, compared to \$20.0 million for the nine months ended September 30, 2023. Net interest income, after provision for, or recapture of, credit losses was \$33.4 million for the nine months ended September 30, 2024, compared to \$19.3 million for the nine months ended September 30, 2023.
- Return on average equity was 25.00% for the nine months ended September 30, 2024, compared to 10.10% for the nine months ended September 30, 2023. Return on average assets for the nine months ended September 30, 2024 was 1.79%, compared to 0.72% for the nine months ended September 30, 2023.
- Yield on average earning assets was 3.77% for the nine months ended September 30, 2024, compared to 3.05% for the nine months ended September 30, 2023. Cost of funds decreased to 0.32% for the nine months ended September 30, 2024 from 0.44% for the nine months ended September 30, 2023.

### Balance Sheet

- Total assets were \$1.6 billion as of September 30, 2024, compared to \$1.2 billion as of December 31, 2023. Total deposits were \$1.4 billion as of September 30, 2024, compared to \$1.1 billion as of December 31, 2023. Excluded from these totals are One-Way Sell<sup>®</sup> deposits, which were placed at other banks through the IntraFi Cash Service<sup>®</sup> (“ICS<sup>®</sup>”) network. These One-Way Sell<sup>®</sup> deposits amounted to \$432.3 million as of September 30, 2024, compared to \$130.1 million as of December 31, 2023.
- No non-performing assets or other real estate owned (“OREO”) were reported as of September 30, 2024 or December 31, 2023.
- Cash balances held at the Federal Reserve were \$627.0 million as of September 30, 2024, compared to \$309.8 million as of December 31, 2023.
- As of September 30, 2024, the Bank’s total investment debt securities portfolio balance was \$597.1 million, compared to \$566.2 million as of December 31, 2023.
- Book value per share was \$22.95 as of September 30, 2024, compared to \$18.26 as of December 31, 2023.
- As of September 30, 2024, the Bank exceeded the minimum requirements to be well-capitalized for bank regulatory purposes, with a total risk-based capital ratio of 29.29% and a tier 1 risk-based capital ratio of 28.17%.
- As of September 30, 2024, our liquidity ratio was 85.31%, compared to 78.75% as of December 31, 2023.

## Significant Factors Impacting Our Business, Financial Condition and Results of Operations

Several key factors impact our financial performance:

**Short-term interest rates:** The cyclical nature of our balance sheet and our focus on liquidity cause our primary revenue source, net interest income, to be highly correlated to short-term interest rates. We strive to maintain high liquidity and low loan-to-deposit ratios. Higher rates generally increase our net interest income because of our high levels of liquid interest-earning assets and low levels of interest-bearing deposits and borrowings. Conversely, if short-term interest rates fall, our net interest income would likely decrease due to our high levels of cash. The Federal Reserve began reducing its target federal funds rate in September 2024, and as short-term rates decline, our net interest income will be adversely affected. This relationship between our revenue and the yield curve may differ from that of banks that have lower levels of cash and liquidity and higher loan-to-deposit ratios.

**Political organizations and federal election cycles:** We provide deposit services to a wide range of political organizations, including political committees registered with the Federal Election Commission (“FEC”), such as campaign committees, party committees, and PACs and Super PACs, and other tax-exempt 527 organizations. These accounts are often associated with firms that provide treasury, legal or regulatory compliance services to political organizations. We estimate that at least a majority of our deposits were sourced from political organizations as of September 30, 2024.

<sup>4</sup> All earnings are attributed to Class B shares because no Class A shares were outstanding during the periods presented.

Federal election cycles significantly affect our deposit levels. These cycles also impact revenue-generating activities, such as wire transfers, payments, check processing, debit card usage, and treasury management services. Historically, in the quarters leading up to federal elections, especially presidential elections, our deposits, net interest income, and noninterest income generally increase. In the quarters during and after a federal election, we usually experience an outflow of our political organization deposits, causing our balance sheet and revenue to decline until clients resume fundraising for the next election cycle. As of September 30, 2024, the Bank experienced elevated deposit levels ahead of the November 2024 presidential election, consistent with patterns observed in previous election cycles.

Between October 1, 2024, and November 12, 2024, deposits from political organizations declined. The Bank expects deposit outflows to continue through the end of the fourth quarter of 2024 and into early 2025. The deposit outflows observed between October 1, 2024, and November 12, 2024, occurred at levels consistent with patterns we have experienced during prior federal election cycles. See Note 5—Deposits in the Notes to Unaudited Consolidated Financial Statements contained within this Form 10-Q. However, future deposit levels and the timing of deposit fluctuations are difficult to predict and may differ from historical patterns. Our political organization clients are overwhelmingly affiliated with the Republican Party, and, as a result of the November 2024 federal elections, our clients' post-election fundraising activities and deposit trajectories may be impacted. While we have previously provided banking services to certain key political organizations during election cycles, there is no assurance that we will be selected to provide such services in the future. Changes in deposit levels could materially impact our financial condition and results of operations, as discussed in the "Risk Factors" section in our Prospectus. To mitigate the risks associated with deposit seasonality, we aim to maintain a relatively high level of cash reserve deposits at the Federal Reserve.

**Lending approach:** Our lending policies are designed to manage credit risk. We seek borrowers with a strong capacity to repay, who have good financial habits, are generally debt averse, and prefer to repay loans quickly. We aim to mitigate credit risk on commercial loans with appropriate structuring, reasonably margined collateral, personal guarantees, a primary deposit relationship, and sometimes compensating balances. Our lending policies typically attract borrowers who may qualify for lower borrowing rates, which may result in lower yields for us.

**Economic conditions:** General economic conditions, including conditions in the Washington, D.C. metropolitan area, and government spending influence our deposit levels and earnings. As of September 30, 2024, we estimate that at least a majority of our deposit balances were sourced from political organizations, which we believe makes us less dependent on the broader economy. However, if the economy worsens, some political donors may contribute less, negatively impacting our deposit levels and income. In addition, a national or regional recession could increase the risk of loan defaults and negatively affect our municipal and corporate bonds, potentially leading to defaults. In particular, significant changes in government spending, particularly federal budget cuts, could adversely affect the Washington, D.C. metropolitan area economy and, consequently, our loan performance and deposit levels. Such changes may also impact the value of our investment securities portfolio, which includes U.S. government, municipal, and corporate bonds. Finally, rising inflation can increase our operational costs, including labor and technology expenses, while also potentially diminishing the purchasing power of our clients, further impacting our deposit and loan levels.

**Monetary Policy:** We rely on the Federal Reserve's payment of interest on reserve balances as a source of interest income. The rate of interest on reserve balances is determined by the Federal Reserve. The Federal Reserve has historically adjusted its interest on reserves rate in conjunction with the federal funds rate. Because this rate affects other money market yields, it can have a significant impact on our interest income. We are most exposed to monetary policy during federal election years such as in 2024 when campaign-related deposits rise and we match those liabilities with short-term assets such as Federal Reserve cash balances, which reprice immediately, and Treasury bills. Although higher interest rates decrease the value of our investment securities portfolio, they increase our interest income. While we have recently benefited from high short-term rates, the Federal Reserve began reducing its target federal funds rate in 2024. To the extent short-term rates decline, our net interest income will be adversely affected. The Federal Reserve has additional monetary tools that can impact our interest income through changes in rates, such as the overnight reverse repo rate and open market operations.

**Regulatory and Supervisory Environment:** We incur significant costs due to our regulation and supervision by the federal government. As a bank holding company, we are subject to comprehensive supervision and regulatory oversight by the Federal Reserve. The Bank's primary regulator and supervisor is the OCC, which through regular examinations oversees our operations, risk management, compliance, and corporate governance. The Bank is also subject to FDIC secondary regulatory oversight that focuses on insurance standards, risk management practices, and overall regulatory compliance. We pay assessments to the FDIC and the OCC for their insurance and supervision. In addition, we manage our balance sheet to meet regulatory standards, such as capital ratio requirements. Failure to meet these standards may result in corrective actions, restrictions, and increased scrutiny from federal regulators. By adhering to these requirements, we aim to maintain our financial health and strengthen our market position. See "Supervision and Regulation."

**Uninsured Deposits:** Most of our deposits come from commercial clients rather than retail clients, resulting in a relatively high level of account balances exceeding the FDIC coverage limits. As of September 30, 2024, we estimate that approximately 81.4% of our total deposits were not insured by the FDIC. To manage the associated risks, we aim to maintain high levels of liquidity, asset quality, and financial strength.

For clients with uninsured balances, we offer access to additional FDIC insurance coverage by placing their deposits in increments within the insurance limits at other banks through the ICS<sup>®</sup> network. We typically earn fee income from ICS<sup>®</sup> for deposits that are placed at other banks as One-Way Sell<sup>®</sup> deposits, or we earn interest income when we choose to receive reciprocal deposits through ICS<sup>®</sup>. Using the ICS<sup>®</sup> program helps us to manage the size of our balance sheet. See “— Financial Condition — Deposits” below.

**Public Company Costs:** In preparation for, and following the completion of, our IPO, we have incurred, and expect to continue to incur, additional costs associated with operating as a public company. We expect that these costs will include additional personnel, legal, consulting, regulatory, insurance, accounting, investor relations and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, as well as rules adopted by the SEC and national securities exchanges, requires public companies to implement specified corporate governance practices that are now applicable to us as a public company. These additional rules and regulations will increase our legal, regulatory and financial compliance costs and will make some activities more time consuming and costly.

#### **Primary Factors Used to Evaluate Our Business**

The most significant factors we use to evaluate our business and results of operations are net income, return on average equity, return on average assets and return on average risk-weighted assets. We also use net interest income, noninterest income and noninterest expense.

**Net Income.** Our net income depends substantially on net interest income, which is the difference between interest earned on interest-earning assets (usually interest-bearing cash, investment securities and loans) and the interest expense incurred in connection with interest-bearing liabilities (usually interest-bearing deposits and borrowings). Our net income also depends on noninterest income, which is income generated other than by our interest-earning assets. Other factors that influence our net income include our provisions for credit losses, income taxes, and noninterest expenses, which include our fixed and variable overhead costs and other miscellaneous operating expenses.

**Return on Average Equity.** We use return on average equity to assess our effectiveness in utilizing stockholders' equity to generate net income. In determining return on average equity for a given period, net income is divided by the average stockholders' equity for that period.

**Return on Average Assets.** We monitor return on average assets to measure our operating performance and to determine how efficiently our assets are being used to generate net income. In determining return on average assets for a given period, net income is divided by the average total assets for that period.

**Return on Average Risk-Weighted Assets.** We use return on average risk-weighted assets to measure how efficiently our assets are being used to generate net income on a risk-adjusted basis. Return on average risk-weighted assets is calculated as annualized net income divided by the average of quarter end risk-weighted assets over the period observed.

**Net Interest Income.** Net interest income, representing interest income less interest expense, is the largest component of our net income. The level of net interest income is primarily a function of the average balance of interest-earning assets, the average balance of interest-bearing liabilities and the spread between the realized yield on such assets and the cost of such liabilities. Net interest income is impacted by the relative mix of interest-earning assets and interest-bearing liabilities and movements in market interest rates. Net interest income and net interest margin in any one period can be significantly affected by a variety of factors, including the mix and overall size of our earning assets portfolio and the cost of funding those assets. Management calculates the cost of funds performance indicator to monitor funding costs. Cost of funds is calculated as total interest expense divided by the sum of average total interest-bearing liabilities and average demand deposits.

**Noninterest Income.** Noninterest income consists primarily of service charge income earned from deposit placement services, service charges on accounts, revenue from trust and wealth management services, gains on sale of mortgage loans, net gains or losses on sales of securities and other income. The Company records as noninterest income deposit placement services income for One-Way Sell<sup>®</sup> deposits which are sold into the ICS<sup>®</sup> network. See “— Financial Condition

— Deposits” for more information on these deposits. Service charges on deposit accounts include fees earned from monthly service charges, account analysis charges and interchange fee income. It also includes fees charged for transaction activities such as wire transfers, cash letters and overdrafts. Trust and wealth management income represents monthly service charges due from clients for managing and administering clients’ assets. Services include investment management and advisory services, custody of assets, trust services, and financial planning. Other income primarily relates to rental income and other minor items.

**Noninterest Expense.** Noninterest expense relates to fixed and variable overhead costs, the largest component of which is personnel expenses, including salaries and employee benefits. Certain expenses tend to vary based on the volume of activity and other factors, including data processing and communication expenses, occupancy, equipment expense, regulatory assessments and fees, marketing and business development costs, insurance expenses and other operating expenses.

Data processing and communication expenses primarily relate to expenses paid to third party providers of core processing, cloud computing and cybersecurity, a substantial component of which is paid to a core technology provider we rely on for the banking software used by our clients and back office functions. Professional services expenses include internal and external audit, legal, loan review, compliance audit and compliance monitoring fees. Occupancy and equipment expenses include depreciation for buildings and improvements, fixtures and furniture, equipment, and technology related items as well as building related expenses such as utilities and maintenance costs. The Commonwealth of Virginia levies a capital-based franchise tax on banks operating within the state, replacing the state income tax. FDIC and regulatory assessments represent costs incurred to cover quarterly or semi-annual payments to the FDIC or OCC for their insurance or supervision. FDIC assessments are based on a complicated matrix of factors to form an assessment rate, which is then applied to a base of quarterly average assets less quarterly tangible equity. Directors’ fees represent fees paid to our directors for board or committee meetings. Marketing and business development costs include sponsorships, membership dues, as well as marketing and advertising costs, which are subject to normal variability based on the volume and cost of sponsorship and business development activities. Insurance expenses include costs for coverage of fidelity bond, professional liability, property and casualty, workers compensation and cyber liability policies. Other operating costs include other operating and administrative costs such as other vendor and employee costs, postage and printing, office supplies, and subscriptions.

As discussed above, we expect our noninterest expenses to increase as a result of the additional costs associated with being a public company.

#### **Primary Factors Used to Evaluate Our Financial Condition**

The most significant factors we use to evaluate and manage our financial condition include liquidity, asset quality and capital.

**Liquidity.** Maintaining an adequate level of liquidity depends on our ability to efficiently meet both expected and unexpected cash flows and collateral needs without adversely affecting our daily operations or the financial condition of the Bank. Because transaction account deposits form a primary source of our funding, and generally can be withdrawn on demand, managing our liquidity is a top priority. Our account at the Federal Reserve, which held \$627.0 million as of September 30, 2024, is a primary source of our liquidity for daily and ongoing activities.

**Asset Quality.** We monitor the quality of our assets based upon several factors, including the level and severity of deterioration in borrower cash flows and asset quality. We aim to adjust the allowance for credit losses to reflect loan volumes, identified credit and collateral conditions, economic conditions and other qualitative factors.

**Capital.** We manage capital to comply with our internal planning targets and regulatory capital standards. We monitor capital levels on an ongoing basis, perform periodic evaluations under stress scenarios and project capital levels in connection with our strategic goals to ensure appropriate capital levels. We evaluate a number of capital ratios, including Tier 1 capital to total quarterly average assets (the leverage ratio) and total Tier 1 capital to risk weighted assets.

#### **Critical Accounting Policies and Estimates**

We prepare our consolidated financial statements according to generally accepted accounting principles in the United States (“GAAP”). Preparing these statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the balance sheet and the reported amounts of revenues and expenses during

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the reporting period. We believe that the estimates most susceptible to significant change in the near term relate to determining the allowance for credit losses on loans and held-to-maturity securities. Our significant accounting policies and the effects of new accounting pronouncements are detailed in Note 1, "Organization and Summary of Significant Accounting Policies," to our consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q and our Prospectus.

### Results of Operations

#### Net Income

The following table sets forth the principal components of net income for the periods indicated.

(dollars in thousands)	For Three Months Ended September 30,				For Nine Months Ended September 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
Interest and dividend income	\$ 14,668	\$ 8,143	\$ 6,525	80.1 %	\$ 35,858	\$ 23,082	\$ 12,776	55.4 %
Interest expense	1,022	957	65	6.8 %	2,846	3,106	(260)	(8.4 %)
Net interest income	13,646	7,186	6,460	89.9 %	33,012	19,976	13,036	65.3 %
(Recapture of) provision for credit losses	(118)	7	(125)	N/M	(410)	722	(1,132)	N/M
Net interest income after (recapture of) provision for credit losses	13,764	7,179	6,585	91.7 %	33,422	19,254	14,168	73.6 %
Noninterest income	3,080	1,221	1,859	152.3 %	7,358	1,941	5,417	279.1 %
Noninterest expense	7,432	4,881	2,551	52.3 %	19,178	14,441	4,737	32.8 %
Net income before taxes	9,412	3,519	5,893	167.5 %	21,602	6,754	14,848	219.8 %
Income tax expense	1,925	676	1,249	184.8 %	4,393	1,237	3,156	255.1 %
Net income	\$ 7,487	\$ 2,843	\$ 4,644	163.3 %	\$ 17,209	\$ 5,517	\$ 11,692	211.9 %

NM — Comparisons from positive to negative values or to zero values are considered not meaningful.

For the three months ended September 30, 2024, our net income increased by \$4.6 million compared to the three months ended September 30, 2023, primarily due to a \$6.5 million, or 89.9%, increase in net interest income. Earnings also benefited from a \$1.9 million increase in noninterest income, derived primarily from fee income earned from One-Way Sell<sup>®</sup> deposit accounts. An increase of \$2.6 million in noninterest expense, driven most notably by increases in employment and professional services costs, partially offset these positive earnings components.

For the nine months ended September 30, 2024, our net income increased by \$11.7 million compared to the nine months ended September 30, 2023, primarily due to a \$13.0 million, or 65.3%, increase in net interest income. Earnings also benefited from a \$5.4 million increase in noninterest income, derived primarily from fee income earned from One-Way Sell<sup>®</sup> deposit accounts, and a \$1.1 million reduction of the credit loss provision, primarily resulting from the partial recovery of a bond in the first quarter of 2024 that was charged off during the first quarter of 2023, and a recapture of the provision for bond credit losses as shorter maturity periods result in a lower credit risk rating. An increase of \$4.7 million in noninterest expense, driven most notably by increases in employment and professional services costs associated with the stock Reclassification, partially offset these positive earnings components.



**Net Interest Income Analysis**

Our operating results depend primarily on our net interest income, which is calculated as the difference between interest income on interest-earning assets and interest expense on interest-bearing liabilities. Interest and dividend income consists of interest and fees on loans, interest and dividends on taxable and tax-exempt securities, and interest on interest-bearing deposits in banks. Interest expense consists of interest we pay on deposits and short-term borrowings.

<i>(dollars in thousands)</i>	For Three Months Ended, September 30,				For Nine Months Ended, September 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
<b>Interest and dividend income</b>								
Interest and fees on loans	\$ 3,445	\$ 3,417	\$ 28	0.8 %	\$ 10,115	\$ 10,124	\$ (9)	(0.1 %)
Interest and dividends on securities, taxable	3,573	2,741	832	30.4 %	9,312	8,360	952	11.4 %
Interest on securities, tax exempt	284	304	(20)	(6.6 %)	863	918	(55)	(6.0 %)
Interest on interest-bearing deposits in banks	7,366	1,681	5,685	338.2 %	15,568	3,680	11,888	323.0 %
Total interest and dividend income	14,668	8,143	6,525	80.1 %	35,858	23,082	12,776	55.4 %
<b>Interest expense</b>								
Interest on deposits	813	861	(48)	(5.6 %)	2,437	2,822	(385)	(13.6 %)
Interest on short-term borrowings	209	96	113	117.7 %	409	284	125	44.0 %
Total interest expense	1,022	957	65	6.8 %	2,846	3,106	(260)	(8.4 %)
<b>Net interest income</b>	<b>\$ 13,646</b>	<b>\$ 7,186</b>	<b>\$ 6,460</b>	<b>89.9 %</b>	<b>\$ 33,012</b>	<b>\$ 19,976</b>	<b>\$ 13,036</b>	<b>65.3 %</b>

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Interest income and expense are affected by fluctuations in interest rates, by changes in the volume of earning assets and interest-bearing liabilities, and by the interaction of these rate and volume factors. The following table presents an analysis of net interest income and net interest margin for the periods indicated. We divide each asset or liability segment's income or expense by its average daily balance to calculate the average yield or cost.

(dollars in thousands)	Three Months Ended September 30,					
	2024			2023		
	Average Balance	Interest	Average Yield/Cost	Average Balance	Interest	Average Yield/Cost
<b>Assets</b>						
Interest-earning assets:						
Interest-bearing deposits in other banks	\$ 540,419	\$ 7,366	5.42 %	\$ 122,958	\$ 1,681	5.42 %
Investment securities, taxable <sup>1</sup>	550,044	3,573	2.58 %	522,947	2,741	2.08 %
Investment securities, tax exempt <sup>1</sup>	62,876	284	1.80 %	66,701	304	1.81 %
Loans	301,836	3,445	4.54 %	313,248	3,417	4.33 %
Total interest-earning assets	1,455,175	14,668	4.01 %	1,025,854	8,143	3.15 %
Less allowance for credit losses	(4,584)			(4,758)		
Noninterest-earning assets	18,588			10,498		
Total assets	\$ 1,469,179			\$ 1,031,594		
<b>Liabilities and Stockholders' Equity</b>						
Interest-bearing liabilities:						
Savings, interest-bearing checking and money market accounts	\$ 207,387	\$ 727	1.39 %	\$ 266,380	\$ 736	1.10 %
Time deposits	11,887	86	2.88 %	17,567	125	2.82 %
Short-term borrowings	10,000	209	8.31 %	5,000	96	7.62 %
Total interest-bearing liabilities	229,274	1,022	1.77 %	288,947	957	1.31 %
Noninterest-bearing liabilities						
Demand deposits	1,134,556			663,920		
Other liabilities	5,743			3,774		
Total liabilities	1,369,573			956,641		
Stockholders' equity	99,606			74,953		
Total liabilities and stockholders' equity	\$ 1,469,179			\$ 1,031,594		
Net interest income		\$ 13,646			\$ 7,186	
Net interest margin			3.73 %			2.78 %

<sup>1</sup> Average balances for securities transferred from AFS to HTM at fair value are shown at carrying value. Average balances for AFS and all other HTM bonds are shown at amortized cost.

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	Nine Months Ended September 30,					
	2024			2023		
	Average Balance	Interest	Average Yield/Cost	Average Balance	Interest	Average Yield/Cost
<i>(dollars in thousands)</i>						
<b>Assets</b>						
Interest-earning assets:						
Interest-bearing deposits in other banks	\$ 380,955	\$ 15,568	5.46 %	\$ 95,959	\$ 3,680	5.13 %
Investment securities, taxable <sup>1</sup>	524,889	9,312	2.37 %	532,866	8,360	2.10 %
Investment securities, tax exempt <sup>1</sup>	63,693	863	1.81 %	67,376	918	1.82 %
Loans	302,624	10,115	4.46 %	317,120	10,124	4.27 %
Total interest-earning assets	1,272,161	35,858	3.77 %	1,013,321	23,082	3.05 %
Less allowance for credit losses	(4,644)			(4,807)		
Noninterest-earning assets	16,499			10,643		
Total assets	<u>\$ 1,284,016</u>			<u>\$ 1,019,157</u>		
<b>Liabilities and Stockholders' Equity</b>						
Interest-bearing liabilities:						
Savings, interest-bearing checking and money market accounts	\$ 221,488	\$ 2,133	1.29 %	\$ 291,959	\$ 2,435	1.12 %
Time deposits	13,911	304	2.92 %	18,402	387	2.81 %
Short-term borrowings	6,752	409	8.09 %	5,220	284	7.27 %
Total interest-bearing liabilities	242,151	2,846	1.57 %	315,581	3,106	1.32 %
Noninterest-bearing liabilities:						
Demand deposits	944,693			626,949		
Other liabilities	5,233			3,568		
Total liabilities	1,192,077			946,098		
Stockholders' equity	91,939			73,059		
Total liabilities and stockholders' equity	<u>\$ 1,284,016</u>			<u>\$ 1,019,157</u>		
Net interest income		\$ 33,012			\$ 19,976	
Net interest margin			<u>3.47 %</u>			<u>2.64 %</u>

<sup>1</sup> Average balances for securities transferred from AFS to HTM at fair value are shown at carrying value. Average balances for AFS and all other HTM bonds are shown at amortized cost.

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The rate/volume table below presents the composition of the change in net interest income for the periods indicated, as allocated between the change in net interest income due to a change in the volume of average earning assets and interest-bearing liabilities, and the changes in net interest income that are due to changes in average rates. Volume and rate changes are allocated on a consistent basis using the respective percentage changes in average balances and average rates.

(dollars in thousands)	For the three months ended September 30, 2024 compared to 2023			For the nine months ended September 30, 2024 compared to 2023		
	Increase (decrease) due to change in:					
	Average volume	Average rate	Total	Average volume	Average rate	Total
<b>Interest-earning assets</b>						
Interest-bearing deposits in other banks	\$ 5,687	\$ (2)	\$ 5,685	\$ 10,943	\$ 945	\$ 11,888
Taxable investment securities	134	698	832	(118)	1,070	952
Non-taxable investment securities	(18)	(2)	(20)	(49)	(6)	(55)
Loans	(133)	161	28	(454)	445	(9)
Total increase (decrease) in interest income	\$ 5,670	\$ 855	\$ 6,525	\$ 10,322	\$ 2,454	\$ 12,776
<b>Interest-bearing liabilities</b>						
Savings, interest-bearing checking and money market accounts	\$ (165)	\$ 156	\$ (9)	\$ (586)	\$ 284	\$ (302)
Time deposits	(41)	2	(39)	(94)	11	(83)
Short-term borrowings	95	18	113	84	41	125
Total increase (decrease) in interest expense	\$ (111)	\$ 176	\$ 65	\$ (596)	\$ 336	\$ (260)
Increase (decrease) in net interest income	\$ 5,781	\$ 679	\$ 6,460	\$ 10,918	\$ 2,118	\$ 13,036

For the three months ended September 30, 2024, our net interest income increased by \$6.5 million, or 89.9%, compared to the three months ended September 30, 2023, primarily driven by a \$417.5 million increase in the average volume of interest-bearing deposits in other banks, principally at the Federal Reserve. This increase was primarily due to cyclical inflows of deposits from political organizations ahead of the 2024 federal elections, which started building in the second half of 2023 and were invested in interest-earning assets, such as reserves at the Federal Reserve. As a result, our net interest margin increased to 3.73% for the three months ended September 30, 2024, from 2.78% for the three months ended September 30, 2023.

For the nine months ended September 30, 2024, our net interest income increased by \$13.0 million, or 65.3%, compared to the nine months ended September 30, 2023, primarily driven by a \$285.0 million increase in the average volume of interest-bearing deposits in other banks, principally at the Federal Reserve. This increase was primarily due to cyclical inflows of deposits from political organizations ahead of the 2024 federal elections, which started building in the second half of 2023 and were invested in interest-earning assets, such as reserves at the Federal Reserve. As a result, our net interest margin increased to 3.47% for the nine months ended September 30, 2024, from 2.64% for the nine months ended September 30, 2023.

### Interest Income

*Interest and fees on loans.* Loan interest income is comprised of fixed and adjustable-rate structures related to residential and commercial real estate loan products, commercial loans and other consumer loan products. Deferred loan origination fees, net of deferred loan origination costs, accrete to the loan's yield over the life of the loan. For the three months ended September 30, 2024, our interest and fees on loans increased 0.8% to \$3.4 million compared to the three months ended September 30, 2023 primarily driven by a 0.2% increase in average yield which was offset by a reduction of the average total loan balance of \$11.4 million. The Company has strategically allowed a decline in the commercial real estate portfolio. Rising interest rates have increased the cost of borrowing and remote work trends continue to be a concern

for this portfolio. These factors negatively impact the value of commercial properties, making commercial real estate loans less attractive.

For the nine months ended September 30, 2024, our interest and fees on loans decreased 0.1% to \$10.1 million compared to the nine months ended September 30, 2023 primarily driven by a 0.2% increase in average yield which was offset by a reduction of the average total loan balance of \$14.5 million. The months following a general election, including the first nine months of 2023, often see elevated commercial and industrial loan balances, as political organizations typically utilize their lines of credit around election periods and may replay these balances over the subsequent six to twelve months, or as cash flows allow. In addition, rising interest rates caused a reduction in demand for consumer loans during the time between interim periods, and management has strategically allowed a decline in the commercial real estate portfolio. Rising interest rates have increased the cost of borrowing and remote work trends continue to be a concern for this portfolio. These factors negatively impact the value of commercial properties, making commercial real estate loans less attractive.

See “— Financial Condition — Loan Portfolio” below for an analysis of the composition of our loan portfolio.

*Interest and dividends on securities, taxable.* For the three months ended September 30, 2024, our interest and dividends on taxable securities increased 30.4% to \$3.6 million from \$2.7 million for the three months ended September 30, 2023. The average balance for all taxable securities increased \$27.1 million when comparing the periods, and the yield improved 0.50%. As portions of maturing bonds have been reinvested, we have observed a steady increase in the average yield for the taxable securities portfolio. In addition to actively reinvesting maturing bonds during the second half of 2024, the Company invested funds from temporarily elevated deposit levels in short term U.S. Treasury bonds that will mature during the fourth quarter of 2024, which is intended to align with the timing of expected deposit outflows following the 2024 federal elections.

For the nine months ended September 30, 2024, our interest and dividends on taxable securities increased 11.4% to \$9.3 million from \$8.4 million for the nine months ended September 30, 2023. The average balance for all taxable securities decreased \$8.0 million when comparing the periods, although the decline was fully offset by a 0.27% increase in yield. As portions of maturing bonds have been reinvested, we have observed a steady increase in the average yield for the taxable securities portfolio.

*Interest on securities, tax-exempt.* For the three months ended September 30, 2024, our interest on tax-exempt securities decreased 6.6% from the prior period due primarily to a \$3.8 million decline in the average balance of tax-exempt securities. For the nine months ended September 30, 2024, our interest on tax-exempt securities decreased 6.0% from the prior period due primarily to a \$3.7 million decline in the average balance of tax-exempt securities. In recent years, the attainable yields for any new investment in this segment and the investment landscape have left tax-exempt securities less attractive than their taxable counterparts. Accordingly, as tax-exempt securities have matured, those proceeds have been invested into taxable municipal securities.

See “— Financial Condition — Securities” below for an analysis of the composition of the securities portfolio, including taxable and tax-exempt securities.

*Interest on interest-bearing deposits in banks.* Chain Bridge earns interest for accounts held at certain correspondent banks, which are primarily reserves held at the Federal Reserve. The Federal Reserve has historically adjusted its interest on reserves rate in conjunction with the federal funds rate. The interest rate paid by the Federal Reserve on reserve balances increased from 5.15% to 5.40% on July 27, 2023 and decreased from 5.40% to 4.90% on September 29, 2024. For the three months ended September 30, 2024, our interest on interest-bearing deposits in banks increased by \$5.7 million compared to the prior period, primarily driven by a \$417.5 million increase in average balances. For the nine months ended September 30, 2024, our interest on interest-bearing deposits in banks increased by \$11.9 million compared to the prior period, primarily driven by a \$285.0 million increase in average balances, in addition to a 0.33% increase in the average yield for the period.

### **Interest Expense**

*Interest on deposits.* The Bank pays a variable interest rate to depositors for their non-maturing savings, interest-bearing checking, and money market accounts. In addition, the Bank issues time deposits that pay a fixed rate of interest until the instrument matures. For the three months ended September 30, 2024, our interest expense on deposits decreased 5.6% compared to the prior period. The decrease was primarily driven by a \$64.7 million decrease in average interest-bearing deposit balances, partially offset by a 0.27% increase in the average rate. For the nine months ended September 30,

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2024, our interest expense on deposits decreased 13.6% compared to the prior period. The decrease was primarily driven by a \$75.0 million decrease in average interest-bearing deposit balances, partially offset by a 0.16% increase in the average rate. As of September 30, 2024 and December 31, 2023, approximately 87.2% and 69.0%, respectively, of our deposits were noninterest bearing.

See “— Financial Condition — Deposits” for an analysis of the composition of the deposits portfolio, including its interest-bearing and noninterest-bearing components.

**Interest on short-term borrowings.** As of September 30, 2024, the Company had an outstanding balance of \$10.0 million on its \$10.0 million unsecured line of credit with a correspondent bank. The interest rate applicable to advances under this unsecured line of credit is determined by the reference rate the Company elects to have applied to the advance, which may be the correspondent bank’s base rate, the daily Secured Overnight Financing Rate (“SOFR”) or a term SOFR rate, plus a credit spread adjustment. This line of credit is held by the Company, not the Bank. On October 10, 2024, the Company used a portion of the net proceeds from the IPO to fully repay the \$10.0 million outstanding principal balance on this line of credit and closed the line on October 11, 2024. Substantially all interest on short-term borrowings is related to this line of credit. The Bank currently has no borrowings, and there are no outstanding draws on its lines of credit with the FHLB, the Federal Reserve, or other third-party institutions.

For the three months ended September 30, 2024, interest on short-term borrowings increased by 117.7% compared to the prior period, primarily due to a \$5.0 million increase in the average outstanding balance as well as an increase in the average rate from 7.62% to 8.31%. For the nine months ended September 30, 2024, interest on short-term borrowings increased by 44.0% compared to the prior period, due to a \$1.5 million increase in the average outstanding balance as well as an increase in the average rate from 7.27% to 8.09%.

### Provision for Credit Losses

The allowance for credit losses (“ACL”) represents an amount which, in management’s judgment, is adequate to absorb the lifetime expected credit losses that may be sustained on outstanding loans and investments at the balance sheet date. The provision for credit losses represents the amount of expense charged to current earnings to fund an increase in the ACL. Conversely, a recapture of credit loss is recorded to earnings when the ACL is reduced. Our provisions for or recaptures of credit losses arising from within the loan and securities portfolios were as follows:

(dollars in thousands)	For the three months ended September 30,				For the nine months ended September 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
<b>Provision for (recapture of) credit losses</b>								
Provision for (recapture of) loan credit losses	\$ (131)	\$ 1	\$ (132)	NM	\$ (113)	\$ (82)	\$ (31)	37.8 %
Provision for (recapture of) securities credit losses	13	6	7	116.7 %	(297)	804	(1,101)	NM
Total provision for (recapture of) credit losses	\$ (118)	\$ 7	\$ (125)	(1785.7 %)	\$ (410)	\$ 722	\$ (1,132)	(156.8 %)

NM — Comparisons from positive to negative values or to zero values are considered not meaningful.

For the three months ended September 30, 2024, our provision for credit losses consisted of a net recapture of \$118 thousand, primarily attributable to the reduction in our loan portfolio, compared to a net provision of \$7 thousand for the three months ended September 30, 2023.

For the nine months ended September 30, 2024, our provision for credit losses consisted of a net recapture of \$410 thousand, compared to a net provision of \$722 thousand for the nine months ended September 30, 2023. During the nine months ended September 30, 2024, we received proceeds totaling \$210 thousand for a bond we wrote off in its entirety during the nine months ended September 30, 2023 related to a single corporate issuer whose business was ultimately closed by a regulatory authority. In addition, we recaptured provisions totaling \$297 thousand because the shortening time to maturity of our held to maturity securities portfolio resulted in a lower required reserve in accordance with our ACL.

methodology, compared to the \$804 thousand provision for securities credit losses recorded for the nine months ended September 30, 2023 which pertains to a single corporate bond discussed above.

**Noninterest Income**

Noninterest income consists of deposit placement services income, service charges on deposit accounts, trust and wealth management income, gains on sale of mortgage loans, net gains or losses on sales of securities and other income.

(dollars in thousands)	Three months ended September 30,				Nine months ended September 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
<b>Noninterest income</b>								
Deposit placement services income	\$ 2,464	\$ 859	\$ 1,605	186.8 %	\$ 5,617	\$ 1,106	\$ 4,511	407.9 %
Service charges on accounts	376	227	149	65.6 %	1,008	651	357	54.8 %
Trust and wealth management income	243	149	94	63.1 %	669	407	262	64.4 %
Gain on sale of mortgage loans	13	—	13	NM	25	—	25	NM
Loss on sale of securities	(65)	(30)	(35)	116.7 %	(65)	(312)	247	(79.2 %)
Other income	49	16	33	206.3 %	104	89	15	16.9 %
<b>Total noninterest income</b>	\$ 3,080	\$ 1,221	\$ 1,859	152.3 %	\$ 7,358	\$ 1,941	\$ 5,417	279.1 %

NM — Comparisons from positive to negative values or to zero values are considered not meaningful.

For the three months ended September 30, 2024, our noninterest income increased by \$1.9 million, or 152.3%, to \$3.1 million compared to the three months ended September 30, 2023 primarily driven by an increase in deposit placement services income, which is fee income we earn on One-Way Sell® deposits sold through the ICS® network. For the nine months ended September 30, 2024, our noninterest income increased by \$5.4 million, or 279.1%, to 7.4 million compared to the prior period primarily driven by an increase in fee income on One-Way Sell® deposits sold through the ICS® network, and partially offset by a loss on the sale of corporate bonds.

*Deposit placement services income.* For the three months ended September 30, 2024, our deposit placement services income increased by \$1.6 million compared to the three months ended September 30, 2023 on account of higher One-Way Sell® deposit balances. As of September 30, 2024 and September 30, 2023, One-Way Sell® deposits totaled \$432.3 million and \$106.3 million, respectively. For the three months ended September 30, 2024 and September 30, 2023, our average One-Way Sell® deposits were \$491.3 million and \$178.1 million, respectively.

For the nine months ended September 30, 2024, our deposit placement services income increased by \$4.5 million to \$5.6 million compared to the nine months ended September 30, 2023. During both comparative periods, the increase in deposit placement services income is a direct result of the increase in the volume of One-Way Sell® deposits, and changes in the rate paid by ICS® for those deposits which typically adjust in a manner parallel to federal funds rate adjustments. Accounts enrolled in the ICS® network are further discussed under “— Financial Condition — Deposits” below.

*Service charges on accounts.* For the three months ended September 30, 2024, our service charges on accounts increased by \$149 thousand, or 65.6%, compared to the three months ended September 30, 2023 primarily driven by higher transaction volume, particularly among check processing, wire transfers and debit card usage. Our fee income is typically higher during the fiscal quarters prior to and during the general election as political organization deposit account activity causes an increase in bank transactions. For the nine months ended September 30, 2024, our service charges on accounts increased 54.8% compared to the nine months ended September 30, 2023 also due to the higher transaction volume associated with an election year.

*Trust and wealth management income.* For the three and nine months ended September 30, 2024, our trust and wealth management income increased by 63.1% and 64.4%, respectively, compared to the corresponding periods in the prior year. These increases were primarily due to a rise in the volume of total assets under administration, which grew to \$384.0 million at September 30, 2024 from \$185.8 million at September 30, 2023. The size and mix of the assets under administration drove the income growth. Assets under management, which produce a higher rate of income under our fee structure, increased 56.9% from September 30, 2023, while assets under custody increased 137.3% over the same period.

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Our trust and wealth management services utilize service charge structures for assets under management (“AUM”) and assets under custody (“AUC”) that are distinct with respect to the level and range of services used. Service charges for AUM are calculated as a percentage of the assets managed, with the rate varying based on the type of service provided, such as investment management or fiduciary services, and tiered based on the value of the assets under management. These service charges are not performance-based. Service charges for AUC are also tiered based on the value of the assets under custody, and are generally lower than the service charges for AUM, reflecting the more limited services provided, such as safekeeping and administrative functions.

The service charges we collect for AUM are subject to fluctuations in the total value of assets managed, which can vary with changes in market conditions, including stock prices and bond yields. Therefore, any significant market volatility or changes in interest rates could impact the valuation of the assets we manage, thereby affecting the service fees we collect.

The growth in AUC during the periods was largely driven by clients seeking higher interest rates. A material decline in interest rates could result in a reduction of custody balances, negatively impacting our revenue from these accounts. Additionally, a substantial portion of our custody account balances are related to political organizations, which are seasonal and are expected to decline following periods of high spending around federal elections.

*Gain on sale of mortgage loans.* For the three and nine months ended September 30, 2024, the gain on sale of mortgages increased by \$13 thousand and \$25 thousand compared to the three and nine months ended September 30, 2023, which had no gains from sales of mortgage loans because there was no sales activity during the 2023 period.

*Loss on sale of securities.* Because Chain Bridge historically has not actively engaged in bond sales, gains and losses from sales of securities are irregular. For the three months ended September 30, 2024, we incurred \$65 thousand in losses on sales of securities compared to a \$30 thousand loss for the three months ended September 30, 2023. For the nine months ended September 30, 2024, our loss on sale of securities was \$65 thousand, compared to a \$312 thousand loss for the nine months ended September 31, 2023. Sales for all periods in 2024 and 2023 were a result of decisions to divest of specific corporate issuers.

### Noninterest Expense

Noninterest expense consists of salaries and employee benefits, data processing and communication expenses, professional services, occupancy and equipment expenses, Virginia bank franchise tax, FDIC and regulatory assessments, directors’ fees, marketing and business development costs, insurance expenses, and other operating expenses.

(dollars in thousands)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
<b>Noninterest expenses</b>								
Salaries and employee benefits	\$ 4,280	\$ 3,116	\$ 1,164	37.4 %	\$ 11,553	\$ 9,237	\$ 2,316	25.1 %
Professional services	1,206	207	999	482.6 %	2,154	623	1,531	245.7 %
Data processing and communication expenses	669	570	99	17.4 %	1,928	1,683	245	14.6 %
Virginia bank franchise tax	253	188	65	34.6 %	604	695	(91)	(13.1 %)
Occupancy and equipment expenses	236	232	4	1.7 %	748	564	184	32.6 %
FDIC and regulatory assessments	212	159	53	33.3 %	560	443	117	26.4 %
Directors fees	191	100	91	91.0 %	523	286	237	82.9 %
Insurance expenses	61	54	7	13.0 %	181	166	15	9.0 %
Marketing and business development costs	47	48	(1)	(2.1 %)	169	170	(1)	(0.6 %)
Other operating expenses	277	207	70	33.8 %	758	574	184	32.1 %
<b>Total noninterest expenses</b>	<b>\$ 7,432</b>	<b>\$ 4,881</b>	<b>\$ 2,551</b>	<b>52.3 %</b>	<b>\$ 19,178</b>	<b>\$ 14,441</b>	<b>\$ 4,737</b>	<b>32.8 %</b>

For the three months ended September 30, 2024, our noninterest expense increased by \$2.6 million, or 52.3%, compared to the three months ended September 30, 2023, primarily driven by increases in salaries and employee benefits and professional service expenses. For the nine months ended September 30, 2024, our noninterest expense increased by



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\$4.7 million, or 32.8%, compared to the prior year, primarily driven by increases in salaries and employee benefits costs, as well as an increase in professional services costs related to the process of becoming a public company and costs associated with the Reclassification.

*Salaries and employee benefits.* For the three months ended September 30, 2024, our salaries and employee benefits increased by \$1.2 million, or 37.4%, compared to the three months ended September 30, 2023, resulting from higher headcount and salary increases. During the nine months ended September 30, 2024, our salaries and employee benefits increased \$2.3 million, or 25.1%, compared to the corresponding period in the prior year driven by salary increases and higher employee benefits plan costs. Deferred loan origination costs have the effect of reducing salaries expense during the period when a loan is originated. When loan origination volume declines, so too does the amount of deferred loan origination costs.

*Professional services.* For the three months ended September 30, 2024, our professional services expense increased \$999 thousand, or 482.6%, compared to the three months ended September 30, 2023, primarily driven by legal and consulting expenses incurred in connection with the Reclassification and public company readiness. For similar reasons, our professional services expense for the nine months ended September 30, 2024 increased \$1.5 million, or 245.7%.

*Data processing and communication expenses.* For the three months ended September 30, 2024, our data processing and communication expenses increased \$99 thousand, or 17.4%, compared to the three months ended September 30, 2023, driven by higher data processing expenses charged by our core provider, the installation of a new financial reporting tool, and increased costs associated with enhanced information technology (“IT”) functionality. For the nine months ended September 30, 2024, our data processing and communication expenses increased \$245 thousand, or 14.6%, compared to the nine months ended September 30, 2023, primarily driven by increased data processing fees charged by our core provider arising from periodic rate increases and purchases of new products, increased cloud computing and cybersecurity costs incurred with our IT-managed services provider, and an increase in core processing expenses incurred by the Trust & Wealth Department on account of growth in managed assets and custody accounts.

*Virginia bank franchise tax.* For the three months ended September 30, 2024, our Virginia bank franchise tax increased \$65 thousand, or 34.6%, compared to the three months ended September 30, 2023. Our Virginia bank franchise tax decreased 13.1% for the nine months ended September 30, 2024, compared to the corresponding period in the prior year. The franchise tax expense is based on estimated accruals throughout the year, and the Bank's adjusted capital serves as the basis for tax to be paid. Changes to capital expectations, total asset at each quarter end, and other factors that offset the taxable base cause the expense to fluctuate slightly throughout a year.

*Occupancy and equipment expenses.* For the three months ended September 30, 2024, our occupancy and equipment expenses remained steady compared to the three months ended September 30, 2023. For the nine months ended September 30, 2024, our occupancy and equipment expenses increased \$184 thousand, or 32.6%, compared to the nine months ended September 30, 2023, primarily driven by building maintenance costs.

*FDIC and regulatory assessments.* For the three months ended September 30, 2024, our FDIC and regulatory assessments expense increased \$53 thousand, or 33.3%, due to the growth in the Bank's assets between the comparative periods. For the nine months ended September 30, 2024, our FDIC and regulatory assessments increased \$117 thousand, or 26.4%, compared to the nine months ended September 30, 2023, primarily driven by high year-over-year asset growth and a declining leverage ratio compared to 2023, a non-election year.

*Directors' fees.* In the three and nine months ended September 30, 2024, our directors' fees increased by \$91 thousand and \$237 thousand, respectively, compared to the three and nine months ended September 30, 2023, primarily driven by an increase in the number of board and committee meetings and training for newly appointed members.

*Insurance expenses.* For the three and nine months ended September 30, 2024, our insurance expenses were relatively unchanged, compared to the three and nine months ended September 30, 2023.

*Marketing and business development costs.* For the three and nine months ended September 30, 2024, our marketing and business development costs were relatively unchanged, compared to the three and nine months ended September 30, 2023.

*Other operating costs.* This segment includes other operating and administrative costs such as other vendor and employee costs, postage and printing, office supplies and subscriptions. None of the components or fluctuations are

individually significant, and the increase in our other operating costs during both periods were driven primarily by increased administrative costs.

### ***Income Tax Expense***

Income tax expense incurred is based upon our pre-tax income adjusted for tax exempt income and temporary deferred tax assets or liabilities. For the three months ended September 30, 2024, our income tax expense was \$1.9 million, representing an increase of 184.8%, compared to \$676 thousand for the three months ended September 30, 2023. The increase was driven by the increase in pre-tax earnings, which increased 167.5% during the comparable period.

For the nine months ended September 30, 2024, our income tax expense was \$4.4 million, representing an increase of 255.1%, compared to \$1.2 million for the nine months ended September 30, 2023. The increase was driven by the increase in pre-tax earnings, which increased 219.7% during the comparable period.

Our effective income tax rate was 20.45% for the three months ended September 30, 2024, an increase of 1.24% from 19.21% for the three months ended September 30, 2023. Our effective income tax rate was 20.35% for the nine months ended September 30, 2024, an increase of 2.03% from 18.32% for the nine months ended September 30, 2023. During 2024, the effective income tax rate increased compared to the corresponding prior period because pre-tax income increased while tax-exempt income decreased, causing tax-exempt income to comprise a lower proportion of income before taxes.

### **Financial Condition**

#### ***Securities***

Our securities portfolio is used to provide liquidity, manage risk, meet capital requirements, and generate interest income. Our securities portfolio consists of U.S. government and federal agencies, mortgage backed securities, corporate bonds, and state and municipal securities. Securities that management has the positive intent and ability to hold to maturity are classified as “held to maturity” (“HTM”) and recorded at amortized cost. Securities not classified as held to maturity or trading are classified as “available for sale” (“AFS”) and recorded at fair value, with unrealized gains and losses excluded from earnings and reported in other comprehensive loss. We do not hold trading securities.

The following table summarizes the amortized cost and weighted average yield of securities as of September 30, 2024 by contractual maturities.

	Balance as of September 30, 2024			
	Available-for-Sale		Held-to-Maturity	
	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield
<i>(dollars in thousands)</i>				
<b>U.S. government and federal agencies</b>				
Due in one year or less	\$ 111,707	3.82 %	\$ 6,964	1.79 %
Due after one year through five years	14,467	2.09 %	85,492	1.79 %
Due after five years through ten years	4,915	1.32 %	27,429	1.77 %
Due after ten years	—	—	2,562	1.77 %
	<u>131,089</u>	<u>3.54 %</u>	<u>122,447</u>	<u>1.79 %</u>
<b>Mortgage backed securities</b>				
Due in one year or less	1,300	2.09 %	—	—
Due after one year through five years	2,934	2.09 %	—	—
Due after five through ten years	—	—	—	—
Due after ten years	4,424	2.94 %	1,173	4.62 %
	<u>8,658</u>	<u>2.53 %</u>	<u>1,173</u>	<u>4.62 %</u>
<b>Corporate bonds</b>				
Due in one year or less	29,500	3.42 %	6,898	2.19 %
Due after one year through five years	23,287	3.10 %	51,004	2.61 %
Due after five years through ten years	—	—	507	2.83 %
Due after ten years	496	7.49 %	—	—
	<u>53,283</u>	<u>3.32 %</u>	<u>58,409</u>	<u>2.56 %</u>
<b>State and municipal securities</b>				
Due in one year or less	24,086	3.01 %	3,011	3.00 %
Due after one year through five years	57,703	2.58 %	52,593	2.24 %
Due after five years through ten years	25,035	2.04 %	64,393	2.29 %
Due after ten years	499	3.75 %	583	2.59 %
	<u>107,323</u>	<u>2.56 %</u>	<u>120,580</u>	<u>2.29 %</u>
<b>Total securities</b>	<u>\$ 300,353</u>	<u>3.12 %</u>	<u>\$ 302,609</u>	<u>2.15 %</u>

The weighted average yield is calculated using the amortized cost and yield on each security. Each security's amortized cost is multiplied by its yield and then divided by the respective category total. The resulting values are summed to arrive at the weighted average yield. The yields on tax-exempt securities have not been calculated on a fully tax equivalent basis.

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The following table summarizes our securities portfolio by the type of securities as of the dates indicated. Available for sale securities are reported at fair value and held to maturity securities are reported at amortized cost:

	As of September 30,		As of December 31,		Change	
	2024		2023			
(dollars in thousands)	\$	% of total securities	\$	% of total securities	\$	%
U.S. government treasuries	\$ 242,302	40.6 %	\$ 195,364	34.5 %	\$ 46,938	24.0 %
U.S. federal agencies securities	9,870	1.6 %	20,871	3.7 %	(11,001)	(52.7 %)
Mortgage backed securities	9,402	1.6 %	9,839	1.7 %	(437)	(4.4 %)
Corporate bonds	111,004	18.6 %	115,101	20.3 %	(4,097)	(3.6 %)
State and municipal securities	224,785	37.6 %	225,345	39.8 %	(560)	(0.2 %)
Total securities	\$ 597,363	100.0 %	\$ 566,520	100.0 %	\$ 30,843	5.4 %

*Total securities.* As of September 30, 2024, our total debt securities were \$597.4 million excluding the allowance for credit loss, representing an increase of \$30.8 million, or 5.4%, compared to \$566.5 million as of December 31, 2023. The increase was primarily driven by investments of excess cash into U.S. government treasuries maturing in the fourth quarter of 2024, as well as a decrease in unrealized losses within the available for sale securities portfolio.

*U.S. government treasuries.* U.S. government treasuries represent debt securities backed by the U.S. Treasury or the full faith and credit of the U.S. government and are guaranteed as to the timely payment of interest and principal when held to maturity. As of September 30, 2024, our U.S. government treasuries increased by \$47.0 million, or 24.0%, compared to December 31, 2023. During 2024, we invested a portion of our excess cash reserves in short term U.S. Treasury securities that mature around the federal elections in the fourth quarter of 2024.

*U.S. federal agencies securities.* U.S. federal agencies securities represent obligations issued by U.S. federal government agencies or government-sponsored enterprises that guarantee repayment of principal at maturity. As of September 30, 2024, our U.S. federal agencies securities decreased by \$11.0 million, or 52.7%, compared to December 31, 2023. U.S. federal agency bonds were called or matured during 2024, and not replaced with like investments.

*Mortgage backed securities.* Our mortgage backed securities portfolio consists of pass through and agency-issued collateralized mortgage obligations. As of September 30, 2024, our mortgage backed securities decreased by \$437 thousand, or 4.4%, compared to December 31, 2023. During the period, mortgage backed securities represented less than 2.0% of our securities portfolio.

*Corporate bonds.* Corporate bonds are debt obligations issued by companies to raise capital and refinance obligations of the issuer. As of September 30, 2024, our corporate bonds decreased by \$4.1 million, or 3.6%, compared to December 31, 2023, due to maturities within the portfolio which have not been subsequently replaced with similar investments.

*State and municipal securities.* State and municipal securities are debt obligations issued by state and local governments. As of September 30, 2024, our state and municipal securities remained unchanged compared to December 31, 2023 declining by only 0.2%.

### Allowance for Credit Losses — Securities

Management measures expected credit losses on HTM debt securities on a collective basis by major security type (U.S. government and federal agencies, agency mortgage backed securities, corporate bonds and state and municipal securities). We estimate expected credit losses based on our historical credit loss information as adjusted for current conditions and reasonable and supportable forecasts. Securities issued by the U.S. Treasury or government agencies are not considered to be credit sensitive as they are explicitly or implicitly guaranteed by the U.S. government, and result in expectations of zero credit loss. Accordingly, management's analysis of credit loss considers only the corporate and municipal segments. Accrued interest receivable on HTM debt securities totaled \$1.9 million as of September 30, 2024 and as of December 31, 2023 and is excluded from the estimate of credit losses.

For AFS debt securities in an unrealized loss position, management first assesses whether it intends to sell, or if it is more likely than not that it will be required to sell, the security before recovery of its amortized cost basis. If either of the

criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For AFS debt securities that do not meet the aforementioned criteria, management evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists, and an allowance for credit loss is recorded for the credit loss, limited by the amount by which the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit loss is recognized in other comprehensive income (loss).

The following table presents an analysis of the allowance for credit losses on securities:

<b>Held to Maturity:</b> (dollars in thousands)	<b>As of and for the three months ended September 30,</b>		<b>As of and for the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Average HTM debt securities outstanding	\$ 305,564	\$ 311,302	\$ 307,389	\$ 311,734
Total outstanding HTM debt securities at end of each period	302,609	311,251	302,609	311,251
Allowance for credit losses at the beginning of period	248	342	348	—
Impact of adopting ASC 326	—	—	—	329
Provision for (recapture of) for credit losses	13	6	(87)	19
Total charge-offs	—	—	—	—
Total recoveries	—	—	—	—
Net (charge-offs) recoveries	—	—	—	—
Allowance for credit losses at end of period	261	348	261	348
Ratio of allowance to total HTM debt securities outstanding at period end	0.09 %	0.11 %	0.09 %	0.11 %
Ratio of nonaccrual HTM securities to total HTM securities outstanding at period end	—	—	—	—
Ratio of allowance to nonaccrual debt securities at period end	—	—	—	—

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Available-for-Sale: (dollars in thousands)	As of and for the three months ended September 30,		As of and for the nine months ended September 30,	
	2024	2023	2024	2023
Average AFS debt securities outstanding	\$ 295,789	\$ 260,772	\$ 268,289	\$ 271,151
Total outstanding AFS debt securities at end of each period	294,754	254,908	294,754	254,908
Allowance for credit losses at the beginning of period	—	—	—	—
Provision for (recapture of) for credit losses	—	—	(210)	785
<b>Charge-offs:</b>				
Corporate	—	—	—	(785)
Total charge-offs	—	—	—	(785)
<b>Recoveries:</b>				
Corporate	—	—	210	—
Total recoveries	—	—	210	—
Net (charge-offs) recoveries	—	—	210	(785)
Allowance for credit losses at end of period	—	—	—	—
Ratio of allowance to total AFS debt securities outstanding at period end	— %	— %	— %	— %
Ratio of nonaccrual AFS securities to total AFS securities outstanding at period end	—	—	—	—
Ratio of allowance to nonaccrual debt securities at period end	—	—	—	—

In 2023, we recorded a charge-off related to a credit loss on a specific bond due to regulatory actions against the issuer. This bond, initially classified as HTM, was reclassified to AFS based on significant credit deterioration. The bond was partially sold at a loss, with the remainder written off. During nine months ended September 30, 2024, we received proceeds totaling \$210 thousand for the bond and recorded a recovery of credit loss. There was no further activity related to the AFS allowance for credit loss in 2024.

The following table presents the allocation of the allowance for credit losses on our HTM securities portfolios by segment. There was no ACL established for the AFS portfolio as of the indicated period ends.

Balance at the end of each period (dollars in thousands)	As of September 30,		As of December 31,	
	2024	% to total HTM bonds	2023	% to total HTM bonds
U.S. government and federal agencies	\$ —	— %	\$ —	— %
Mortgage backed securities	—	— %	—	— %
Corporate	230	0.08 %	322	0.10 %
State and municipal	31	0.01 %	26	0.01 %
Total	\$ 261	0.09 %	\$ 348	0.11 %

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The following tables present the allocation of the net charge offs within the AFS securities portfolio by segment.

	Three months ended of September 30,					
	2024			2023		
	Net (charge-offs) recoveries	Average AFS securities outstanding	Ratio of net (charge-offs) recoveries to average total bonds outstanding	Net (charge-offs) recoveries	Average AFS securities outstanding	Ratio of net (charge-offs) recoveries to average total bonds outstanding
<i>(dollars in thousands)</i>						
U.S. government and federal agencies	\$ —	\$ 137,116	— %	\$ —	\$ 90,173	— %
Mortgage backed securities	—	8,137	— %	—	9,254	— %
Corporate	—	51,331	— %	—	58,716	— %
State and municipal	—	99,205	— %	—	102,629	— %

	Nine months ended of September 30,					
	2024			2023		
	Net (charge-offs) recoveries	Average AFS securities outstanding	Ratio of net (charge-offs) recoveries to average total bonds outstanding	Net (charge-offs) recoveries	Average AFS securities outstanding	Ratio of net (charge-offs) recoveries to average total bonds outstanding
<i>(dollars in thousands)</i>						
U.S. government and federal agencies	\$ —	\$ 108,397	— %	\$ —	\$ 94,703	— %
Mortgage backed securities	—	8,274	— %	—	9,898	— %
Corporate	210	52,369	0.08 %	—	60,819	— %
State and municipal	—	99,249	— %	—	105,732	— %

**Loan Portfolio**

Our loan portfolio consists of mortgage, commercial, and consumer loans to clients. A substantial portion of our loan portfolio is primarily represented by residential real estate and commercial real estate loans throughout the Washington, D.C. metropolitan area. The ability of our debtors to honor their contracts is dependent upon a number of factors, including the real estate and general economic conditions in this area.

The following table summarizes our loan portfolio by the type of loans as of the dates indicated:

	As of September 30,		As of December 31,		Change	
	2024		2023			
	Amount	% of Total Loans	Amount	% of Total Loans	\$	%
<i>(dollars in thousands)</i>						
Commercial real estate	\$ 51,387	17.1 %	\$ 60,138	19.8 %	\$ (8,751)	(14.6 %)
Commercial	11,144	3.7 %	12,438	4.1 %	(1,294)	(10.4 %)
Residential real estate, closed-end	218,129	72.7 %	210,358	69.1 %	7,771	3.7 %
Other consumer loans	19,372	6.5 %	21,210	7.0 %	(1,838)	(8.7 %)
Total	\$ 300,032	100.0 %	\$ 304,144	100.0 %	\$ (4,112)	(1.4 %)

As of September 30, 2024, our total loans decreased by \$4.1 million or 1.4%, compared to December 31, 2023. The decrease reflects the strategic reduction in our commercial real estate lending to reduce our exposure to this sector, which was partially offset by growing consumer demand for residential mortgages as interest rates decreased.

*Residential real estate loans, closed-end.* Single family (1-4 units) residential mortgage loans are primarily secured by owner-occupied primary and secondary residences and are “closed-end” mortgage loans, which means that the loan amount is fixed at the outset and repaid over a set term without the ability to re-borrow. As of September 30, 2024, our residential real estate loans increased by \$7.8 million, or 3.7%, compared to December 31, 2023 reflecting tempered demand by consumers and a lower prepayment level amid elevated interest rates.

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**Commercial real estate loans.** Commercial real estate loans are generally long-term loans secured by a commercial property that is either owner-occupied or investor owned. This category also includes commercial construction loans and multifamily residential property loans. Management has strategically allowed a decline in the commercial real estate portfolio. Rising interest rates have increased the cost of borrowing and remote work trends continue to be a concern. These factors negatively impact the value of commercial properties, making commercial real estate loans less attractive. As of September 30, 2024, our commercial real estate loans decreased by \$8.8 million, or 14.6%, compared to December 31, 2023.

As of September 30, 2024, our commercial real estate portfolio included owner-occupied and non-owner-occupied commercial real estate loans and were concentrated in certain sectors and in the Washington, D.C. metropolitan area:

- **Owner-Occupied vs. Non-Owner-Occupied Properties:** Our commercial real estate loans include both owner-occupied and non-owner-occupied properties. As of September 30, 2024 and December 31, 2023, we had \$15.0 million and \$16.2 million, respectively, in owner-occupied loans and \$32.7 million and \$35.5 million, respectively, in non-owner-occupied loans. Non-owner-occupied properties depend on rental income for repayment. Factors such as market conditions, tenant defaults, and vacancies could reduce cash flow from these properties, leading to increased delinquencies and potential losses.
- **Sector Concentration:** Our commercial real estate loan portfolio is concentrated in the office, retail, multifamily, and hotels sectors. As of September 30, 2024, our non-owner-occupied office loans totaled \$6.6 million, retail loans totaled \$13.0 million, multifamily loans totaled \$4.9 million, and hotel loans totaled \$4.0 million.
- **Geographic Concentration:** Our commercial real estate loan portfolio is concentrated in the Washington, D.C. metropolitan area. This exposes us to risks tied to local economic conditions, property market trends, and regulatory changes. See “Risk Factors — Other Risks Related to Our Business — The geographic concentration of our business in the Washington, D.C. metropolitan area makes our business highly susceptible to local economic conditions and reductions or changes in government spending,” in our Prospectus.

**Commercial.** Commercial loans are commercial and industrial (C&I) term loans or lines of credit and, due to the participation of political organizations in this segment, exhibit cyclical when measured as a percentage of our loan portfolio. C&I loans include unsecured or UCC secured lending, accounts receivable, inventory or equipment financing loans or working capital loans. As of September 30, 2024, our commercial loans decreased by \$1.3 million, or 10.4%, compared to December 31, 2023.

**Other consumer loans.** Other consumer loans include residential construction loans, revolving loans secured by residential properties, commonly known as home equity lines of credit (“HELOCs”), and loans made directly to individuals for non-business purposes which may be secured or unsecured. As of September 30, 2024, other consumer loans decreased by \$1.8 million, or 8.7%, from December 31, 2023. The following table presents the components of other consumer loans:

<i>(dollars in thousands)</i>	As of	
	September 30, 2024	December 31, 2023
Residential construction loans	\$ 1,497	\$ 3,445
HELOCs	14,461	14,664
Consumer secured	2,758	2,527
Consumer unsecured	656	574
<b>Total consumer loans</b>	<b>\$ 19,372</b>	<b>\$ 21,210</b>

### Loan Maturity and Sensitivity to Interest Rates

The information in the following table is based on the contractual maturities of individual loans, including loans that may be subject to renewal at their contractual maturity. Renewal of these loans is subject to review and credit approval, as well as modification of terms upon maturity. Actual repayments of the loans may differ from the maturities reflected below because consumer borrowers and some commercial borrowers have the right to prepay obligations with or without prepayment penalties. As of September 30, 2024, variable rate loans, which include floating and adjustable rate structures, comprised 69.4% of our loan portfolio. Our variable rate loans primarily consist of adjustable residential real estate loans with initial fixed-rate periods of three, five, seven or ten years, which, depending on the loan program, reprice every one, three, or five years after the initial fixed-rate period. Variable rate loans provide a better match against our deposit liabilities and reduce our interest rate risk.



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The following table details maturities and sensitivity to interest rate changes for our loan portfolio as of September 30, 2024, and the contractual maturity and interest-rate profile of our loan portfolio:

At September 30, 2024

	Remaining Contractual Maturity Held for Investment				
	One year or less	After one year through five years	After five years and through fifteen years	After fifteen years	Total
<i>(dollars in thousands)</i>					
<b>Fixed rate loans:</b>					
Commercial real estate	\$ 7	\$ 18,310	\$ 23,915	\$ —	\$ 42,232
Commercial	103	281	1,199	—	1,583
Residential real estate, closed-end	264	1,050	36,247	7,961	45,522
Other consumer loans	469	2,049	—	—	2,518
Total fixed rate loans	\$ 843	\$ 21,690	\$ 61,361	\$ 7,961	\$ 91,855
<b>Variable rate loans:</b>					
Commercial real estate	\$ —	\$ 2,867	\$ 5,722	\$ 566	\$ 9,155
Commercial	8,761	—	500	300	9,561
Residential real estate, closed-end	—	2,179	2,726	167,702	172,607
Other consumer loans	3,046	5,316	7,153	1,339	16,854
Total variable rate loans	\$ 11,807	\$ 10,362	\$ 16,101	\$ 169,907	\$ 208,177
Total loans	\$ 12,650	\$ 32,052	\$ 77,462	\$ 177,868	\$ 300,032

### Credit Policies and Procedures

Management employs a multi-pronged approach to address credit risk, guided by a defined risk appetite. The approach includes underwriting policies, loan risk classification grading, and an internal and external loan review process. In addition, it involves strategic portfolio management to address loan concentration and oversight by our Board. These policies and guidelines are designed with the intention of maintaining the quality of our loan portfolio while aiming to generate a return commensurate with the associated risks. However, it is important to recognize that all risk management strategies have inherent limitations.

The commercial underwriting process involves an evaluation of the borrower's ability to repay, the quality of the available collateral (if applicable), the financial character of the borrower and the nature of the credit. It also includes an analysis of the borrower's needs and an industry analysis to understand relevant external factors that might affect the borrower's financial stability and repayment capacity. Commercial borrowers are often asked to maintain their primary banking relationship with the Bank to attract both loans and transaction deposits. Residential mortgage loans and consumer loans are underwritten based on an evaluation of the borrower's repayment ability, which typically includes a review of documentation to verify income and assets. Consumers are encouraged to maintain deposit accounts with the Bank, and pricing incentives may be offered.

During the underwriting process, loans are assigned a loan risk classification grade. The risk rating scale is intended to provide a framework for analyzing risk across various credit exposures, regardless of their nature, type or location.

The internal loan review process, performed by our credit administration staff, aims to verify that basic requirements for loan origination have been met. Ongoing internal loan review processes monitor commercial borrower performance using a risk-based approach, which may result in grade confirmations or change recommendations. Certain scenarios such as delinquent payments, overdue taxes, overdrafts, lack of borrower cooperation, delayed financial statements, or significant changes to the borrower's financial position may be considered potential indicators of problem loans. In such cases, the loan risk classification may be re-evaluated.

An external loan review is conducted annually by a third-party firm. This review examines a sample of the loan portfolio, focusing on areas such as underwriting practices, adherence to loan policies and banking regulations, loan documentation, watch list, and portfolio concentration.

Credit concentration policies are designed to address risk relative to our regulatory capital. Concentration limits are established for various categories including loans to individual borrowers or industries, specific loan types, collateral types, commercial real estate concentrations, and total real estate loans, among others.

We have exposures to certain categories of loans that we believe represent relatively higher credit risk, such as commercial real estate loans. To manage our exposures to these loans, our policy is to require low loan-to-value ratios and high debt service coverage ratios, and to conduct borrower credit assessments. To manage our exposure to commercial real estate, we have set specific concentration limits for commercial real estate loans by property type, and our policy is to monitor these limits quarterly. Our risk management practices include annual internal reviews of commercial mortgages with balances over \$500 thousand, focusing on early warning signs like payment delinquencies, property performance, and borrower financial condition. We also engage a third party to conduct an external loan review audit of the entire loan portfolio annually. Additionally, we perform quarterly stress tests on our loan portfolio, including the commercial real estate segment, to assess the potential impact of adverse economic conditions. In response to the inherent risks in higher-risk segments like commercial real estate, we may increase our loan loss reserves to mitigate potential losses due to changing market conditions.

### *Asset Quality*

We seek to maintain a prudent lending approach, which has historically been associated with our asset quality performance. Our loan underwriters employ underwriting guidelines, and we assign a loan risk classification grade at origination. These practices are designed to help us evaluate potential risks throughout the life of the loan. The Bank's risk classification system utilizes a 10-grade risk-rating scale. The four lowest grade categories (7-10) correspond to the regulatory categories special mention, substandard, doubtful and loss.

The risk classification grade is a key component of our risk management process. Certain grades may result in a loan being added to the watch list report, which is a tool used in monitoring loans or commitments that may present elevated risks. This report is overseen by our Chief Credit Officer and presented to the Board monthly. Loan officers are responsible for managing credit risk within their loan portfolios and are encouraged to be proactive in considering whether to add a loan to the watch list report.

Management uses internal and external review processes, as described under “— Credit Policies and Procedures,” to monitor adherence to loan and credit policies, evaluate the loan portfolio, and identify areas that may require additional attention.

### *Non-performing Assets*

An asset is classified as non-performing when it ceases to yield interest or principal repayments for a specified period, usually 90 days or more. This classification includes loans that are 90 days or more past due on scheduled payments, or assets where full repayment of principal and interest is in doubt due to the borrower's financial difficulties. Additionally, assets that have been restructured due to the borrower's financial difficulties may also be classified as non-performing if the restructuring does not restore the asset to a performing status.

A loan is considered non-performing when the borrower is 90 days or more past due on the scheduled payment of principal and interest, or if the loan's terms have been restricted due to the borrower's financial difficulties. Additionally, a loan may be classified as non-performing even if it is less than 90 days past due if there is a reasonable doubt about the collectability of the loan's principal or interest.

Loans are generally considered delinquent when the required principal and interest payments have not been received by the assigned due date. Loans are typically placed on non-accrual status when a loan becomes 90 days delinquent, unless the credit is well-secured and in the process of collection. Management may, at its discretion, place loans on non-accrual status prior to 90 days delinquency if it determines that interest may be uncollectible. Loans determined to be non-performing or potentially uncollectible may be placed in non-accrual status pending further collection efforts or charged off if collection of principal or interest is deemed doubtful.

For loans placed in non-accrual status, all interest previously accrued but not collected is generally reversed against interest income. The interest on loans in non-accrual status is typically accounted for on the cash basis or cost recovery method until qualifying for return to accrual. Loans may be returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

As of September 30, 2024 and December 31, 2023, based on our internal classifications, we did not identify any assets that met our criteria for classification as non-performing assets or OREO.

*Allowance for Credit Losses — Loans*

The ACL represents an amount that is intended to absorb the lifetime expected credit losses that may be sustained on outstanding loans at the balance sheet date. Additional information regarding the ACL evaluation can be found in Note 1 and Note 3 to our audited consolidated financial statements for the year ended December 31, 2023 and the notes thereto included elsewhere in our Prospectus.

The estimate for expected credit losses is based on an evaluation of the various factors, including, but not limited to, size and current risk characteristics of the loan portfolio, past events, current conditions, reasonable and supportable forecasts of future economic conditions, and prepayment experience as related to credit contractual term information. The ACL is generally measured on a collective (pool) basis when similar risk characteristics exist and is typically recorded upon the initial recognition of a financial asset.

The ACL may be adjusted by charge-offs, net of recoveries of previous losses, and may be increased or decreased by a provision for or recapture of credit losses, which is recorded in the consolidated statements of income. Management estimates the allowance balance using various information sources, both internal and external, relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience typically provides a basis for the estimation of expected credit losses. Adjustments to historical loss information may be made for differences in current loan-specific risk characteristics and changes in environmental conditions. Expected credit losses are typically estimated over the contractual term of the loans, adjusted for expected prepayments when appropriate. The contractual term generally excludes expected extensions, renewals, and modifications.

For loans that do not share risk characteristics with a pool of other loans, expected credit losses are measured on an individual loan basis. Management individually evaluates the expected credit loss for certain loans, such as those that are collateral-dependent, are graded substandard or doubtful, or are identified as having risk characteristics dissimilar to those of the established loan pools.

For loans considered collateral-dependent, the Company has adopted a practical expedient to the ACL, which allows for recording an ACL based on the fair value of the collateral rather than by estimating expected losses over the life of the loan.

While the ACL on loans follows these guidelines, and management believes the allowance is appropriate based on current information, the judgmental nature of the calculation could lead to fluctuations due to ongoing evaluations of the loan portfolio. These evaluations may be influenced by economic conditions in the Washington, D.C. metropolitan area, changes in asset quality, or loan portfolio growth, among other factors, which could potentially require additional provisions for the allowance for credit losses.

The quality of the loan portfolio and the adequacy of the allowance are subject to review by our internal and external auditors as well as our regulators.

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The following table presents an analysis of the allowance for credit losses:

	As of and for the Three Months Ended September 30,		As of and for the Nine Months Ended September 30,	
	2024	2023	2024	2023
<i>(dollars in thousands)</i>				
Average loans outstanding	\$ 302,547	\$ 317,117	\$ 302,547	\$ 317,117
Total loans outstanding at end of each period	300,032	310,514	300,032	310,514
Allowance for credit losses at the beginning of period	4,337	4,399	4,319	4,482
Provision for (recapture of) credit losses	(131)	1	(113)	(82)
Charge-offs	—	—	—	—
Recoveries	—	—	—	—
Allowance for credit losses at end of period	4,206	4,400	4,206	4,400
Ratio of allowance to total loans outstanding at period end	1.40 %	1.42 %	1.40 %	1.42 %
Ratio of nonaccrual loans to total loans outstanding at period end	—	—	—	—
Ratio of allowance to nonaccrual loans at period end	—	—	—	—

The following table presents the allocation of the allowance for credit losses:

	As of September 30,		As of December 31,	
	2024	% of total loans	2023	% of total loans
<i>(dollars in thousands)</i>				
	Amount		Amount	
Commercial real estate	\$ 1,022	0.34 %	\$ 1,233	0.41 %
Commercial non-real estate	164	0.05 %	189	0.06 %
Residential real estate	2,774	0.92 %	2,668	0.88 %
Other consumer loans	246	0.08 %	229	0.08 %
Total	\$ 4,206	1.40 %	\$ 4,319	1.42 %

The allocations of the allowance between loan segments did not vary significantly during the periods presented. However, we note a modest migration of applied allowances from the commercial segment as of December 31, 2023 to the residential real estate segment as of September 30, 2024 caused by growth in the consumer residential segment contrasted to an overall balance decline in the commercial segment.

There were no loan charge-offs for the interim period ended September 30, 2024 or the year ended December 31, 2023. As a result, the ratio of loan charge-offs to average loans outstanding is 0.00% for all reported periods.

### Deposits

We provide a wide range of commercial and personal deposit services. The deposit products we offer include noninterest-bearing and interest-bearing checking accounts, savings accounts, and money market accounts. We aim to attract transaction account deposits, particularly from commercial clients. Our deposit base is largely composed of funds from commercial entities, specifically federal political organizations, trade associations, non-profit organizations and business enterprises. As of September 30, 2024, we estimate that at least a majority of our deposit balances were sourced from political organizations. Deposits from political organizations generally exhibit more seasonality than typical commercial or consumer deposits as federal election cycles often influence deposit levels of political organizations.

We are a member of the IntraFi® Cash Services network, which allows our deposit clients to enroll in the ICS® program. This program is designed to provide our clients with access to FDIC insurance beyond the standard maximum deposit insurance amount at a single insured depository institution. For accounts enrolled in this service, we select whether each account should be in a reciprocal position or a one-way sell position. A reciprocal position means that we receive an equal amount of network deposits for our enrolled accounts, and those deposits are reflected on our balance sheet. If we

elect to receive reciprocal deposits, we are required to pay a fee to IntraFi® equal to our reciprocal deposits balances multiplied by an annualized rate of 0.125% as of September 30, 2024. Conversely, we do not receive reciprocal network funding when accounts are positioned as One-Way Sell®, and therefore the deposits are not reported on the balance sheet. For deposits placed at other participating banks as One-Way Sell® deposits, we receive deposit placement services income, which is inversely related to the interest rate on the deposit account, meaning that we receive less deposit placement services income for placing deposits with a higher interest rate.

During periods of increased political organization deposits, which typically occur in connection with election cycles, we may adjust the positioning of certain accounts enrolled in the ICS® program. These adjustments can include changing some accounts from a reciprocal position to a One-Way Sell® position, which affects whether and how these deposits are reflected on our balance sheet. These adjustments are part of our overall asset and liability management strategy, which aims to maintain appropriate balance sheet metrics in accordance with regulatory guidelines and our risk management policies. As of September 30, 2024, our balance sheet reflected no reciprocal ICS® deposits. Excess deposits totaling \$432.3 million as of September 30, 2024 were placed at other participating banks as One-Way Sell® deposits. Our deposit placement services income was \$2.5 million and \$5.6 million, respectively, for the three and nine months ended September 30, 2024. If we were to convert some or all of these deposits into reciprocal deposits, bringing them back onto our balance sheet, we would expect to receive interest income by investing these deposits, but our deposit placement services income would decline and our interest on deposits, FDIC and regulatory assessments and the fee we pay to IntraFi® would increase.

Our participation in the ICS® network is subject to certain terms and conditions, and there can be no assurances that we will be able to participate in the ICS® network in the future. As of September 30, 2024, the terms and conditions for participation in the ICS® network include a \$265.0 million limit on the amount of each participating client's ICS® deposits that may be placed at other banks within the ICS® network, a \$3.5 billion and \$6.5 billion limit on the maximum amount of savings account deposits and demand account deposits, respectively, that a bank may place at other banks as reciprocal deposits, and a \$10.0 billion limit on the maximum amount of deposits that a bank may place at other banks as One-Way Sell® deposits. The terms and conditions also include limitations on a bank's ability to receive reciprocal deposits, place One-Way Sell® deposits, or receive One-Way Buy® deposits if the bank is not "well capitalized" under the applicable federal banking regulations.

We are subject to various fees associated with the placement and management of deposits within the ICS® network, as outlined in the IntraFi® Participating Institution Agreement. When we elect to receive reciprocal deposits, which are network deposits that are matched with equivalent funds placed by other participating institutions, we incur an "IntraFi Placement Fee." As of September 30, 2024, the annualized rate for this fee was 0.125%, which is applied to the reciprocal deposits balance to determine the amount of the fee incurred. This fee increases our overall operating expenses, impacting our net income.

The fees associated with our participation in the ICS® network require careful management. The IntraFi Placement Fee represents an additional cost that is not incurred with traditional deposit accounts. As such, this fee is factored into our overall asset and liability management strategy with the aim of ensuring that our participation in the ICS® network remains financially advantageous. These fees, together with our interest expense on deposits and other operational costs, contribute to the overall cost structure associated with our deposit services.

As of September 30, 2024, the Bank maintained elevated deposit levels ahead of the November 2024 federal elections. We estimate that at least a majority of our deposit balances as of September 30, 2024 were sourced from political organizations. Deposits from political organizations are currently experiencing outflows, which we expect to continue through the end of the fourth quarter of 2024 and into early 2025, as the 2024 election cycle concludes. The outflows to date have been consistent with the seasonal patterns we have historically observed during federal election cycles. Historically, deposits from political organizations have typically increased in the periods leading up to federal elections and declined in the quarters during and after federal elections. The amount and timing of these deposit inflows and outflows are difficult to predict and may differ from historical patterns. See Note 5—Deposits in the Notes to Unaudited Consolidated Financial Statements contained within this Form 10-Q.

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The following table presents the types of deposits compared to total deposits for the periods indicated:

	As of September 30, 2024		As of December 31, 2023		Change	
	Amount	% of total deposits	Amount	% of total deposits	\$	%
<i>(dollars in thousands)</i>						
Noninterest-bearing	\$ 1,249,724	87.1 %	\$ 766,933	69.0 %	\$ 482,791	63.0 %
Savings, interest-bearing and money market accounts	172,275	12.0 %	328,350	29.5 %	(156,075)	(47.5 %)
Time, \$250 and over	6,589	0.5 %	9,385	0.8 %	(2,796)	(29.8 %)
Other time	5,280	0.4 %	7,357	0.7 %	(2,077)	(28.2 %)
Total	\$ 1,433,868	100.0 %	\$ 1,112,025	100.0 %	\$ 321,843	28.9 %

The following table presents the average balances and average rates paid for the periods indicated:

	Three months ended September 30,				Nine months ended September 30,			
	2024		2023		2024		2023	
	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate
<i>(dollars in thousands)</i>								
Noninterest-bearing	\$ 1,134,556	0.00 %	\$ 663,920	0.00 %	\$ 944,693	0.00 %	\$ 626,949	0.00 %
Savings, interest-bearing checking and money market accounts	207,387	1.39 %	266,380	1.10 %	221,488	1.29 %	291,959	1.12 %
Time, \$250 and over	6,584	2.96 %	9,599	2.98 %	7,966	2.95 %	7,885	2.51 %
Other time	5,303	2.78 %	7,968	2.64 %	5,945	2.88 %	10,517	3.04 %
Total average deposits	\$ 1,353,830	0.08 %	\$ 947,867	0.11 %	\$ 1,180,092	0.28 %	\$ 937,310	0.40 %

FDIC deposit insurance covers \$250 thousand per depositor, per FDIC-insured bank, for each account ownership category. We estimate total uninsured deposits were \$1.2 billion and \$648.0 million as of September 30, 2024 and December 31, 2023, respectively, representing approximately 81.4% and 58.3% of our deposit portfolio as of September 30, 2024 and December 31, 2023, respectively.

The maturity profiles of our uninsured time deposits, those deposits that exceed the FDIC insurance limit, as of September 30, 2024 are as follows:

	Three Months or Less	More than Three Months to Twelve Months	More than Twelve Months to Three Years	More than Three years	Total
<i>(dollars in thousands)</i>					
Time deposits, uninsured	\$ 1,463	\$ 5,126	\$ —	\$ —	\$ 6,589

**Borrowings**

The Bank has several supplementary funding sources, including a secured line of credit with the FHLB and various available secured and unsecured lines of credit with correspondent banks.

*Federal Home Loan Bank Advance.* The Bank has a secured line of credit with the FHLB, which is renewed annually in December, and which requires the Bank to pledge collateral to establish credit availability. The Bank has historically pledged single-family residential real estate loans within the Bank's loan portfolio to establish credit availability. As of September 30, 2024 and December 31, 2023, the secured line of credit had no collateral pledged and therefore no available or outstanding balance.

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*Short-Term Borrowings.* As of September 30, 2024 and December 31, 2023, the Company had an unsecured line of credit from a correspondent bank totaling \$10.0 million with an outstanding balance of \$10.0 million as of September 30, 2024 and \$5.0 million as of December 31, 2023. On October 10, 2024, the Company used a portion of the net proceeds from the IPO to fully repay the \$10.0 million outstanding balance. The Company subsequently closed the line on October 11, 2024.

The Bank also maintains federal funds lines of credit agreements with three correspondent banks totaling \$68.0 million, which renew annually, are offered on an unsecured basis, and may remain outstanding for periods of up to 10 to 90 consecutive days. The three federal funds purchase lines of credit are for \$8.0 million, expiring on March 12, 2025, \$10.0 million, expiring on June 30, 2025, and \$50.0 million, expiring on June 30, 2025, and the Bank's use of the facilities is subject to certain terms and conditions, including those related to the Bank's financial condition. There were no outstanding federal funds purchased balances as of September 30, 2024 or December 31, 2023.

### **Off-Balance Sheet Arrangements**

We are party to credit-related financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of our clients. These financial instruments include commitments to extend credit and standby letters of credit. Such commitments involve, in varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets.

Our exposure to credit loss is represented by the contractual amount of these commitments. We follow the same credit policies in making commitments as we do for on-balance sheet instruments.

The contractual amounts of financial instruments with off-balance sheet commitments are as follows:

<i>(dollars in thousands)</i>	As of September 30,		As of December 31,	
	2024		2023	
Commitments to grant loans	\$	1,021	\$	—
Unfunded commitments under lines of credit		37,758		22,947
Standby letters of credit		3,707		3,598

Unfunded commitments under lines of credit increased \$14.8 million, or 64.5% from December 31, 2023 to September 30, 2024 primarily due to a \$17.5 million increase in renewed availability under two lines of credit issued to political organizations. These lines were fully drawn subsequent to quarter end on October 16, 2024.

For information regarding the arrangement related to the ICS<sup>®</sup> network and related One-Way Sell<sup>®</sup> deposits, see “— Deposits” above.

## **Liquidity and Capital Management**

### **Liquidity Management**

Liquidity refers to our capacity to meet cash and collateral obligations in a timely manner. Maintaining appropriate levels of liquidity depends on our ability to address both expected and unexpected cash flows and collateral needs while aiming to avoid adverse effects on our daily operations or the financial condition of the Bank. Effective liquidity management is considered essential to our business model, as deposits, which can generally be withdrawn on demand, form a primary source of our funding. We employ various strategies intended to manage liquidity. Our account at the Federal Reserve, which held approximately \$627.0 million as of September 30, 2024, serves as a primary source of liquidity for daily and ongoing activities. We also maintain additional supplemental sources of liquidity, as discussed below. For regulatory reporting purposes, the liquidity ratio is typically calculated as the sum of our cash and cash equivalents plus unpledged securities classified as investment grade divided by total liabilities. Based on this calculation method, as of September 30, 2024 and December 31, 2023, our reported liquidity ratios were 85.31% and 78.75%, respectively. As of September 30, 2024, we had \$432.3 million in One-Way Sell<sup>®</sup> deposit accounts through the ICS<sup>®</sup> platform that could be converted to a reciprocal position in order to provide additional near-term liquidity. It is important to note that these ratios and amounts are point-in-time measurements and may not be indicative of future liquidity positions.

Deposit account balances received from federal political organizations fluctuate due to the seasonality of fundraising and spending around federal elections. Historically, in the quarters leading up to federal elections, especially presidential

elections, our deposits generally increase, and decline in the quarters during and after federal elections. The amount and timing of these deposit inflows and outflows are difficult to predict and may differ from historical patterns. As of September 30, 2024, the Bank's deposits maintained an elevated level ahead of the November 2024 presidential election. Consistent with patterns observed in previous election cycles, deposits from political organizations are currently experiencing outflows, which we expect to continue through the end of the fourth quarter of 2024 and into early 2025, as the 2024 election cycle concludes. See Note 5—Deposits in the Notes to Unaudited Consolidated Financial Statements contained within this Form 10-Q. Management seeks to address liquidity needs related to seasonal outflows by identifying political organization accounts, tracking activity, communicating with clients and retaining high cash balances at the Federal Reserve to fund deposit outflows.

In addition to traditional sources of liquidity, such as reciprocal deposits and lines of credit, we also utilize the ICS<sup>®</sup> network for both One-Way Buy<sup>®</sup> deposits and One-Way Sell<sup>®</sup> deposits, each serving distinct roles in our liquidity management strategy. One-Way Sell<sup>®</sup> deposits and reciprocal deposits involve placing deposits from our own clients with other participating banks through the ICS<sup>®</sup> network. One-Way Sell<sup>®</sup> deposits help us manage excess deposits by moving them off our balance sheet, while reciprocal deposits allow us to exchange deposit balances with other banks, ensuring those deposits remain insured. Both strategies help us to optimize our liquidity position while earning deposit placement fees, which contribute to our noninterest income. Conversely, One-Way Buy<sup>®</sup> deposits involve receiving deposits from other banks' customers through the ICS<sup>®</sup> network. This mechanism can provide an additional source of liquidity by allowing us to increase our deposits without reciprocating. These transactions involve certain expenses, which include interest on the deposits and any associated fees, which we consider within our broader liquidity planning.

Management estimates that up to 81.4% of deposits were uninsured as of September 30, 2024. To obtain FDIC insurance for deposits exceeding the \$250 thousand threshold, some clients enroll in the ICS<sup>®</sup>, which is described in greater detail under “— Deposits” above. As of September 30, 2024, deposit balances totaling \$432.3 million were enrolled in the ICS<sup>®</sup> program. All of these deposits were positioned as One-Way Sell<sup>®</sup> deposits and are therefore not reflected on the balance sheet. The Bank has the flexibility to convert these One-Way Sell<sup>®</sup> deposits into reciprocal deposits, which would then appear on the balance sheet. To fund the outflow of deposits during phases of the federal election cycle when campaigns and committees are actively spending, management will rely on the Bank's cash balances at the Federal Reserve and conversion of One-Way Sell<sup>®</sup> accounts to reciprocal as its primary sources of liquidity. Similar to other deposits, depositors may withdraw their One-Way Sell<sup>®</sup> deposits at any time, which could impact the volume of One-Way Sell<sup>®</sup> deposits available for conversion to reciprocal.

In addition to the primary sources of liquidity discussed above, we maintain secured lines of credit with the FHLB and the Federal Reserve Discount Window, for which we can borrow up to the allowable amount of pledged collateral. The Bank can advance FHLB funds of up to 25% of assets as reported in its latest Federal Financial Institutions Examination Council (“FFIEC”) Consolidated Reports of Condition and Income, which the Bank files with the FFIEC on a quarterly basis (“Call Report”), using pledged collateral such as qualifying mortgages and investment securities. Based on the September 30, 2024 Call Report, 25% of total assets equates to credit availability of \$388.8 million. As of September 30, 2024, we had no collateral pledged or outstanding balance with the FHLB or Federal Reserve.

The Bank has access to additional unsecured funding through its account with ICS<sup>®</sup>. The Bank can request funding of up to 10% of total assets, which equates to \$155.5 million as of the Bank's September 30, 2024 Call Report, in a One-Way Buy<sup>®</sup> of daily maturing or term deposit products. Requesting One-Way Buy<sup>®</sup> deposits requires us to submit a bid including the rate we are willing to pay for the deposits, and such request may be fulfilled in whole, in part, or not at all. If demand for One-Way Buy<sup>®</sup> deposits is high, then the rate required to successfully bid for One-Way Buy<sup>®</sup> deposits would be expected to increase, and so One-Way Buy<sup>®</sup> deposits may be a less reliable source of liquidity. As of September 30, 2024, there was no outstanding balance.

The Bank maintains unsecured lines of credit with three correspondent banks that provide combined availability of \$68.0 million. There were no outstanding balances as of September 30, 2024.

As an intermediate source of liquidity, we may sell AFS securities or allow AFS and HTM securities to mature without reinvestment in the securities portfolio. As of September 30, 2024, our AFS securities portfolio had a fair value of \$294.8 million, and our total AFS and HTM debt securities portfolio had a carrying value of \$603.0 million, including \$183.5 million of bonds maturing within a year and \$287.5 million of bonds maturing between one and five years. Our bond portfolio is structured to provide liquidity when management anticipates it will be needed, and a portion of our AFS bonds are invested in liquid investments like U.S. Treasury securities. In the event liquidity is needed from the bond portfolio, management will take into consideration a number of factors when determining which investments to sell. Variables include the marketability of the bonds, current prices and estimated losses, and other factors.



### ***Liquidity Risk Management***

Liquidity risk refers to the potential that the Bank's financial condition or overall safety and soundness could be adversely affected by a real or perceived inability to meet contractual obligations. This risk category includes potential challenges in managing unplanned decreases or changes in funding sources. Liquidity risk management involves efforts to identify, measure, monitor and control liquidity events.

The Bank's Asset/Liability Committee ("ALCO") of the Board typically reviews current and projected liquidity scenarios, including stressed scenarios, at its quarterly meetings. The ALCO seeks to ensure that measurement systems are designed to identify and quantify the Bank's liquidity exposure, and that reporting systems and practices are intended to communicate relevant information about the level and sources of that exposure. Management is responsible for implementing board-approved policies, strategies, and procedures, and for monitoring liquidity on both a daily and long-term basis.

### ***Capital Resources***

Capital adequacy is generally considered an important indicator of financial stability and performance. Our objectives include maintaining capitalization at levels that we believe are sufficient to support asset growth and to promote confidence among our depositors, investors, and regulators. We recognize that robust capital management practices are integral to addressing various financial and operational challenges, which may include managing credit risk, liquidity risk, balance sheet growth, new products, regulatory changes and competitive pressures.

Stockholders' equity as of September 30, 2024 was \$104.8 million, an increase of \$21.4 million compared to \$83.4 million as of December 31, 2023. Net income for the nine months ended September 30, 2024 contributed \$17.2 million to the increase in stockholders' equity. Forming the remaining balance of the change, accumulated other comprehensive loss decreased \$4.2 million during the nine months ended September 30, 2024, which is primarily related to the improvement in the market value of the AFS securities portfolio.

The Company has a \$10.0 million line of credit from a correspondent bank that it uses to provide capital to the Bank. As of September 30, 2024, \$10.0 million was outstanding on this line of credit. On October 10, 2024, the Company used a portion of the net proceeds from the IPO to fully repay the \$10.0 million outstanding balance. The Company subsequently closed the line on October 11, 2024.

Giving effect to the stock Reclassification completed on October 3, 2024, book value per share as of September 30, 2024 and December 31, 2023 was \$22.95 and \$18.26, respectively. The increase between periods is primarily the result of earnings, which were \$3.77 per share during the nine months ended September 30, 2024. The remaining increase is due to the improvement in the market value of the AFS securities portfolio which caused the accumulated other comprehensive loss to decline.

Because total assets on a consolidated basis are less than \$3.0 billion, we are not subject to the consolidated capital requirements imposed by federal regulations. However, the Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Certain regulatory measurements of capital adequacy are "risk based," meaning they utilize a formula that considers the individual risk profile of the financial institution's assets. For example, certain assets, such as cash at the Federal Reserve and investments in U.S. Treasury securities, are deemed to carry zero risk by the regulators because of explicit or implied federal government guarantees. As of September 30, 2024 and December 31, 2023, respectively, 56.3% and 42.5% of the Bank's total assets were invested in such zero-risk assets. The tier 1 leverage ratio, another regulatory capital measurement, does not consider the riskiness of assets. The leverage ratio is computed as tier 1 capital divided by total average assets for the quarter.

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The Bank's capital level is characterized as "well capitalized" under the Basel III Capital Rules. A summary of the Bank's regulatory capital ratios, and minimum requirement to be considered "well capitalized" are presented below:

(\$ in thousands)	September 30, 2024		December 31, 2023		Well-capitalized requirement
	Amount	Ratio	Amount	Ratio	Ratio
Total risk-based capital ratio	\$ 127,080	31.90 %	\$ 104,523	25.44 %	10.00 %
Tier 1 risk-based capital ratio	122,613	30.78 %	99,856	24.30 %	8.00 %
Common equity tier one risk-based capital ratio	122,613	30.78 %	99,856	24.30 %	6.50 %
Tier 1 leverage ratio	122,613	8.29 %	99,856	9.21 %	5.00 %

During periods of growth in deposits due to seasonality, our assets could reach a level that would require the Bank to control the level of these deposits or require the Company to obtain additional capital to maintain a Tier 1 leverage ratio that exceeds our internal regulatory capital policies or targets and satisfies regulatory requirements. We use the ICS<sup>®</sup> network to help manage our Tier 1 leverage ratio by moving certain deposit accounts off our balance sheet by placing the deposits at other banks as One-Way Sell<sup>®</sup> deposits. As of September 30, 2024, our deposits enrolled in the ICS<sup>®</sup> program totaled \$432.3 million, and were all in a One-Way Sell<sup>®</sup> position. If these deposits were included on our balance sheet as of September 30, 2024, we estimate the Bank's Tier 1 leverage ratio would have been 6.22%.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

#### Interest Rate Sensitivity and Market Risk

Our business activities include attracting deposits and using those deposits to invest in cash, securities, and loans. These activities involve interest rate risk, which arises from factors such as timing and volume differences in the repricing of our rate-sensitive assets and liabilities, changes in credit spreads, fluctuations in the general level of market interest rates, and shifts in the shape and level of market yield curves. Changes in interest rates affects our current and future earnings by impacting our net interest income and the level of other interest-sensitive income and operating expenses. Interest rate fluctuations also influence the underlying economic value of our assets, liabilities and off-balance sheet items. This is because the present value of future cash flows, and in some cases the cash flows themselves, may change when interest rates vary.

Interest rate risk is generally considered a significant market risk for financial institutions. We have developed an interest rate risk policy that aims to provide management with guidelines for funds management. We have also established a system for monitoring our net interest rate sensitivity position. However, it's important to note that despite these measures, significant changes in interest rates could potentially impact our earnings, liquidity and capital positions.

We had a total one-year cumulative gap in rate-sensitive assets and rate-sensitive liabilities of \$787.8 million and \$319.4 million as of September 30, 2024 and December 31, 2023, respectively, indicating that, overall, our assets will reprice before our liabilities. Generally, when interest-earning assets mature or reprice more quickly than interest-bearing liabilities, decreasing interest rates could reduce net interest income and increasing interest rates could increase net interest income.

Our ALCO is composed of our CEO and at least two independent directors and meets at least quarterly to manage interest rate risk in accordance with policies approved by the Bank's board of directors. Members of management from various departments also participate in the ALCO meetings. The board of directors receives monthly interest rate risk measurement results. The ALCO monitors the volume, maturities, pricing and mix of assets and funding sources with the objective of managing assets and funding sources to provide results that are consistent with liquidity, growth, risk limits and profitability goals.

We use interest rate risk models and rate shock simulations to assess the interest rate risk ("IRR") sensitivity of net interest income and the economic value of equity over a variety of parallel and non-parallel rate scenarios. Many assumptions are used to calculate the impact of interest rate fluctuations on our net interest income, such as asset prepayments, non-maturity deposit price sensitivity and decay rates, and rate drivers. Due to the inherent use of estimates and assumptions in the model, our actual results may, and most likely will, differ from our simulated results. Management reviews the assumptions on an as-needed basis and at least annually through a thorough examination. Key changes are presented to the ALCO.

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The table below summarizes the results of our IRR analysis in simulating the change in net interest income over a 12-month horizon as of the indicated dates. The “ramped” scenario below presents the anticipated percentage change in net interest income when rates are increased or decreased in a parallel manner evenly over the 12-month time horizon, and the “immediate” scenario assumes that the parallel rate shift occurs immediately.

Change in interest rates (ramped)	-400 bps	-300 bps	-200 bps	-100 bps	+100 bps	+200 bps	+300 bps	+400 bps
September 30, 2024	(23.30 %)	(17.48 %)	(11.63 %)	(5.82 %)	5.87 %	11.64 %	17.43 %	23.27 %
December 31, 2023	(16.22 %)	(12.11 %)	(8.06 %)	(4.04 %)	4.00 %	8.02 %	12.14 %	16.11 %

  

Change in interest rates (immediate)	-400 bps	-300 bps	-200 bps	-100 bps	+100 bps	+200 bps	+300 bps	+400 bps
September 30, 2024	(52.78 %)	(40.46 %)	(26.82 %)	(13.33 %)	13.26 %	26.44 %	39.63 %	52.89 %
December 31, 2023	(34.76 %)	(25.74 %)	(16.98 %)	(8.41 %)	8.34 %	16.54 %	24.88 %	33.27 %

The results show that we are asset-sensitive, further indicating that we can expect net interest income to increase as rates rise and to decrease as rates decline. See “Risk Factors — Changes in interest rates may adversely affect our earnings and financial condition.” in our Prospectus. Interest rates do not normally move all at once or evenly over time, but this analysis assists in our understanding of the potential direction and magnitude of net interest income changes due to changing interest rates.

The following table illustrates the results of our interest rate risk analysis in simulating the change in fair value of equity as of the indicated dates.

Change in interest rates	-400 bps	-300 bps	-200 bps	-100 bps	+100 bps	+200 bps	+300 bps	+400 bps
September 30, 2024	(12.00 %)	(7.12 %)	(3.66 %)	(1.49 %)	1.54 %	3.96 %	5.63 %	7.49 %
December 31, 2023	14.25 %	12.33 %	8.27 %	3.21 %	(4.81 %)	(8.85 %)	(12.35 %)	(15.45 %)

Due to the nature of our client base, and the resulting balance sheet cyclicity, we will sometimes hold high volumes of immediately repricing assets (*i.e.*, cash) to fund impending political organization deposit outflows. The changes in our balance sheet over the course of a two-year election cycle causes a degree of variability among our interest rate risk results over time.

## Item 4. Controls and Procedures

### Evaluation of Disclosure Controls and Procedures

The Company’s management, including our Principal Executive Officer and Principal Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this report. Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports we file and submit under the Exchange Act is (i) recorded, processed, summarized and reported as and when required and (ii) accumulated and communicated to our management, including our Principal Executive Officer and the Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

### Changes in Internal Control over Financial Reporting

There have been no changes, in the Company’s internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

## Part II - Other Information

### Item 1. Legal Proceedings

We are not presently party to any legal or regulatory proceedings the resolution of which we believe would have a material adverse effect on our business, prospects, financial condition, liquidity, results of operation, cash flows or capital levels.

### Item 1A. Risk Factors

There have been no material changes in the risk factors that were disclosed in the section titled “Risk Factors” in our Prospectus.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

#### Use of Proceeds

On October 7, 2024, the Company completed the issuance and sale of 1,850,000 shares of Class A Common Stock, at a public offering price of \$22.00 per share. The Company received net proceeds of approximately \$33.6 million, after deducting underwriting discounts and commissions of approximately \$2.8 million, and estimated offering expenses, including legal, accounting, and other expenses, of approximately \$4.3 million. On October 10, 2024, the Company used a portion of the net proceeds to fully repay the \$10.0 million outstanding principal balance on its unsecured line of credit with a correspondent bank.

On November 1, 2024, the Company issued an additional 142,897 shares of Class A Common Stock as a result of the underwriters’ exercise of their 30-day option to purchase up to an additional 277,500 shares of its Class A Common Stock at the public offering price less underwriting discounts and commissions, or \$20.46 per share. The issuance resulted in net proceeds to the Company of approximately \$2.9 million, after deducting underwriting discounts and commissions of approximately \$220 thousand. The Company intends to use the remaining net proceeds for general corporate purposes, which may include supporting continued organic deposit growth and funding potential strategic expansion.

All shares sold were registered pursuant to a registration statement on Form S-1 (File No. 333-282102), as amended, which was declared effective by the SEC on October 3, 2024 and registered 2,127,500 shares of our Class A Common Stock with a maximum aggregate offering price of \$55.3 million. Piper Sandler & Co., Raymond James & Associates, Inc., and Hovde Group, LLC acted as representatives of the underwriters for the offering. The offering terminated after the sale of all securities registered pursuant to the Registration Statement.

No payments for the offering expenses were made directly or indirectly to (i) any of our officers or directors or their associates, (ii) any persons owning 10% or more of any class of our equity securities, or (iii) any of our affiliates.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

Not applicable.

### Item 5. Other Information

#### Rule 10b5-1 Trading Plans

During the three months ended September 30, 2024, no directors or executive officers entered into, modified or terminated, contracts, instructions or written plans for the sale or purchase of the Company’s securities that were intended to satisfy the affirmative defense conditions of Rule 10b5-1 or that constituted non-Rule 10b5-1 trading arrangements (as defined in Item 408 of Regulation S-K).

**Item 6. Exhibits**

<b>Number</b>	<b>Description</b>
3.1	<a href="#">Amended and Restated Certificate of Incorporation</a>
3.2	<a href="#">Amended and Restated Bylaws</a>
10.1	<a href="#">Short-Term Cash Incentive Compensation Plan†</a>
31.1	<a href="#">Certification of Chief Executive Officer Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
31.2	<a href="#">Certification of Chief Financial Officer Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32.1	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>

†Certain confidential information contained in this document has been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K, because the Company customarily and actually treats such information as private or confidential and the omitted information is not material.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHAIN BRIDGE BANCORP, INC.

Dated: November 13, 2024

By: /s/ John J. Brough  
Name: John J. Brough  
Title: Chief Executive Officer and Director  
(Principal Executive Officer)

Dated: November 13, 2024

By: /s/ Joanna R. Williamson  
Name: Joanna R. Williamson  
Title: Executive Vice President & Chief Financial Officer  
(Principal Financial Officer)

**AMENDED AND RESTATED CERTIFICATE OF INCORPORATION  
OF  
CHAIN BRIDGE BANCORP, INC.**

**Pursuant to Sections 242 and 245 of  
The General Corporation Law of the State of Delaware**

Chain Bridge Bancorp, Inc., a Delaware corporation (the “*Corporation*”), does hereby certify as follows:

1. The Corporation is duly incorporated and validly existing as a corporation under the General Corporation Law of the State of Delaware (as amended from time to time, the “*DGCL*”) under the name Chain Bridge Bancorp, Inc.
2. The Corporation was first formed on May 26, 2006, as a Virginia corporation. The Corporation underwent a legal change in domicile, commonly referred to as “domestication” in Virginia and “conversion” in Delaware, to become a Delaware corporation, effective September 30, 2022, in accordance with Section 265 of the DGCL.
3. The Corporation’s original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on September 29, 2022 (the “*Original Certificate of Incorporation*”).
4. This Amended and Restated Certificate of Incorporation (this “*Certificate of Incorporation*”) was duly adopted by the Board of Directors of the Corporation and the stockholders of the Corporation in accordance with Sections 242 and 245 of the DGCL.
5. This Certificate of Incorporation restates, integrates and amends the provisions of the Original Certificate of Incorporation.
6. The Original Certificate of Incorporation is hereby amended and restated in its entirety as follows:

**1.  
NAME**

The name of the corporation is Chain Bridge Bancorp, Inc. (the “*Corporation*”).

**2.  
ADDRESS; REGISTERED OFFICE AND AGENT**

The address of the Corporation’s registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801, and the name of its registered agent at such address is The Corporation Trust Company.

**3.**  
**PURPOSE**

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law (as amended from time to time, the “*DGCL*”).

**4.**  
**AUTHORIZED STOCK**

4.1. *Capital Stock.* The total number of shares of all classes of stock that the Corporation shall have authority to issue is 40,000,000 shares, consisting of the following three classes:

- (1) 20,000,000 shares of Class A common stock, par value \$0.01 per share (“*Class A Common Stock*”);
- (2) 10,000,000 shares of Class B common stock, par value \$0.01 per share (“*Class B Common Stock*” and, together with the Class A Common Stock, “*Common Stock*”); and
- (3) 10,000,000 shares of preferred stock, no par value per share (“*Preferred Stock*”).

4.2. *Reclassification.* Immediately upon the effectiveness of this Amended and Restated Certificate of Incorporation (as amended, the “*Certificate of Incorporation*”) (the “*Effective Time*”), each share of common stock, par value \$1.00 per share, of the Corporation (“*Old Common Stock*”) (consisting of 26,876 shares in the aggregate outstanding immediately prior to the Effective Time) shall automatically, without any further action on part of the Corporation or any holder of Old Common Stock, and whether or not the certificates representing such shares of Old Common Stock are surrendered to the Corporation or its transfer agent, be reclassified as and converted into 170 shares of validly issued, fully paid and non-assessable Class B Common Stock (consisting of an aggregate of 4,568,920 shares of Class B Common Stock), which Class B Common Stock shall have the rights, preferences, privileges and restrictions set forth in this Certificate of Incorporation. Any stock certificate that, immediately prior to the Effective Time, represented shares of Old Common Stock shall, from and after the Effective Time, automatically be cancelled without the necessity of presenting the same for exchange, and the shares of Class B Common Stock into which such shares of Old Common Stock shall have been reclassified pursuant to this Section 4.02 shall be uncertificated.

4.3. *Number of Authorized Shares.* Subject to the rights, if any, of the holders of any outstanding shares of Preferred Stock, the number of authorized shares of Class A Common Stock, Class B Common Stock or Preferred Stock may be increased or decreased, in each case without the separate class vote of such stock that otherwise would be required by Section 242(b)(2) of the DGCL, and no vote of the holders of Class A Common Stock, Class B Common Stock or Preferred Stock voting separately as a class will be required therefor (including, for the avoidance of doubt, pursuant to proviso in Section 8.01). Notwithstanding the immediately preceding sentence, the number of authorized shares of any particular class or series may not be



decreased below the number of shares of such class or series then outstanding, and, in the case of Class A Common Stock, the number of authorized but not issued shares of Class A Common Stock may not be decreased to the extent that it would cause the Corporation to be unable to fulfill its obligations to reserve a certain number of shares of Class A Common Stock under Section 5.07(e) of this Certificate of Incorporation. For the avoidance of doubt and notwithstanding anything herein to the contrary, subject to the rights, if any, of the holders of any outstanding shares of Preferred Stock, Section 242(d) of the DGCL shall apply to amendments to the Certificate of Incorporation.

**5.**  
**CAPITAL STOCK**  
**COMMON STOCK**

The rights, preferences, privileges, restrictions and other matters related to the Common Stock are as follows:

5.1. *Identical Rights.* Except as set forth in this Article V, the Class A Common Stock and the Class B Common Stock shall have the same rights and privileges and shall rank equally, share ratably and be identical in all respects as to all matters.

5.2. *Voting Rights.*

5.2.1. Subject to the rights, if any, of the holders of any outstanding shares of Preferred Stock, and except as otherwise required by the DGCL or the provisions of this Certificate of Incorporation, the holders of Common Stock shall have the sole right and power to vote and shall at all times vote together as a single class on all matters (including the election of directors) submitted to a vote of the stockholders of the Corporation generally. At every meeting of the stockholders and on all matters submitted to a vote of stockholders of the Corporation, each holder of Class A Common Stock shall have the right to one (1) vote in person or by proxy for each share of Class A Common Stock held of record by such stockholder and each holder of Class B Common Stock shall have the right to ten (10) votes in person or by proxy for each share of Class B Common Stock held of record by such stockholder. Stockholders shall not be permitted to cumulate their votes in the election of directors. Except as otherwise required by the DGCL or provided in the resolution or resolutions of the Board of Directors or a duly authorized committee thereof establishing the terms of a series of Preferred Stock, no holder of Common Stock, as such, shall be entitled to vote on any amendment or alteration of the Certificate of Incorporation that alters, amends or changes the powers, preferences, rights or other terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other series of Preferred Stock, to vote thereon pursuant to the Certificate of Incorporation or pursuant to the DGCL.

5.2.2. Notwithstanding any other provision of this Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, any merger (including any merger effected pursuant to Section 253 of the DGCL or Section 251(h) of the DGCL),

consolidation or business combination of the Corporation with or into another Person, whether or not the Corporation is the surviving Person, in which any Founder, or a Person or Persons that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, any Founder, is part of the purchaser group or is otherwise a counterparty to such merger, consolidation or business combination, shall require the affirmative vote of the holders of a majority of the then-outstanding shares of Class A Common Stock, voting as a separate class.

5.3. *Dividends or Property Distributions.* Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock, the holders of Common Stock shall be entitled to receive such dividends and other distributions, in cash, stock of any entity or property of the Corporation, when and as may be declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefor, and shall be treated equally, identically and ratably on a per share basis in all such dividends and other distributions; provided, however, that, in the event a distribution is paid in the form of shares of Class A Common Stock or Class B Common Stock (or rights to acquire such shares), then holders of Class A Common Stock shall receive shares of Class A Common Stock (or rights to acquire such shares, as the case may be), and holders of Class B Common Stock shall receive shares of Class B Common Stock (or rights to acquire such shares, as the case may be), with holders of shares of Class A Common Stock and Class B Common Stock receiving, on a per share basis, an identical number of shares of Class A Common Stock or Class B Common Stock (or rights to acquire such shares, as the case may be).

5.4. *Subdivisions, Combinations or Reclassifications.* Neither the Class A Common Stock nor the Class B Common Stock may be subdivided, combined, reclassified or otherwise changed unless contemporaneously therewith the other class of Common Stock is subdivided, combined, reclassified or otherwise changed in a manner that maintains the same proportionate equity ownership and voting power between the holders of the outstanding shares of Class A Common Stock and Class B Common Stock on the record date for such subdivision, combination reclassification or similar change.

5.5. *Liquidation, Dissolution or Winding Up.* In the event of any liquidation, dissolution or winding up (whether voluntary or involuntary) of the Corporation, the holders of Class A Common Stock and Class B Common Stock shall be treated equally, identically and ratably, on a per share basis, with respect to amounts paid upon such liquidation, dissolution or winding up.

5.6. *Mergers, Consolidations, Conversions or Business Combinations.* In any merger, consolidation, conversion or business combination of the Corporation with or into another Person, whether or not the Corporation is the surviving Person, the shares of the Class A Common Stock and the Class B Common Stock shall be treated equally, identically and ratably, on a per share basis, with respect to any consideration into which such shares are converted or any consideration paid or otherwise distributed to stockholders of the Corporation. Notwithstanding the foregoing, in any such merger, consolidation, conversion or business combination in which shares of capital stock are distributed, such shares may differ as to voting

rights to the extent and only to the extent that the voting rights of the Class A Common Stock and Class B Common Stock differ as provided herein.

5.7. *Conversion of Class B Common Stock; Future Issuances.*

5.7.1. *Optional Conversion of Class B Common Stock.* Subject to the terms and conditions of this Section 5.07, each share of Class B Common Stock shall be convertible at any time and from time to time, at the option of the holder thereof into one (1) fully paid and non-assessable share of Class A Common Stock. Each holder of Class B Common Stock who elects to convert the same into Class A Common Stock shall deliver such instrument or other documentation as the Corporation may require to the office of any transfer agent for such Class B Common Stock or, if the Board of Directors so designates, at the principal office of the Corporation (attention of the Secretary of the Corporation) or at such other place or places, if any, as the Board of Directors may designate, and shall give written notice to the Corporation at said office that such stockholder elects irrevocably so to convert said Class B Common Stock in accordance with the terms of this Section 5.07, and shall state in writing therein the number of shares of Class B Common Stock being converted and the name or names in which the shares of Class A Common Stock issued upon conversion are to be registered in book-entry form. The Corporation will as soon as practicable thereafter issue the number of full shares of Class A Common Stock to which such holder shall be entitled as aforesaid and deliver a notice of issuance of uncertificated shares or other evidence of shares held in book-entry form to the person for whose account such Class B Common Stock was so surrendered.

5.7.2. *Automatic Conversion of Class B Common Stock.*

5.7.2.1. *Automatic Conversion Upon Transfer.* Subject to the provisions of subsection (c) of this Section 5.07, each share of Class B Common Stock shall automatically, without any further action on the part of the Corporation, any holder of Class B Common Stock or any other party, convert into one (1) fully paid and non-assessable share of Class A Common Stock if there is a Transfer (as defined herein) of such shares, other than an Exempt Transfer (as defined herein); provided, however, that each share of Class B Common Stock transferred to an Exempt Transferee (as defined herein) pursuant to an Exempt Transfer shall automatically convert into one (1) fully paid and non-assessable share of Class A Common Stock if any event occurs, or any state of facts arises or exists, that causes such Exempt Transferee subsequently to no longer qualify as a “Exempt Transferee” within the meaning of subsection (g) of this Section 5.07.

5.7.2.2. *Sunset Provision.* Subject to the provisions of subsection (c) of this Section 5.07, each share of Class B Common Stock shall automatically, without any further action on the part of the Corporation, any holder of Class B Common Stock or any other party, convert into one (1) fully paid and non-assessable share of Class A Common Stock if the number of

outstanding shares of Class B Common Stock equals less than ten percent (10%) of the total number of outstanding shares of Common Stock.

5.7.3. *Policies and Procedures.* The Corporation, may, from time to time, establish such policies and procedures relating to the conversion of a share or shares of Class B Common Stock into a share or shares of Class A Common Stock and the general administration of this dual class common stock structure as it may deem necessary or advisable, and, to the fullest extent permitted by law, may request or require that holders of a share or shares of Class B Common Stock furnish affidavits or other proof to the Corporation as it may deem necessary or advisable to verify the ownership of such share or shares of Class B Common Stock and to confirm that an automatic conversion into a share or shares of Class A Common Stock has or has not occurred. If the Corporation determines that a share or shares of Class B Common Stock have been inadvertently Transferred in a Transfer that is not an Exempt Transfer, or any other event shall have occurred, or any state of facts arisen or come into existence, that would inadvertently cause the automatic conversion of such shares into Class A Common Stock pursuant to subsection (b) of this Section 5.07, and the registered holder shall have cured or shall promptly cure such inadvertent Transfer or the event or state of facts that would inadvertently cause such automatic conversion, then the Corporation may determine that such share or shares of Class B Common Stock shall not have been automatically converted into Class A Common Stock pursuant to subsection (b) of this Section 5.07.

5.7.4. *Timing of Conversion.* If a share of Class B Common Stock is converted into a share of Class A Common Stock pursuant to this Section 5.07, such conversion shall be deemed to have been made (i) in the case of a voluntary conversion pursuant to subsection (a) of this Section 5.07, at the close of business Eastern Time on the business day on which written notice of such voluntary conversion is received by the transfer agent of the Corporation (or other place as provided above in subsection (a) of this Section 5.07) or (ii) in the case of an automatic conversion upon a Transfer or if any other event occurs, or any state of facts arises or exists, that would cause an automatic conversion pursuant to subsection (b) of this Section 5.07, at the time that the Transfer of such share or shares occurred or at the time that such other event occurred, or state of facts arose, as applicable. Upon any conversion of a share or shares of Class B Common Stock to a share or shares of Class A Common Stock, subject only to rights to receive any dividends or other distributions payable in respect of such share or shares of Class B Common Stock with a record date prior to the date of such conversion, all rights of the holder of such share or shares of Class B Common Stock shall cease with respect to such share or shares of Class B Common Stock and such Person shall be treated for all purposes as having become the registered holder of such share or shares of Class A Common Stock. Shares of Class B Common Stock that are converted into shares of Class A Common Stock as provided in this Section 5.07 shall be retired and may not be reissued.

5.7.5. *Reservation of Stock.* The Corporation will at all times reserve and keep available, solely for the purpose of issue upon conversion of the outstanding shares of Class B Common Stock, such number of shares of Class A Common Stock as shall be issuable upon the conversion of all such outstanding shares of Class B Common Stock. The Corporation covenants that all shares of Class A Common Stock which shall be issued upon conversion of the shares of

Class B Common Stock will, upon issue, be fully paid and non-assessable and not entitled to any preemptive rights.

5.7.6. *Future Issuances.* Except as otherwise provided in or contemplated by this Certificate of Incorporation, the Corporation shall not issue additional shares of Class B Common Stock after the Effective Time unless such issuance is approved by a duly authorized committee of the Board of Directors of the Corporation consisting solely of independent and disinterested directors.

5.7.7. *Definitions.* As used in this Certificate of Incorporation, the following terms shall have the meanings set forth below:

“**Beneficial Ownership**” shall mean, with respect to any security, the ownership of such security by any “beneficial owner,” as such term is defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). The term “**Beneficially Owns**” shall have the correlative meaning.

“**Exempt Transfer**” shall mean:

5.7.7.1.the Transfer by a Qualified Stockholder of any share or shares of Class B Common Stock to one or more Exempt Transferees of the Qualified Stockholder, or the subsequent Transfer of any share or shares of Class B Common Stock by any such transferee to the Qualified Stockholder and/or one or more other Exempt Transferees of the Qualified Stockholder;

5.7.7.2.the grant of a revocable proxy to an officer or officers or a director or directors of the Corporation at the request of the Board of Directors in connection with actions to be taken at an annual or special meeting of stockholders, or the grant of a revocable proxy in response to a public proxy solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act by a stockholder to any stockholder in connection with proposals or nominations made by such stockholder, provided that such proxy does not result in a change of Beneficial Ownership;

5.7.7.3.the entering into a voting trust, agreement or arrangement (with or without granting a proxy) solely with stockholders who are Qualified Stockholders of Class B Common Stock that (i) is disclosed either in a Schedule 13G or Schedule 13D filed with the Securities and Exchange Commission or in writing to the Secretary of the Corporation, (ii) either has a term not exceeding one (1) year or is terminable by the Qualified Stockholder of the shares subject thereto at any time and (iii) does not involve any payment of cash, securities, property or other consideration to the Qualified Stockholder of the shares subject thereto other than the mutual promise to vote shares in a designated manner;

- 5.7.7.4.the pledge of a share or shares of Class B Common Stock that creates a security interest in such pledged share or shares pursuant to a bona fide loan or indebtedness transaction, in each case with a third party lender that makes such loan in the ordinary course of its business, so long as the Qualified Stockholder of such pledged share or shares or one or more Exempt Transferees of the Qualified Stockholder continue to exercise exclusive Voting Control over such pledged share or shares; provided, however, that a foreclosure on such pledged share or shares or other action that would result in a Transfer of such pledged share or shares to the pledgee shall not be an “Exempt Transfer” within the meaning of this Section 5.07;
- 5.7.7.5.the fact that, as of the Effective Time or at any time after the Effective Time, the spouse of any Qualified Stockholder possesses or obtains an interest in such Qualified Stockholder’s shares of Class B Common Stock arising solely by reason of the application of the community property laws of any jurisdiction, so long as no other event or circumstance shall exist or have occurred that constitutes a Transfer of such shares of Class B Common Stock (including a Transfer by operation of law pursuant to a qualified domestic order or in connection with a divorce settlement or any other court order);
- 5.7.7.6.the Transfer of any share or shares of Class B Common Stock in connection with a merger or consolidation of the Corporation with or into any other entity, or in the case of any other transaction having an effect on stockholders substantially similar to that resulting from a merger or consolidation, that has been approved by a duly authorized committee of the Board of Directors consisting solely of independent and disinterested directors (and by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock, voting as a separate class, if such merger or consolidation of the Corporation with or into any other entity or any other transaction having an effect on stockholders substantially similar to that resulting from a merger or consolidation, is subject to Section 5.02(b)) or the entering into a support, voting, tender or similar agreement or arrangement (in each case, with or without the grant of a proxy), including in connection with a voluntary tender of shares pursuant to an agreement governed by Section 251(h) of the DGCL, that has also been approved by a duly authorized committee of the Board of Directors consisting solely of independent and disinterested directors;
- 5.7.7.7.the entry into any contract, instruction or plan pursuant to Rule 10b5-1 under the Exchange Act with a broker or other nominee; provided, however, that a sale or other disposition of such shares of Class B Common Stock pursuant to such contract, instruction or plan shall constitute a “Transfer” at the time of such sale or other disposition;

5.7.7.8.the existence or creation of a power of appointment or authority that may be exercised with respect to a share or shares of Class B Common Stock held by a trust; provided, however, that the Transfer of such share or shares of Class B Common Stock upon the exercise of such power of appointment or authority shall not be an “Exempt Transfer” within the meaning of this Section 5.07; and

5.7.7.9.any Transfer approved in advance by a duly authorized committee of the Board of Directors consisting solely of independent and disinterested directors upon a determination that such Transfer is consistent with the purposes of the foregoing provisions of this definition of “Exempt Transfer”.

For the avoidance of doubt, the direct Transfer of any share or shares of Class B Common Stock by a Qualified Stockholder to any other Person shall qualify as an “Exempt Transfer” within the meaning of this Section 5.07, if such Transfer could have been completed indirectly through one or more transactions involving more than one Transfer, so long as each Transfer in such transaction or transactions would otherwise have qualified as an “Exempt Transfer” within the meaning of this Section 5.07. For the further avoidance of doubt, a Transfer may qualify as an “Exempt Transfer” within the meaning of this Section 5.07 under any one or more than one of the clauses of this Section 5.07 as may be applicable to such Transfer, without regard to any proviso in, or requirement of, any other clause(s) of this Section 5.07.

“*Exempt Transferee*” shall mean:

1.1.1.1.with respect to any Transfer by a Qualified Stockholder who is a natural person:

5.7.7.9.1. one or more Family Members of such Qualified Stockholder;

5.7.7.9.2. a trust or trusts for the sole current benefit of such natural person and/or one or more of such natural person’s Family Members; provided, however, that a trust shall qualify as an “Exempt Transferee” notwithstanding that a remainder interest in such trust is for the benefit of any Person other than such natural person and/or one or more of such natural person’s Family Members, until such time as such trust is for the current benefit of such Person;

5.7.7.9.3. one or more corporations, partnerships, limited liability companies or other entities so long as all of the equity interests in such entities are owned, directly or indirectly, by such natural

person and/or one or more of such natural person's Family Members, and such natural person and/or one or more of such natural person's Family Members have sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such corporation, partnership, limited liability company or other entity; and

5.7.7.9.4. the guardian or conservator of any such natural person who has been adjudged disabled, incapacitated, incompetent or otherwise unable to manage his or her own affairs by a court of competent jurisdiction, in such guardian's or conservator's capacity as such, and/or the executor, administrator or personal representative of the estate of any such Qualified Stockholder who is deceased, in such executor's, administrator's or personal representative's capacity as such;

5.7.7.10. with respect to any Transfer by a Qualified Stockholder that is a trust:

5.7.7.10.1. one or more current beneficiaries of such trust who are Qualified Stockholders, any Exempt Transferee of any such current beneficiary and/or any appointee of a power of appointment exercised with respect to such trust, if such appointee is a Qualified Stockholder; provided, however, that any Person holding a remainder interest in such trust shall not be an "Exempt Transferee" of such trust unless such Person is a Qualified Stockholder or an Exempt Transferee of any current beneficiary who is a Qualified Stockholder;

5.7.7.10.2. any other trust so long as the current beneficiaries of such other trust are Qualified Stockholders, and/or any other trust for the benefit of an appointee of a power of appointment exercised with respect to such trust, if such appointee is a Qualified Stockholder; provided, however, that such other trust shall qualify as an "Exempt Transferee" notwithstanding that a remainder interest in such other trust is for the benefit of any Person other than a Qualified Stockholder until such time as such other trust is for the current benefit of such Person;

5.7.7.10.3. any current trustee or trustees of such trust in the capacity as trustee of such trust, and any successor trustee or trustees in the capacity as trustee of such trust; and

5.7.7.10.4. one or more corporations, partnerships, limited liability companies or other entities so long as all of the equity interests in



such entities are owned, directly or indirectly, by such trust and/or one or more Exempt Transferees of such trust, and such trust and/or one or more Exempt Transferees of such trust have sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such corporation, partnership, limited liability company or other entity;

- 5.7.7.11. with respect to any Transfer by a Qualified Stockholder that is a corporation, partnership, limited liability company or other entity (a “*Corporate Person*”):
- 5.7.7.11.1. the shareholders, partners, members or other equity holders of such Corporate Person, as applicable, who are Qualified Stockholders, in accordance with their respective rights and interests therein, and/or any Exempt Transferee of any such shareholders, partners, members or other equity holders;
  - 5.7.7.11.2. any other corporation, partnership, limited liability company or other entity so long as all of the equity interests in such other corporation, partnership, limited liability company or other entity are owned, directly or indirectly, by such Corporate Person and/or one or more Exempt Transferees of such Corporate Person, and such Corporate Person and/or one or more Exempt Transferees of such Corporate Person has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such other corporation, partnership, limited liability company or other entity; and
  - 5.7.7.11.3. any other corporation, partnership, limited liability company or other entity so long as such other corporation, partnership, limited liability company or other entity owns, directly or indirectly, all of the equity interests of such Corporate Person, and such other corporation, partnership, limited liability company or other entity has sole dispositive power and exclusive Voting Control with respect to the equity interests of such Corporate Person;
- 5.7.7.12. with respect to any Transfer by a Qualified Stockholder that is a bankrupt or insolvent Person, the trustee or receiver of the estate of such bankrupt or insolvent Person, in such trustee’s or receiver’s capacity as such; and
- 5.7.7.13. with respect to any Transfer by a Qualified Stockholder that is a Person that holds Class B Common Stock as the guardian or conservator of any Person who has been adjudged disabled, incapacitated, incompetent

or otherwise unable to manage his or her own affairs, or as the executor, administrator or personal representative of the estate of any deceased Person, or as the trustee or receiver of the estate of a bankrupt or insolvent Person, any Exempt Transferee of such disabled, incapacitated, incompetent, deceased, bankrupt or insolvent Person.

For the avoidance of doubt, the “Exempt Transferees” of any Person within the meaning of this Section 5.07 may be determined under any one or more than one of the clauses of this Section 5.07, if such clauses are applicable to such Person. For the further avoidance of doubt, references to a “trust” shall mean the trust or the trustee or trustees of such trust acting in such capacity, as the context may require.

“**Family Member**” shall mean with respect to any natural person, the spouse, domestic partner or spousal equivalent, parents, grandparents, lineal descendants, siblings and lineal descendants of siblings of such natural person. Lineal descendants shall include adopted persons, but only if they are adopted during minority.

“**Founder**” shall mean (a) any stockholder that Beneficially Owns shares of Class B Common Stock representing in aggregate more than five percent (5%) of the total number of shares of Class B Common Stock issued and outstanding immediately following the Effective Time and any Family Member of any such stockholder and (b) any Person that acquires, directly or indirectly, Beneficial Ownership of shares of Class B Common Stock representing in aggregate more than five percent (5%) of the total number of shares of Class B Common Stock issued and outstanding as a result of an Exempt Transfer from a Founder in accordance with this Section 5.07 and any Family Member of any such Person.

“**Person**” shall mean any natural person, trust, corporation, partnership, limited liability company or other entity.

“**Qualified Stockholder**” shall mean (a) the initial registered holder of any share or shares of Class B Common Stock issued by the Corporation (including the initial registered holder of any share or shares of Class B Common Stock received by such holder as a result of the reclassification of Old Common Stock into Class B Common Stock pursuant to Section 4.02 hereof) and (b) any Person that becomes the registered holder of any share or shares of Class B Common Stock as a result of an Exempt Transfer in accordance with this Section 5.07.

“**Transfer**” of a share or shares of Class B Common Stock shall mean any direct or indirect sale, exchange, assignment, transfer, conveyance, gift, hypothecation or other transfer or disposition of such share or shares or any legal or beneficial interest in such share or shares, whether or not for value and whether voluntary or involuntary or by operation of law. A “Transfer” shall include, without limitation, a transfer of a share or shares of Class B Common Stock to a broker or other nominee (but only to the extent

there is a corresponding change in Beneficial Ownership) and the transfer of, or entering into any agreement, arrangement or understanding with respect to, Voting Control over a share or shares of Class B Common Stock.

“**Voting Control**” shall mean, with respect to a share or shares of Class B Common Stock, the power, whether exclusive or shared, revocable or irrevocable, to vote or direct the voting of such share or shares of Class B Common Stock, including by voting agreement.

## **PREFERRED STOCK**

### 5.8. *Preferred Stock.*

5.8.1. *Designation, Powers and Preferences, Etc.* Shares of Preferred Stock may be issued in one or more series from time to time by the Board of Directors of the Corporation, and the Board of Directors is expressly authorized to fix by resolution or resolutions the designations and the powers, preferences and rights, and the qualifications, limitations and restrictions thereof, of the shares of each series of Preferred Stock, including, without limitation, the following:

- 5.8.1.1.the distinctive serial designation of such series, which shall distinguish it from other series;
- 5.8.1.2.the number of shares included in such series (which may subsequently be increased or decreased to the extent permitted by the DGCL);
- 5.8.1.3.the dividend rate (or method of determining such rate) payable to the holders of the shares of such series, any conditions upon which such dividends shall be paid and the date or dates upon which such dividends shall be payable;
- 5.8.1.4.whether dividends on the shares of such series shall be cumulative and, in the case of shares of any series having cumulative dividend rights, the date or dates or method of determining the date or dates from which dividends on the shares of such series shall be cumulative;
- 5.8.1.5.the amount or amounts which shall be payable out of the assets of the Corporation to the holders of the shares of such series upon voluntary or involuntary liquidation, dissolution or winding up the Corporation, and the relative rights of priority, if any, of payment of the shares of such series;
- 5.8.1.6.the price or prices at which, the period or periods within which and the terms and conditions upon which the shares of such series may be redeemed, in whole or in part, at the option of the Corporation or at the option of the holder or holders thereof or upon the happening of a specified event or events;

- 5.8.1.7.the obligation, if any, of the Corporation to purchase or redeem shares of such series pursuant to a sinking fund or otherwise and the price or prices at which, the period or periods within which and the terms and conditions upon which the shares of such series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;
- 5.8.1.8.whether or not the shares of such series shall be convertible or exchangeable, at any time or times at the option of the holder or holders thereof or at the option of the Corporation or upon the happening of a specified event or events, into shares of any other class or classes or any other series of the same or any other class or classes of stock of the Corporation, and the price or prices or rate or rates of exchange or conversion and any adjustments applicable thereto;
- 5.8.1.9.whether or not the holders of the shares of such series shall have voting rights, in addition to the voting rights provided by the DGCL, and if so the terms of such voting rights; and
- 5.8.1.10. any other powers, preferences and rights and qualifications, limitations and restrictions not inconsistent with the DGCL.

Notwithstanding the foregoing, the Corporation may not issue any shares of Preferred Stock convertible into, or exchangeable for, shares of Class B Common Stock (or any other securities convertible into, or exchangeable for, Class B Common Stock) unless such issuance is approved by a duly authorized committee of the Board of Directors of the Corporation consisting solely of independent and disinterested directors.

5.8.2. *Voting.* Unless otherwise provided in the resolution or resolutions of the Board of Directors or a duly authorized committee thereof establishing the terms of a series of Preferred Stock, no holder of any share of Preferred Stock shall be entitled as of right to vote on any amendment or alteration of the Certificate of Incorporation to authorize or create, or increase the authorized amount of, any other class or series of Preferred Stock or any alteration, amendment or repeal of any provision of any other series of Preferred Stock that does not adversely affect in any material respect the rights of the series of Preferred Stock held by such holder.

5.8.3. Unless otherwise provided in the resolution or resolutions of the Board of Directors or a duly authorized committee thereof establishing the terms of a series of Preferred Stock, no holder of any share of Preferred Stock shall, in such capacity, be entitled to bring a derivative action, suit or proceeding on behalf of the Corporation.

**6.**  
**BOARD OF DIRECTORS**

6.1. *General Powers.* Except as otherwise provided in this Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed under the direction of the Board of Directors.

6.2. *Number of Directors; Independence.* The number of directors constituting the entire Board of Directors shall be fixed from time to time pursuant to the Bylaws of the Corporation but in no event shall be less than seven (7) or more than fifteen (15). So long as the Class A Common Stock of the Corporation is listed for trading on a national securities exchange, a majority of directors shall be independent in accordance with and as defined by the rules and regulations of such exchange.

6.3. *Term; No Cumulative Voting.* Directors shall be elected at each annual meeting and shall serve until their successors are elected and qualified or until such director's earlier death, resignation, removal, or ineligibility to serve as specified in the Bylaws of the Corporation. There shall be no cumulative voting in the election of directors.

6.4. *Removal.* Directors of the Corporation may be removed with or without cause, at a meeting called expressly for that purpose, and only upon the affirmative vote of the holders of a majority of the voting power of all of the then-outstanding shares of capital stock of the Company entitled to vote at an election of directors.

6.5. *Vacancies; Newly Created Directorships.* Any vacancies or newly created directorships in the Board of Directors resulting from an increase in the size of the Board of Directors or the death, resignation or removal of a director may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum. Any director appointed to fill a vacancy shall serve until such director's successor is elected and qualified or until such director's earlier death, resignation, removal, or ineligibility to serve as specified in the Bylaws of the Corporation.

6.6. *Vote by Ballot.* Elections of directors need not be by written ballot except and to the extent provided in the Bylaws of the Corporation.

**7.**  
**STOCKHOLDER MEETINGS**

7.1. *No Consent of Stockholders in Lieu of Meeting.* Any action required or permitted by law to be taken by the stockholders must be effected at a duly called meeting of stockholders and may not be effected by any consent in writing of such stockholders.

7.2. *Special Meetings of Stockholders.* Special meetings of the stockholders, for any purpose or purposes, may be called at any time by (i) the Board of Directors pursuant to a resolution adopted by the affirmative vote of a majority of the directors of the Corporation then serving on the Board of Directors, (ii) the Chairman of the Board of Directors or (iii) the Chief

Executive Officer. Subject to compliance with the procedures set forth in the Bylaws of the Corporation, as amended from time to time, special meetings of stockholders may be called by the Secretary of the Corporation upon written request of the record holders of at least fifteen percent (15%) or more of the total voting power of the then-outstanding shares of Common Stock. At a special meeting, no business shall be transacted and no corporate action shall be taken other than that stated in the notice of meeting.

7.3. *Stockholder Nominations and Introduction of Business, Etc.* Advance notice of stockholder nominations for the election of directors of the Corporation and of business to be brought by stockholders before any meeting of stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

## **8.** **AMENDMENTS**

8.1. *Amendment of the Certificate of Incorporation.* The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation; provided, however, that (i) any amendment to this Certificate of Incorporation that would adversely affect the rights or preferences of the Class A Common Stock or the Class B Common Stock shall require the affirmative vote of the holders of a majority of the outstanding shares of the adversely affected class, voting together as a separate class and (ii) any amendment to this Certificate of Incorporation that would disproportionately benefit the Founders relative to stockholders other than the Founders shall require the affirmative vote of the holders of a majority of voting power of the outstanding shares held by stockholders other than the Founders, voting together as a separate class. Notwithstanding the foregoing, the Board of Directors may make any amendment to this Certificate of Incorporation that does not require stockholder approval under the DGCL, without requiring any separate class vote.

8.2. *Amendment of Bylaws.* The Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the Corporation. Any adoption, amendment or repeal of the Bylaws of the Corporation by the Board of Directors shall require the approval of a majority of the total number of directors the Corporation would have if there were no vacancies on the Board of Directors.

## **9.** **EXCULPATION**

9.1. A director or officer of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director or officer, as

applicable, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as currently in effect or as the same may hereafter be amended.

9.2. No amendment, modification or repeal of this Article IX shall adversely affect any right or protection of any person for or with respect to any acts or omissions of such director or officer or occurring prior to the time of such amendment, modification or repeal.

## 10.

### **EXCLUSIVE FORUM**

10.1. *Exclusive Forum.* Unless the Corporation consents in writing to the selection of an alternative forum, (a) the Court of Chancery (the “*Chancery Court*”) of the State of Delaware (or, if the Chancery Court lacks jurisdiction over such action or proceeding, then another state court of the State of Delaware or, if no state court of the State of Delaware has jurisdiction, then the United States District Court for the District of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action, suit or proceeding brought on behalf of the Corporation, (ii) any action, suit or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer or stockholder of the Corporation to the Corporation or to the Corporation’s stockholders, (iii) any action, suit or proceeding arising pursuant to any provision of the DGCL or the Bylaws of the Corporation or this Certificate of Incorporation (as either may be amended from time to time) or (iv) any action, suit or proceeding asserting a claim against the Corporation governed by the internal affairs doctrine; and (b) subject to the preceding provisions of this Article X, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause or causes of action arising under the Securities Act of 1933, as amended, including all causes of action asserted against any defendant to such complaint. If any action the subject matter of which is within the scope of clause (a) of the immediately preceding sentence is filed in a court other than the courts in the State of Delaware (a “*Foreign Action*”) in the name of any stockholder, to the fullest extent permitted by applicable law, such stockholder shall be deemed to have consented to (x) the personal jurisdiction of the state and federal courts in the State of Delaware in connection with any action brought in any such court to enforce the provisions of clause (a) of the immediately preceding sentence and (y) having service of process made upon such stockholder in any such action by service upon such stockholder’s counsel in the Foreign Action as agent for such stockholder.

10.2. *Notice and Consent.* Any person or entity purchasing or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to this Article X. Notwithstanding the foregoing, the provisions of this Article X shall not apply to suits brought to enforce any liability or duty created by the Exchange Act, or any other claim for which the federal courts of the United States have exclusive jurisdiction.

10.3. *Survival.* If any provision or provisions of this Article X shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever, (a) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article X (including, without limitation, each portion of any

paragraph of this Article X containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (b) the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

\* \* \*

This Certificate of Incorporation shall become effective at 3:00 p.m. Wilmington, Delaware time on October 3, 2024.



IN WITNESS WHEREOF, I have signed this Certificate of Incorporation this 3rd day of October, 2024.

**CHAIN BRIDGE BANCORP, INC.**

By: /s/ Peter Fitzgerald

Name: Peter G. Fitzgerald

Title: Chairman of the Board

**AMENDED AND RESTATED BYLAWS  
OF  
CHAIN BRIDGE BANCORP, INC.**

As Adopted by the Board of Directors: September 24, 2024  
Effective: October 3, 2024

**1.  
Stockholders**

1.1. Annual Meetings. An annual meeting of stockholders for the election of directors and the transaction of any other proper business shall be held at such date, time and (a) place either within or without the State of Delaware as determined by Chain Bridge Bancorp, Inc. (the “Corporation”), and/or (b) if so determined by the Board of Directors of the Corporation (the “Board”), by means of remote communication.

1.2. Special Meetings.

1.2.1. Subject to the rights specified in any certificate of designations of the holders of any outstanding series of preferred stock of the Corporation, a special meeting of stockholders (i) may be called at any time for any purpose or purposes by (x) the Board pursuant to a resolution adopted by the affirmative vote of a majority of the directors of the Corporation then serving on the Board, (y) the Chairman of the Board or (z) the Chief Executive Officer of the Corporation (the “Chief Executive Officer”); and (ii) shall be called by the secretary of the Corporation (the “Secretary”) upon the receipt by the Secretary in accordance with an Acceptable Delivery Method of a written request (a “Special Meeting Request”) by one or more Requesting Stockholders (as defined below) of record who own as of the date of the Secretary’s receipt of the Special Meeting Request, shares of the Corporation’s Common Stock (as defined in the Corporation’s Certificate of Incorporation (as amended or restated from time to time, the “Certificate of Incorporation”)) representing at least fifteen percent (15%) (the “Special Meeting Requisite Percentage”) or more of the total voting power of the then-outstanding shares of Common Stock and who have continuously held the Special Meeting Requisite Percentage for a one-year period ending on the date of the Secretary’s receipt of the Special Meeting Request; provided that a special meeting of stockholders requested by a Requesting Stockholder (a “Stockholder Requested Special Meeting”) shall be called by the Secretary only if such Requesting Stockholder and its Special Meeting Request comply with the applicable provisions of these Bylaws, the Certificate of Incorporation and applicable law. Special meetings of stockholders shall be held at such date, time and (A) place either within or without the State of Delaware as determined by the Corporation, and/or (B) if so determined by the Board, by means of remote communication, in each case, as stated in the notice of the meeting.

1.2.2. To be in proper form, a Special Meeting Request shall:

1.2.2.1.bear the signature and the date of signature of the Requesting Stockholder and set forth the name and address of such Requesting Stockholder as they appear in the Corporation's books;

1.2.2.2.set forth a statement of the specific purpose or purposes of such Requesting Stockholder for requesting such Stockholder Requested Special Meeting;

1.2.2.3.include the information required to be included in a stockholder's notice pursuant to Section 1.11 (including the Questionnaire and the Representation and Agreement);

1.2.2.4.include documentary evidence that such Requesting Stockholder(s) own of record in the aggregate not less than the Special Meeting Requisite Percentage as of the date of such Special Meeting Request; provided that, if any Requesting Stockholder is not the record holder of any shares representing the Special Meeting Requisite Percentage, then, to be valid, such Special Meeting Request must also include documentary evidence of such Requesting Stockholder's authority to execute the Special Meeting Request on behalf of one or more record holder(s); and

1.2.2.5.include an agreement and acknowledgement signed by each Requesting Stockholder (A) to own the Special Meeting Requisite Percentage at all times between the date of the Secretary's receipt of the Special Meeting Request, on the one hand, and the date of the Stockholder Requested Special Meeting, on the other hand, (B) to notify the Corporation immediately in the case of any reduction in the shares of capital stock of the Corporation owned by such Requesting Stockholder prior to the date of the Stockholder Requested Special Meeting, and (C) that the Special Meeting Request shall be deemed to be revoked (and any special meeting scheduled in response thereto may be canceled) if the capital stock of the Corporation owned by such Requesting Stockholder(s) does not represent ownership of at least the Special Meeting Requisite Percentage at all times between the date of the Secretary's receipt of the Special Meeting Request and the date of the Stockholder Requested Special Meeting.

1.2.3.Each applicable person (including the Requesting Stockholder and any proposed nominee) shall update the Special Meeting Request delivered and information previously provided to the Corporation pursuant to this Section 1.2 and under any Questionnaire or Representation and Agreement, if necessary, so that the information provided or required to be provided in such Special Meeting Request shall continue to be true and correct (i) as of the record date for determining the stockholders entitled to notice of the Stockholder Requested Special Meeting and (ii) as of the date that is ten business days prior to the Stockholder Requested Special Meeting (or any adjournment, recess or postponement thereof), and such update shall be received by the Secretary in accordance with an Acceptable Delivery Method not later than five business days after the record date for such Stockholder Requested Special Meeting (in the case of an update required to be made as of the record date) and not later than eight business days prior to the date of such Stockholder Requested Special Meeting (in the

case of an update required to be made as of the date that is ten business days prior to such Stockholder Requested Special Meeting or any adjournment, recess or postponement thereof).

1.2.4. The obligation of a Requesting Stockholder, any proposed nominee or other applicable person to provide information or an update pursuant to this Section 1.2 and under any Questionnaire or Representation and Agreement, as applicable, shall not limit the Corporation's rights with respect to any deficiencies in any Special Meeting Request or information provided by such person or enable or be deemed to permit such person to amend or update any nomination or proposal, as applicable or to submit any new nomination or proposal, including by substituting or adding nominees or proposals, as applicable.

1.2.5. Any Requesting Stockholder may revoke such stockholder's Special Meeting Request at any time by revocation received by the Secretary in accordance with an Acceptable Delivery Method. If, following such revocation (including any revocation resulting from a reduction in the shares of capital stock of the Corporation owned by a Requesting Stockholder), there are outstanding unrevoked Special Meeting Requests from stockholders holding in the aggregate less than the Special Meeting Requisite Percentage, (i) the Board may, in its discretion, cancel the Stockholder Requested Special Meeting and (ii) the Board, the Chairman of the Board, or the presiding person of a meeting of stockholders may, subject to Sections 1.4 and 1.6, may adjourn or recess the Stockholder Requested Special Meeting, or declare that any nomination or other business brought pursuant to such Special Meeting Requests is defective. The first date on which Special Meeting Request(s) that (x) constitute not less than the Special Meeting Requisite Percentage and (y) satisfy the applicable requirements of these Bylaws, the Certificate of Incorporation and applicable law (or, in the case of any litigation related to the validity of the Special Meeting Request, is found to be valid upon final, non-appealable resolution of such litigation) shall have been received by the Secretary is referred to herein as the "Special Meeting Request Receipt Date".

1.2.6. In determining whether a Stockholder Requested Special Meeting has been requested by the record holders of shares representing in the aggregate at least the Special Meeting Requisite Percentage, multiple Special Meeting Requests received by the Secretary will be considered together only if each such Special Meeting Request (i) identifies identical or substantially similar items to be acted on at the Stockholder Requested Special Meeting as determined in good faith by the Board and (ii) has been dated and received by the Secretary within 60 days of the earliest date of such Special Meeting Requests.

1.2.7. Notwithstanding the foregoing, the Corporation shall not be required to convene a Stockholder Requested Special Meeting if:

1.2.7.1.the Requesting Stockholder(s) have not complied with the requirements for calling a special meeting set forth in these Bylaws, the Certificate of Incorporation or applicable law;

1.2.7.2.the Special Meeting Request relates to an item of business that is not a proper subject for action by a stockholder under applicable law, rule or regulation;

1.2.7.3.the Special Meeting Request was made in a manner that involved a violation of Regulation 14A under the Securities Exchange Act of 1934 (together with the rules and regulations promulgated thereunder, in each case, as may be amended from time to time, the “Exchange Act”) or other applicable law;

1.2.7.4.the Special Meeting Request Receipt Date is during the period commencing 90 days prior to the first anniversary of the date of the preceding annual meeting of stockholders and ending on the date of the next annual meeting of stockholders;

1.2.7.5.the Special Meeting Request relates to an item other than the matters described in clause (vi) and such item is determined by the Board to be identical or substantially similar to an item that was presented at any meeting of stockholders held within 12 months prior to the Special Meeting Request Receipt Date (a “Similar Item”);

1.2.7.6.the Special Meeting Request relates to the election or removal of directors, and (A) a Similar Item involving the election or removal of directors, a change in the size of the Board or the filling of vacancies and/or newly created directorships resulting from any increase in the authorized number of directors was presented at any meeting of stockholders held not more than 90 days before the Special Meeting Request Receipt Date or (B) the Board has otherwise determined that directors shall not be elected at a special meeting pursuant to Section 1.11(b);

1.2.7.7.a Similar Item is included in the Corporation’s notice as an item of business to be brought before a meeting of stockholders that is called for a date within 90 days after the Special Meeting Request Receipt Date; or

1.2.7.8.two or more Stockholder Requested Special Meetings have been held within the twelve-month period prior to the Special Meeting Request Receipt Date.

1.2.8.Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice of the meeting, which, in the case of a Stockholder Requested Special Meeting shall be limited to (i) the purpose(s) stated in any valid Special Meeting Request received from a Requesting Stockholder and (ii) any additional matters that the Board determines to include in the Corporation’s notice of the Stockholder Requested Special Meeting.

1.3. Notice of Meetings. Subject to Section 1.4, whenever stockholders are required or permitted to take any action at a meeting of stockholders, a notice of the meeting shall be given which shall state the date and time of the meeting, place of the meeting or the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting of stockholders, if such date is different from the record date for determining stockholders entitled to notice of the meeting of stockholders, and, in the case of a special meeting of stockholders, the purpose or purposes for which the meeting of stockholders is called. Unless otherwise provided by applicable law, the notice of any meeting of stockholders shall be given not less than ten nor more than 60 days before the date of the meeting of stockholders to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting of stockholders. Unless otherwise required by applicable law, the Certificate of Incorporation or these Bylaws, notice may be given in writing directed to the stockholder's mailing address or by electronic transmission to the stockholder's email address as it appears on the Corporation's records or by such other form of electronic transmission consented to by the stockholder in accordance with law, and shall be deemed given: (a) if mailed, when deposited in the U.S. mail, postage prepaid; (b) if delivered by courier service, the earlier of when the notice is received or left at such stockholder's address; or (c) if given by electronic mail, when directed to such stockholder's electronic mail address unless the stockholder has notified the Corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail or such notice is prohibited by Section 232(e) of the Delaware General Corporation Law (the "DGCL"). A stockholder otherwise entitled to notice may waive such notice in accordance with Section 6.3.

1.4. Adjournments, Postponements and Cancellation.

1.4.1. Any meeting of stockholders may be adjourned or recessed from time to time for any reason, whether or not a quorum is present, by the Board, the Chairman of the Board, or the presiding person of a meeting of stockholders, to reconvene at the same or some other place and/or by means of remote communication, and notice need not be given of any such adjourned or recessed meeting of stockholders if the time and place and/or means of remote communication for the meeting are announced at the meeting of stockholders at which the adjournment or recess is taken or are provided in any other manner permitted by applicable law; provided, however, that if the adjournment or recess is for more than 30 days, or if after the adjournment the Board fixes a new record date for determining the stockholders entitled to vote at the adjourned or recessed meeting of stockholders, then a notice of the adjourned or recessed meeting shall be given to each stockholder of record as of the new record date for determining the stockholders entitled to notice of the adjourned or recessed meeting of stockholders under Section 1.3. At the adjourned or recessed meeting of stockholders, the Corporation may transact any business which might have been transacted at the original meeting of stockholders.

1.4.2. In addition, subject to applicable law, any meeting of stockholders, including any Stockholder Requested Special Meeting, may be postponed, rescheduled or cancelled by the Board at any time before such meeting has been convened.

1.4.3. In no event shall any adjournment, recess or postponement of a stockholder meeting (whether or not already publicly noticed) or the announcement thereof commence a new time period (or extend any time period) for the giving of a stockholder's notice pursuant to Section 1.11.

1.5. Quorum. At each meeting of stockholders, except where otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws, the holders of a majority of the outstanding shares of capital stock of the Corporation entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum. For purposes of the foregoing, where a separate vote by class or classes is required for any matter, the holders of a majority of the outstanding shares of such class or classes, present in person or represented by proxy, shall constitute a quorum to take action with respect to that vote on that matter; provided that two or more classes or series of capital stock shall be considered a single class if the holders thereof are entitled to vote together as a single class on that matter at the meeting. When a quorum is once present to organize a meeting, it shall not be broken by the subsequent withdrawal of any stockholders or their proxies. In the absence of a quorum of the holders of any class of capital stock entitled to vote on a matter, the Board, the Chairman of the Board, or the presiding person of the meeting may, on the Board's or such person's own motion and without the approval of the stockholders who are present in person or represented by proxy and entitled to vote, adjourn, recess or postpone the meeting from time to time in the manner provided by Section 1.4 until a quorum of such class shall be so present and represented.

1.6. Conduct of Meetings; Organization.

1.6.1. The Board may adopt by resolution such rules and regulations for the conduct of each meeting of stockholders as it shall deem appropriate. If the Board determines that any requirement in these Bylaws, the Certificate of Incorporation or any other applicable legal requirement has not been satisfied (including compliance with any Questionnaire or Representation and Agreement required under or provided pursuant to these Bylaws) as to any nomination or other business proposed to be brought before a meeting of stockholders, then the Board may elect to (i) waive such deficiency with respect to such proposed nomination or other business, (ii) notify the stockholder of, and provide the stockholder with an opportunity to cure, such deficiency, or (iii) decline to allow the proposed nomination or other business to be transacted at the meeting, even if the Corporation has received proxies or votes in respect of those matters (which proxies and votes shall also be disregarded).

1.6.2. Meetings of stockholders shall be presided over by the Chairman of the Board, or in the absence of the Chairman of the Board, by the Chief Executive Officer, or in the absence of the Chief Executive Officer, by any officer or director designated by the Board. The Secretary, or in the absence of the Secretary, an assistant

secretary of the Corporation (an “Assistant Secretary”), shall act as secretary of the meeting, but in the absence of the Secretary and any Assistant Secretary, any officer or director designated by the Board shall act as secretary of the meeting.

1.6.3. The order of business at each such meeting shall be as determined by the presiding person of the meeting. Except to the extent inconsistent with any rules and regulations adopted by the Board with respect to the applicable meeting, the presiding person of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts and things as, in the judgement of such person, are necessary or desirable for the proper conduct of the meeting, including, without limitation, (i) establishing procedures for the maintenance of order and safety, (ii) establishing limitations on the time allotted for questions or comments, (iii) establishing restrictions on entry to such meeting after the time prescribed for the commencement thereof, (iv) establishing limitations on attendance and participation at the meeting to stockholders of record, their duly authorized proxies and such other individuals as the presiding person of the meeting may determine, (v) establishing the opening and closing of the voting polls, for each item on which a vote is to be taken, (vi) determining and declaring that a matter, business or nomination was not properly brought before the meeting, (vii) removing any stockholder or any other individual who refuses to comply with meeting rules, regulations and procedures as set forth by the Board or the presiding person of the meeting, (viii) concluding the meeting or adjourning or recessing the meeting, whether or not a quorum is present, to a later date or time and to the same or some other place or by means of remote communication and (ix) restricting the use of audio/video recording devices and cell phones at the meeting.

1.6.4. Except as otherwise required by applicable law, the Certificate of Incorporation or these Bylaws, (i) the Board may, at its discretion, and (ii) the Chairman of the Board or the person presiding at the applicable meeting of stockholders shall, to the extent not inconsistent with any prior determination of the Board set forth in a resolution adopted by the affirmative vote of a majority of the directors of the Corporation then serving on the Board, have the power to (in each case of subclauses (i) and (ii), regardless of whether the Board has previously made a determination with respect to a particular proposed nomination or other business pursuant to clause (a) of this Section 1.6 or with respect to a Stockholder Requested Meeting pursuant to Section 1.2(e)): (x) determine whether any proposed nomination or other business to be brought before the meeting, including at any Stockholder Requested Special Meeting, was properly brought in accordance with these Bylaws (including in compliance with any Representation and Agreement required under or provided pursuant to these Bylaws), the Certificate of Incorporation, or in compliance with any other applicable legal requirement, including Rule 14a-19 under the Exchange Act, and (y) if any proposed nomination or other business was not properly brought, to declare that such proposed nomination or other business is defective. If the Board, the Chairman of the Board, or the person presiding at the applicable meeting of stockholders should so determine and declare, the defective nomination or other



business shall be disregarded, even if the Corporation has received proxies or votes in respect of those matters (which proxies and votes shall also be disregarded).

1.6.5. Notwithstanding anything herein to the contrary, unless otherwise required by applicable law, if (i) all Requesting Stockholder(s), in the case of a Stockholder Requested Special Meeting, or (ii) any Proposing Stockholder fails to appear or send a Qualified Representative (as defined herein) to present the matters such stockholder requested to be presented at the applicable meeting of stockholders, the Corporation need not present such matters for a vote at such meeting, even if the Corporation has received proxies or votes in respect of those matters (which proxies and votes shall also be disregarded).

1.7. Inspectors. Prior to any meeting of stockholders, the Board, the Chairman of the Board, the Chief Executive Officer or the Secretary shall appoint one or more inspectors to act at such meeting and make a written report thereof and may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at the meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. The inspectors shall (i) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each, (ii) determine the shares represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors and (v) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons to assist them in the performance of their duties. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxy or vote, nor any revocation thereof or change thereto, shall be accepted by the inspectors after the closing of the polls. In determining the validity and counting of proxies and ballots, the inspectors shall conduct the examination in accordance with, and consider such information as is permitted by, applicable law.

1.8. Voting; Proxies.

1.8.1. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy in the manner authorized by Section 212 of the DGCL, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power, regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to

the Secretary a revocation of the proxy or a new proxy bearing a later date before the vote pursuant to that proxy.

1.8.2. Any stockholder directly or indirectly soliciting proxies from other stockholders in respect of any proposal of business or nomination must use a proxy card color other than blue and white, which shall be reserved for exclusive use by the Board.

1.8.3. Directors shall be elected by a majority of the votes cast at a meeting of stockholders at which a quorum is present by holders of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors; provided, however, that directors shall be elected by the vote of a plurality of the votes cast at any meeting at which a quorum is present for which (i) the Secretary receives a notice pursuant to these Bylaws that a stockholder intends to nominate a director or directors and (ii) such proposed nomination has not been withdrawn by such stockholder on or prior to the tenth day preceding the date the Corporation first mails its notice of meeting for such meeting to the stockholders. For purposes of these Bylaws, a majority of votes cast shall mean that the number of votes cast “for” a director’s election exceeds the number of votes cast “against” that director’s election (with “abstentions” and “broker non-votes” (or other shares of capital stock of the Corporation similarly not entitled to vote) not counted as a vote cast either “for” or “against” that director’s election).

1.8.4. In all other matters, unless a different vote is required by applicable law, the Certificate of Incorporation, these Bylaws or the rules or regulations of any stock exchange upon which any Corporation Securities are traded (in which case such different vote shall be the applicable vote on the matter), the affirmative vote of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Where a separate vote by class or classes is required, the affirmative vote of the holders of a majority of the shares cast of such class or classes present in person or represented by proxy at the meeting shall be the act of such class or classes, except as otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws.

1.9. Fixing Date for Determination of Stockholders of Record.

1.9.1. In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than 60 nor less than ten days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if

notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

1.9.2. In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be the close of business on the day on which the Board adopts the resolution relating thereto.

1.10. List of Stockholders Entitled to Vote. The Secretary shall prepare and make available, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Nothing in this Section 1.10 shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of ten days ending on the day before the meeting date: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal executive offices of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders.

1.11. Notice of Stockholder Proposals and Nominations of Directors.

1.11.1. Annual Meeting of Stockholders.

1.11.1.1. Nominations of persons for election to the Board or the proposal of other business to be brought to the stockholders at an annual meeting of stockholders may be made only (A) pursuant to the Corporation's notice of meeting (or any supplement thereto), (B) by or at the direction of the Board, or (C) by any Proposing Stockholder who is a stockholder of record on the date of the giving of the notice provided for in this Section 1.11(a) and at the time of the applicable meeting, who shall be entitled to vote at the meeting. Clause (C) of Section 1.11(a)(i) sets forth the exclusive means for a stockholder to nominate persons for election to the Board at an annual meeting of stockholders or to propose other business to be considered at any annual meeting of stockholders (other than matters properly brought under Rule 14a-8 under the Exchange Act).

1.11.1.2. Any matter proposed to be brought by a stockholder must constitute a proper matter for stockholder action. For nominations or other business to be properly brought by a Proposing Stockholder before an annual meeting of stockholders pursuant to clause (C) of Section 1.11(a)(i), the Proposing Stockholder must timely deliver notice of such matters in proper written form to the Secretary and otherwise comply with these Bylaws.

1.11.1.3. For nominations or other business to be brought before a stockholder meeting by a Proposing Stockholder in a timely manner pursuant to clause (C) of Section 1.11(a)(i), a Proposing Stockholder's notice must be received in a proper form and in accordance with an Acceptable Delivery Method not earlier than the 120th day, and not later than the 90th day, prior to the first anniversary of the preceding year's annual meeting of stockholders; provided, however, that in the event that no annual meeting was held in the previous year or the annual meeting is called for a date that is more than 30 days earlier or delayed (other than as a result of adjournment or recess) by more than 60 days later than such anniversary date, such stockholder's notice must be received not earlier than the 120th day prior to such annual meeting and not later than the later of (1) the 90th day prior to such annual meeting and (2) the tenth day following the day on which public disclosure of the date of such annual meeting is first made by the Corporation.

1.11.1.4. To be in proper written form, a stockholder's notice to the Secretary pursuant to clause (C) of Section 1.11(a)(i) shall set forth in writing:

1.11.1.4.1. all Stockholder Information;

1.11.1.4.2. with respect to any nomination of persons for election to the Board to be brought before a stockholder meeting, all Nominee Information;

1.11.1.4.3. with respect to any business to be brought before a stockholder meeting other than nominations, all Proposal Information; and

1.11.1.4.4. such other information regarding each matter of business to be proposed, each proposed nominee, each Proposing Stockholder or any Interested Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with the solicitations of proxies for such business or nomination, or is otherwise required pursuant to Section 14 of the Exchange Act (or pursuant to any law or statute replacing such section) and the rules and regulations promulgated thereunder.

1.11.2. Special Meeting.

1.11.2.1. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting, or by or at the direction of the Board. Notwithstanding

anything to the contrary in these Bylaws, subject to applicable law, the Board shall have the power to determine in its reasonable discretion whether directors shall be elected at a special meeting.

1.11.2.2. A Proposing Stockholder who is a stockholder of record on the date of the giving of the notice provided for in this Section 1.11(b) and at the time of the applicable meeting and who shall be entitled to vote at the meeting may nominate persons for election to the Board or propose other business to be brought to the stockholders at a special meeting of stockholders, provided that (A) any matter proposed to be brought by a stockholder must constitute a proper matter for stockholder action, (B) the Proposing Stockholder timely delivers notice of such matters in proper written form to the Secretary and otherwise comply with the requirements under these Bylaws, (C) a Proposing Stockholder may make such nomination(s) at a special meeting only if the Corporation's notice of meeting indicates that directors shall be elected at such meeting, and (D) in the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such nomination(s) made by a Proposing Stockholders are limited to the directorships to be voted upon at the meeting, as specified in the Corporation's notice of meeting. Section 1.11(b)(ii) sets forth the exclusive means for a stockholder to nominate persons for election to the Board at a special meeting of stockholders or to propose other business to be considered at any special meeting of stockholders.

1.11.2.3. For nominations or other business to be brought before a special meeting of stockholders in a timely manner pursuant to Section 1.11(b)(ii), a Proposing Stockholder's notice must be received in a proper form and in accordance with an Acceptable Delivery Method, not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting.

1.11.2.4. To be in proper written form, a stockholder's notice to the Secretary pursuant to Section 1.11(b)(ii) shall set forth in writing the information required by Section 1.11(a)(iv) and that otherwise complies with these Bylaws (including Section 1.11 and Section 1.2, as applicable).

1.11.3. General.

1.11.3.1. Prior to submitting a stockholder's notice (including a Special Meeting Request) with respect to any nomination that a Proposing Stockholder proposes to be brought before any meeting of stockholders, the Proposing Stockholder shall request in writing from the Secretary the forms of the Questionnaire and the Representation and Agreement, and the Secretary shall provide such forms to the Proposing Stockholder within ten days after receiving such request.

1.11.3.2. Each applicable person (including the Proposing Stockholder and proposed nominee) shall update the notice delivered and information previously provided to the Corporation pursuant to this Section 1.11 and under any Questionnaire or Representation and Agreement, if necessary, so that the information provided or required to be provided in such notice shall continue to be true and correct (i) as of the record date for determining the stockholders entitled to notice of the meeting and (ii) as of the date that is ten business days prior to the meeting (or any adjournment, recess or postponement thereof), and such update shall be received by the Secretary in accordance with an Acceptable Delivery Method not later than five business days after the record date for such meeting (in the case of an update required to be made as of the record date) and not later than eight business days prior to the date of such meeting (in the case of an update required to be made as of the date that is ten business days prior to such meeting or any adjournment, recess or postponement thereof).

1.11.3.3. The obligation of a Proposing Stockholder, proposed nominee or other applicable person to provide information or an update pursuant to this Section 1.11 and under any Questionnaire or Representation and Agreement, as applicable, shall not limit the Corporation's rights with respect to any deficiencies in any notice or information provided by such person, extend any applicable deadlines under this Section 1.11 or enable or be deemed to permit such person to amend or update any nomination or proposal, as applicable, or to submit any new nomination or proposal, including by substituting or adding nominees or proposals, as applicable. A Proposing Stockholder may not, after the last day on which a notice would be timely under this Section 1.11, cure in any way any defect preventing the submission of a proposal or nomination of a proposed nominee.

1.11.3.4. The Corporation may also, as a condition of any nomination being deemed properly brought by a stockholder before any meeting of stockholders pursuant Section 1.11 or Section 1.2, require the Proposing Stockholder, any proposed nominee and any other person on whose behalf the nomination is being made to furnish such other information (1) such person has agreed to furnish under the applicable stockholder's notice, Questionnaire or Representation and Agreement delivered to the Corporation (including under any such person's agreement to update information pursuant to any Representation and Agreement), and (2) that could (as determined by the Board or any committee thereof) be required by the Corporation to determine whether the proposed nominee would be (x) considered "independent" as a member of the Board under the Independence Standards or meet the requirements for membership on the Board or any committee thereof, (y) meet the requirements or expectations of applicable regulators for membership on the Board or any committee thereof, or (z) material to a reasonable stockholder's understanding of the qualifications and, fitness and/or independence, or lack thereof, of any proposed nominee.

1.11.3.5. Notwithstanding anything to the contrary in these Bylaws, unless otherwise required by applicable law, if any stockholder (i) provides notice pursuant to Rule 14a-19(b) under the Exchange Act with respect to any proposed

nominee and (ii) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) or Rule 14a-19(a)(3) (or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such stockholder has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act in accordance with the following sentence), then the nomination of each such proposed nominee shall be disregarded, even if the Corporation has received proxies or votes in respect of such nomination (which proxies and votes shall also be disregarded). If a stockholder provides notice pursuant to Rule 14a-19(b) or includes the information required by Rule 14a-19(b) in a preliminary or definitive proxy statement previously filed by such stockholder, such stockholder must provide in writing to the Secretary, no later than seven business days prior to the applicable meeting of stockholders, a written certification (and upon request by the Corporation, reasonable evidence) that it has met the applicable requirements of Rule 14a-19 under the Exchange Act.

1.11.3.6. With respect to nominations or other business to be brought by a stockholder before a meeting of stockholders, a stockholder must also comply with all applicable requirements the Certificate of Incorporation and all other applicable laws, rules and regulations, including under the Exchange Act.

1.11.3.7. Notwithstanding anything to the contrary in these Bylaws, the notice requirements set forth herein with respect to the proposal of any business (other than the nominations of persons for election to the Board) by a stockholder pursuant to this Section 1.11 shall be deemed satisfied if such stockholder has submitted a proposal to the Corporation in compliance with Rule 14a-8 under the Exchange Act.

## 2. Board of Directors

2.1. Powers; Qualifications. The business and affairs of the Corporation shall be managed by or under the direction of the Board, except as may be otherwise provided by law or in the Certificate of Incorporation or these Bylaws. Unless otherwise prohibited by law, the Certificate of Incorporation or these Bylaws, the Board may delegate any of its powers, authority or duties (including any discretionary authority granted to the Board under these Bylaws) to a committee of the Board or to any officer or agent of the Corporation and upon such terms as it deems appropriate.

2.2. Number of Directors. The Board shall consist of not less than seven (7) nor more than fifteen (15) persons, the exact number within such minimum and maximum limits to be fixed and determined from time to time by resolution of a majority of the full Board. The Board shall annually elect a Chairman of the Board from among its members who shall, when present, preside at its meetings.

2.3. Election and Term of Office. Directors elected at each meeting of stockholders shall hold office until the next annual meeting of stockholders, and until

their successors are elected and qualified or until their earlier death, resignation, disqualification or removal.

2.4. Resignation. Any director may resign at any time by giving notice in writing to the Board, the Chairman of the Board, the Chief Executive Officer or the Secretary. Such resignation shall take effect at the time it is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events, in which case the resignation shall be effective at such later date or upon the happening of such event or events, and unless otherwise specified therein, no acceptance of such resignation shall be necessary to make it effective.

2.5. Removal. Any director or the entire Board may be removed, with or without cause, by the holders of a majority of the voting power of all of the then-outstanding shares of capital stock of the Corporation then entitled to vote at an election of directors.

2.6. Newly Created Directorships and Vacancies. Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the Board for any reason, whether because of death, resignation, disqualification or any other reason, may only be filled by a majority of the directors then in office, although less than a quorum, or by the sole remaining director. A director elected to fill a newly created directorship or a vacancy shall hold office until the next annual meeting of stockholders, and until his or her successor has been elected and qualified or until his or her earlier death, resignation, disqualification or removal.

2.7. Regular Meetings. Regular meetings of the Board may be held without notice at such date, time and place (a) either within or without the State of Delaware, and/or (b) by means of remote communication.

2.8. Special Meetings. Special meetings of the Board may be called by the Chairman of the Board, the Chief Executive Officer, or the President and shall be held at such place (a) either within or without the State of Delaware, and/or (b) by means of remote communication, on such date, and at such time as the Chairman of the Board, the Chief Executive Officer, or the President shall fix.

2.9. Notice and Place of Meetings. Meetings of the Board may be held at the principal office of the Corporation, or at any other place as is stated in the notice of such meeting, or solely by means of remote communication. Notice of any special meeting, and except as the Board may otherwise determine by resolution, notice of any regular meeting, will be (a) delivered personally by hand, by courier or by telephone, (b) sent by United States first-class mail, postage prepaid, or (c) sent by electronic mail, in each case, directed to each director at that director's address, telephone number or electronic mail address, as the case may be, as shown on the Corporation's records at least two days' before the time at which the meeting is to commence, or at least three days' notice if notice is sent by mail unless such director has waived notice in accordance with Section 6.3; provided, however, that if the Chairman of the Board determines that it is otherwise



necessary or advisable to hold the meeting sooner, the Chairman of the Board may prescribe a shorter notice to be given. Any business may be transacted and any corporate action may be taken at any regular or special meeting of the Board at which a quorum is present, whether or not the business or proposed action is stated in the notice of that meeting, unless special notice of such business or proposed action is required by statute.

2.10. Participation in Meetings by Electronic Means Permitted. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board, or any committee designated by the Board, may participate in a meeting of the Board or of such committee, as the case may be, by means of conference telephone, electronic or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 2.10 shall constitute presence in person at such meeting.

2.11. Quorum; Vote Required for Action. At all meetings of the Board a majority of the entire Board shall constitute a quorum for the transaction of business. The vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board unless applicable law, the Certificate of Incorporation or these Bylaws shall require a vote of a greater number. In case at any meeting of the Board a quorum shall not be present, the members of the Board present may, by majority vote, adjourn the meeting from time to time until a quorum shall be present.

2.12. Organization. Meetings of the Board shall be presided over by the Chairman of the Board, or in the absence of the Chairman of the Board, by a presiding person chosen at the meeting. The Secretary, or in the absence of the Secretary, the presiding person of the meeting may appoint any person to act as secretary of the meeting.

2.13. Action by Directors Without a Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or of such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

### **3. Committees**

3.1. Committees. The Board may designate one or more committees, with each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or

members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent permitted by law and provided in the resolution of the Board or in these Bylaws, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (a) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by law to be submitted to stockholders for approval, or (b) adopting, amending or repealing these Bylaws.

3.2. Committee Rules. Unless the Board otherwise provides, each committee designated by the Board may adopt, amend and repeal rules for the conduct of its business. In the absence of a provision by the Board or a provision in the rules of such committee to the contrary, (a) a majority of the directors then serving on such committee shall constitute a quorum for the transaction of business, (b) the vote of a majority of the members present at a meeting at which a quorum is present at the time of such vote or the unanimous written consent of all members thereof shall be the act of such committee and (c) in other respects each committee shall conduct its business in the same manner as the Board conducts its business pursuant to Article II.

#### **4. Officers**

4.1. Officers; Election. From time to time, the Board shall choose a Chairman of the Board, Chief Executive Officer, President, one or more Vice Presidents, a Secretary and a Chief Financial Officer and may give any of them such further designations or alternate titles as it considers desirable. The Board from time to time may choose such other officers as it may deem proper. Any number of offices of the Corporation may be held by the same person unless the Certificate of Incorporation or these Bylaws provide otherwise.

4.2. Term of Office; Resignation; Removal; Vacancies. Unless otherwise provided in the resolution of the Board electing such officer, each officer shall hold office until his or her successor is elected and qualified or until his or her earlier death, resignation or removal. Any officer may resign at any time upon written notice to the Board, the Chief Executive Officer, the Chairman of the Board, or the Secretary. Such resignation shall take effect at the time it is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events, in which case it shall be effective at such later date or upon the happening of such event or events, and unless otherwise specified therein, no acceptance of such resignation shall be necessary to make it effective. The Board may remove any officer with or without cause at any time by the affirmative vote of a majority of the authorized number of directors then constituting the Board. Any such removal shall be without prejudice to the contractual rights of such officer, if any, with the Corporation, and the election of an

officer shall not of itself create contractual rights. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise, may be filled by the Board at any regular or special meeting.

4.3. Chairman of the Board. Chairman of the Board shall preside at all meetings of the Board and of the stockholders at which he or she shall be present and shall act in a general executive capacity and, subject to the direction of the Board, shall have general responsibility for the supervision of the policies and affairs of the Corporation and the effective administration of the Corporation's business.

4.4. Chief Executive Officer. In the absence of the Chairman of the Board, the Chief Executive Officer shall preside at all meetings of the Board and of the stockholders at which he or she shall be present. The Chief Executive Officer shall be the chief executive officer and, subject to the control of the Board, shall have general power over the management and oversight of the administration and operation of the Corporation's business and general supervisory power and authority over its policies and affairs. The Chief Executive Officer shall have general executive powers and shall have and may exercise any and all other powers and duties pertaining by law, regulation or practice, to the office of Chief Executive Officer, or imposed by these Bylaws.

4.5. President. The President or Presidents, if any, shall perform the duties of the Chief Executive Officer in the Chief Executive Officer's absence of during his or her disability to act. In addition, the Presidents shall perform the duties and exercise the powers usually incident to their respective offices and/or such other duties and powers as may be properly assigned to them from time to time by the Board, the Chairman of the Board, or the Chief Executive Officer.

4.6. Vice Presidents. The Vice President or Vice Presidents, if any, shall perform the duties of the President in the President's absence of during his or her disability to act. In addition, the Vice Presidents shall perform the duties and exercise the powers usually incident to their respective offices and/or such other duties and powers as may be properly assigned to them from time to time by the Board. If there be more than one Vice President, the Board may determine which one or more of the Vice Presidents shall perform any of such duties; or if such determination is not made by the Board, the President may make such determination; otherwise any of the Vice Presidents may perform any of such duties. The Vice President or Vice Presidents shall perform all duties incident to the office of the vice president of a corporation and shall have such other powers and shall perform such other duties as may, from time to time, be assigned to him or her or them by the Board, the Chief Executive Officer, the President or as may be provided by law.

4.7. Secretary. The Secretary shall have the duty to record the proceedings of the meetings of the stockholders, the Board and any committees in a book to be kept for that purpose, shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law, shall be custodian of the records of the Corporation, may affix the corporate seal to any document the execution of which, on behalf of the

Corporation, is duly authorized, and when so affixed may attest the same, and, in general, shall perform all duties incident to the office of secretary of a corporation and such other duties as may, from time to time, be assigned to him or her by the Board, the Chief Executive Officer, the President or as may be provided by law.

4.8. Chief Financial Officer. The Chief Financial Officer shall have charge of all monies and securities of the Corporation, other than monies and securities of any division of the Corporation which has a treasurer or financial officer appointed by the Board, and shall keep regular books of account. The funds of the Corporation shall be deposited in the name of the Corporation by the Chief Financial Officer with such banks or trust companies or other entities as the Board from time to time shall designate. The Chief Financial Officer shall sign or countersign such instruments as require his or her signature, shall perform all such duties and have all such powers as are usually incident to such office and/or such other duties and powers as are properly assigned to him or her by the Board, the Chairman of the Board, the Chief Executive Officer or the President.

4.9. Assistant Secretaries and Other Officers. The Board may appoint one or more assistant secretaries and one or more assistants to the Chief Financial Officer, or one appointee to both such positions, which officers shall have such powers and shall perform such duties as are provided in these Bylaws or as may be assigned to them by the Board, the Chairman of the Board, the Chief Executive Officer or the President. The Board may require any officer, agent or employee to give security for the faithful performance of his or her duties.

4.10. Action with Respect to Securities of Other Corporations. Stock of other corporations or associations, registered in the name of the Corporation, may be voted by the Chief Executive Officer or the President, or a proxy appointed by either of them. The Board, however, may by resolution appoint some other person to vote such shares, in which case such person shall be entitled to vote such shares upon the production of a certified copy of such resolution.

## 5. Stock

5.1. Stock Certificates and Uncertificated Shares. Capital stock of the Corporation may be issued, registered and held with or without certificates to represent such stock. The Board by resolution or resolutions may provide that some or all of any or all classes or series of stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate theretofore issued until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution or resolutions by the Board, every holder of stock represented by certificates shall be entitled to have a certificate signed by or in the name of the Corporation by any two authorized officers of the Corporation (it being understood that each of the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Secretary or any Assistant Secretary shall be an authorized officer for such purpose), representing the number of shares of capital stock of the Corporation registered in certificate form

owned by such holder. The signatures of the officers upon a certificate may be by electronic signature as permitted under the DGCL. If such certificate is manually signed by one officer or manually countersigned by a transfer agent or by a registrar, any other signature on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The Corporation may not issue stock certificates in bearer form. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

If the Corporation is authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided by law, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner thereof a written notice containing the information required by law to be set forth or stated on certificates or a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

5.2. Transfers of Shares. Shares represented by certificates of the Corporation shall be transferable on the record of stockholders upon presentation to the Corporation or a transfer agent of a certificate or certificates representing the shares requested to be transferred, with proper endorsement on the certificate or on a separate accompanying document, together with such evidence of the payment of transfer taxes and compliance with other provisions of law as the Corporation or its transfer agent may require.

5.3. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the owner of the allegedly lost, stolen, or destroyed certificate, and the Corporation may require the owner of the lost, stolen or

destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

## **6. Miscellaneous**

6.1. Fiscal Year. The fiscal year of the Corporation shall end on December 31 of each year, unless otherwise fixed by the Board.

6.2. Seal. The Board may adopt a corporate seal; alter such seal at pleasure, and authorize it to be used by causing it or a reproduction of such seal to be affixed or impressed or reproduced in any other manner.

6.3. Waiver of Notice of Meetings of Stockholders, Directors and Committees. Whenever notice is required to be given by applicable law or under any provision of the Certificate of Incorporation or these Bylaws, a written waiver thereof, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or members of a committee of directors need be specified in any written waiver of notice unless so required by the Certificate of Incorporation or these Bylaws.

6.4. Indemnification of Directors and Officers.

6.4.1. Except as provided in this Section 6.4, the Corporation shall indemnify to the full extent permitted by law any person made or threatened to be made a party or otherwise involved in any threatened, pending or completed civil, criminal, administrative or investigative action, suit or proceeding (a "Proceeding") by reason of the fact that such person or such person's testator or intestate is or was a director or officer of the Corporation or serves or served at the request of the Corporation at any corporation, limited liability company, public limited company, partnership, joint venture, trust, employee benefit plan, fund or other enterprise as a director or officer (each, an "Indemnitee") against all Expenses (as defined below), judgments, fines, penalties, amounts paid in settlement, liabilities and other losses, in each case, actually and reasonably incurred or suffered by such Indemnitee in connection therewith; provided that the Corporation shall not be obligated to indemnify any such Indemnitee

in connection with a Proceeding initiated by such Indemnitee, other than any Permitted Counterclaims (as defined below), unless such Proceeding was authorized in a resolution adopted by the Board; and provided further that no such indemnification shall be required with respect to any settlement or other non-adjudicated disposition of any Proceeding unless the Corporation has given its prior consent to such settlement or other disposition. The Board is hereby empowered, by majority vote of a quorum of disinterested directors, to cause the Corporation to indemnify or contract in advance to indemnify any person not specified in this Section 6.4 against liabilities, fines, penalties and claims imposed upon or asserted against him or her (including amounts paid in settlement) by reason of having been an employee, agent or consultant of the Corporation, whether or not then continuing so to be, and against all expenses (including counsel fees) reasonably incurred by him or her in connection therewith, to the same extent as if such person were specified as one to whom indemnification is granted.

6.4.2. Expenses reasonably incurred by an Indemnitee in defending any Proceeding shall be promptly advanced or reimbursed by the Corporation upon receipt of (i) a written request therefor and (ii) a written undertaking of such Indemnitee to repay such Expenses if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation or, where indemnification is granted, to the extent the Expenses so advanced or reimbursed exceed the amount to which such Indemnitee is entitled; provided that such Indemnitee shall cooperate in good faith with any request by the Corporation that common counsel be utilized by the parties to an action or proceeding who are similarly situated unless to do so would be inappropriate due to actual or potential differing interests between or among such parties. An Indemnitee's obligation to reimburse the Corporation shall be unsecured and no interest shall be charged thereon.

6.4.3. The Corporation shall not indemnify an Indemnitee or advance or reimburse an Indemnitee's Expenses in connection with any Proceeding (or any part of any Proceeding):

6.4.3.1. for which payment has actually been made to or on behalf of such Indemnitee under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

6.4.3.2. for an accounting or disgorgement of profits pursuant to Section 16(b) of the Exchange Act, or similar provisions of federal, state or local statutory law or common law, if such Indemnitee is held liable therefor (including pursuant to any settlement arrangements);

6.4.3.3. relating to violations of the Corporation's Code of Conduct and Ethics or Insider Trading Policy; or

6.4.3.4. relating to violations of Federal or state insider trading laws,

unless, in each case, such Indemnitee has been successful on the merits, received the written consent to incur the Expense or settled the case with the written consent of the Corporation, in which case the Corporation shall indemnify and reimburse the Expenses of such Indemnitee. In addition, the Corporation shall not indemnify an Indemnitee or advance or reimburse Indemnitee's Expenses if such indemnification or payment would constitute a "prohibited indemnification payment" under the regulations of the Federal Deposit Insurance Corporation (or any successor provisions) or any other applicable laws, rules or regulations.

6.4.4. No claim for indemnification shall be paid by the Corporation unless the Corporation has determined that such Indemnitee acted in good faith and in a manner such Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that an Indemnitee did not act in good faith and in a manner which such Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal Proceeding, had reasonable cause to believe that such Indemnitee's conduct was unlawful. Unless ordered by a court of competent jurisdiction, such determinations shall be made by (i) a majority vote of the directors who are not parties to the Proceeding for which indemnification is sought, even though less than a quorum, (ii) by a committee of such directors designated by a majority vote of directors, even though less than a quorum, (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, a copy of which shall be received by such Indemnitee or (iv) by a majority vote of the stockholders. If such determination is not made by the Corporation within 30 days of a demand by such Indemnitee for indemnification or advancement or reimbursement of Expenses, such Indemnitee shall be deemed to have met such standard. An Indemnitee shall submit to the Corporation such documentation and information as is reasonably available to such Indemnitee and is reasonably necessary to determine whether and to what extent such Indemnitee is entitled to indemnification pursuant to this Section 6.4. Notwithstanding the foregoing, to the extent that an Indemnitee has been successful on the merits or otherwise in defense of any Proceeding, or any claim, issue or matter therein, such Indemnitee shall be indemnified against Expenses (including attorneys' fees) actually and reasonably incurred by such Indemnitee in connection therewith, without the necessity of authorization in the specific case.

6.4.5. If a claim for indemnification or advancement of Expenses under this Section 6.4 is not paid in full within 90 days after receipt by the Corporation of the written request therefor, an Indemnitee shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of Expenses. The Corporation shall indemnify such Indemnitee against any and all Expenses that are incurred by such Indemnitee in connection with any action for indemnification or advancement of Expenses from the Corporation under this Section



6.4(e), to the extent such Indemnitee is successful in such action, and to the extent not prohibited by applicable law. In any such suit, the Corporation shall, to the fullest extent not prohibited by law, have the burden of proving that such Indemnitee is not entitled to the requested indemnification or advancement of Expenses.

6.4.6. An Indemnitee shall promptly notify the Corporation in writing upon the sooner of (i) becoming aware of a Proceeding where indemnification or the advance payment or reimbursement of Expenses may be sought or (ii) being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any matter which may be subject to indemnification or the advance payment or reimbursement of Expenses covered hereunder. The failure of Indemnitee to so notify the Corporation shall not relieve the Corporation of any obligation which it may have to Indemnitee pursuant to this Section 6.4.

6.4.7. As a condition to indemnification or the advance payment or reimbursement of Expenses, any demand for payment by an Indemnitee hereunder shall be in writing and shall provide reasonable accounting by such Indemnitee's legal counsel for the Expenses to be paid by the Corporation.

6.4.8. All rights conferred to an Indemnitee in this Section 6.4, as to indemnification, advancement of Expenses and otherwise, shall not be exclusive of any other rights to which such Indemnitee seeking indemnification or advancement of Expenses may be entitled or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or the Board or otherwise. No amendment of the Certificate of Incorporation or these Bylaws shall impair or otherwise adversely affect any rights of indemnification, advancement of Expenses or other rights of any Indemnitee conferred to such Indemnitee in the Certificate of Incorporation or these Bylaws arising at any time with respect to events or omissions occurring prior to such amendment.

6.4.9. The Corporation may maintain insurance to protect itself and any Indemnitee against any Expenses, judgments, fines, amounts paid in settlement, liabilities and other losses, whether or not the Corporation would have the power to indemnify such Indemnitee against such Expenses, judgments, fines, amounts paid in settlement, liabilities and other losses under applicable law. To the extent that the Corporation maintains any policy providing such insurance, each such Indemnitee shall be covered by such in accordance with its terms to the maximum extent of the coverage thereunder for any such Indemnitee.

6.4.10. For the purposes of this Section 6.4, (i) the term "Corporation" shall include any predecessor of the Corporation and any constituent corporation (including any constituent of a constituent) absorbed by the Corporation in a consolidation or merger; (ii) "at the request of the Corporation" shall include service as a director or officer of the Corporation which imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan, its participants or beneficiaries provided, however that such request for service is in writing; and action

by a person with respect to an employee benefit plan which such person reasonably believes to be in the interest of the participants and beneficiaries of such plan shall be deemed to be action not opposed to the best interests of the Corporation; and (iii) the term “Expenses” shall include all reasonable and documented out of pocket fees, costs and expenses, including without limitation, attorney’s fees, retainers, court costs, transcript costs, fees and expenses of experts, including accountants and other advisors, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, ERISA excise taxes or penalties assessed on an Indemnitee with respect to an employee benefit plan, Federal, state, local or foreign taxes imposed as a result of the actual or deemed receipt of any payments under this Section 6.4, penalties and all other disbursements or expenses of the types customarily incurred in connection with defending, preparing to defend, or investigating an actual or threatened Proceeding (including an Indemnitee’s counterclaims that directly respond to and negate the affirmative claim made against Indemnitee (“Permitted Counterclaims”)) in such Proceeding, but shall exclude the costs of (A) any of Indemnitee’s counterclaims, other than Permitted Counterclaims (B) the costs of acquiring and maintaining an appeal or supersedeas bond or similar instrument, or (C) the fees and costs of enforcing a right to indemnification or advance payment or reimbursement under this Section 6.4.

6.4.11. Any Proceeding regarding indemnification or advance payment or reimbursement of Expenses arising out of these Bylaws or otherwise shall only be brought and heard in the Court of Chancery of the State of Delaware. In the event of any payment under this Section 6.4, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee (under any insurance policy or otherwise), who shall execute all papers required and shall do everything necessary to secure such rights, including the execution of such documents necessary to enable the Corporation to effectively bring suit to enforce such rights. Except as required by law or as otherwise becomes public, an Indemnitee will keep confidential any information that arises in connection with this Section 6.4, including but not limited to, claims for indemnification or the advance payment or reimbursement of Expenses, amounts paid or payable under this Section 6.4 and any communications between the parties.

6.4.12. In case any provision in this Section 6.4 shall be determined at any time to be unenforceable in any respect, the other provisions shall not in any way be affected or impaired thereby, and the affected provision shall be given the fullest possible enforcement in the circumstances, it being the intention of the Corporation to afford indemnification and advancement of Expenses to its directors or officers, acting in such capacities or in the other capacities mentioned herein, to the fullest extent permitted by law.

6.5. Amendment of Bylaws. Subject to applicable law and the Certificate of Incorporation, these Bylaws may be altered, amended or repealed, or new Bylaws enacted, by the Board at any meeting or by written consent of the Board.

6.6. Electronic Signatures. Unless otherwise required by law, whenever the Certificate of Incorporation or these Bylaws require or permit a signature, such signature may be a manual, facsimile, conformed or electronic signature.

## 7.

### **Exclusive Forum**

7.1. Exclusive Forum. Unless the Corporation consents in writing to the selection of an alternative forum, (a) the Court of Chancery (the “Chancery Court”) of the State of Delaware (or, if the Chancery Court lacks jurisdiction over such action or proceeding, then another state court of the State of Delaware or, if no state court of the State of Delaware has jurisdiction, then the United States District Court for the District of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action, suit or proceeding brought on behalf of the Corporation, (ii) any action, suit or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer or stockholder of the Corporation to the Corporation or to the Corporation’s stockholders, (iii) any action, suit or proceeding arising pursuant to any provision of the DGCL or these Bylaws or the Certificate of Incorporation of the Corporation (as either may be amended from time to time) or (iv) any action, suit or proceeding asserting a claim against the Corporation governed by the internal affairs doctrine; and (b) subject to the preceding provisions of this Section 7.1, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause or causes of action arising under the Securities Act of 1933, as amended, including all causes of action asserted against any defendant to such complaint. If any action the subject matter of which is within the scope of clause (a) of the immediately preceding sentence is filed in a court other than the courts in the State of Delaware (a “Foreign Action”) in the name of any stockholder, to the fullest extent permitted by applicable law, such stockholder shall be deemed to have consented to (x) the personal jurisdiction of the state and federal courts in the State of Delaware in connection with any action brought in any such court to enforce the provisions of clause (a) of the immediately preceding sentence and (y) having service of process made upon such stockholder in any such action by service upon such stockholder’s counsel in the Foreign Action as agent for such stockholder.

7.2. Notice and Consent. To the fullest extent permitted by law, any person purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article VII. Notwithstanding anything to the contrary in these Bylaws, the foregoing provisions of this Article VII shall not apply to any claim seeking to enforce any liability, obligation or duty created by the Exchange Act to the extent such application would be contrary to law.

7.3. Survival. If any provision or provisions of this Article VII shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever, (a) the validity, legality and enforceability of such provisions in any other

circumstance and of the remaining provisions of this Article VII (including, without limitation, each portion of any paragraph of this Article VII containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (b) the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

## **8. Definitions**

As used in these Bylaws, the following terms have the meanings specified in this Article VIII.

“Acceptable Delivery Method” means delivery in writing to the Secretary (i) by electronic mail (but only if confirmation of receipt of such e-mail is received; provided that any communication or confirmation automatically generated by electronic means (such as out-of-office replies) shall not constitute such confirmation of receipt) or (ii) by registered mail addressed to the Secretary at the principal executive offices of the Corporation, return receipt requested.

“beneficially owned” (and its correlative terms) has the meaning provided in Rules 13d-3 and 13d-5 under the Exchange Act.

“Competitor” means any entity that provides products or services that compete with or are alternatives to the products produced or services provided by the Corporation or any affiliate thereof.

“Corporation Securities” means any capital stock or other securities of the Corporation or any affiliate thereof.

“Derivative Instrument” means any derivative instruments, profit interests, options, warrants, convertible securities, stock appreciation or other rights with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any Corporation Securities or the voting rights thereof or with a value derived in whole or in part from the value of any Corporation Securities or any other contract, derivative, swap or other transaction or series of transactions designed to produce economic benefits and risks that correspond substantially to the ownership of any Corporation Securities, in each case, whether or not such instrument, contract or right shall be subject to settlement in the underlying Corporation Security.

“Independence Standards” means any independence standards set forth in the rules and listing standards of the primary stock exchange upon which any Corporation Securities are traded, any applicable rules of the SEC, the Board of Governors of the Federal Reserve System (the “Federal Reserve Board”), the Office of the Comptroller of the Currency (the “OCC”) and any publicly disclosed standards used by the Board in determining and disclosing the independence of the Corporation’s directors, including

those applicable to a director's service on the audit committee, compensation committee or any other committee of the Board.

"Interested Person" means, with respect to any stockholder, (i) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder, and (iii) any person controlled by or under common control with such stockholder.

"Nominee Information" means, as to each person whom the Proposing Stockholder proposes to nominate for election or reelection to the Board:

(1) the name, age, business address and residence address of such proposed nominee;

(2) the principal occupation or employment of such proposed nominee;

(3) the completed Questionnaire and the Representation and Agreement in the forms provided by the Corporation pursuant to Section 1.11(c)(i) with respect to the proposed nominee;

(4) (1) the class and series and number of Corporation Securities which are, directly or indirectly, owned beneficially or of record by such proposed nominee, (2) the dates such Corporation Securities were acquired and (3) any Derivative Instruments or Short Interests owned, held or entered into by such proposed nominee within the prior six months;

(5) whether such proposed nominee is eligible for consideration as an independent director under the relevant standards contemplated by Item 407(a) of Regulation S-K adopted by the SEC (or the corresponding provisions of any successor regulation) and the relevant listing standards of any exchange where the Corporation's equity securities are listed;

(6) a description of all direct and indirect compensation, payment, reimbursement, indemnification and other monetary agreements, arrangements and understandings during the past three years, and any other relationships, between or among such proposed nominee, the Proposing Stockholder, any Interested Person and any other person or persons (including their names) in connection with such proposed nominee's nomination or service or action as a director, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation S-K if the Proposing Stockholder and any Interested Person were the "registrant" for purposes of such rule and such proposed nominee was a director or executive officer of such registrant;

(7) details of any relationship between such proposed nominee and any person that would require disclosure on Schedule 13D as if such proposed nominee was required to file a Schedule 13D with respect to the Corporation; and

(8) details of any position where such proposed nominee has served as an officer or director of any Competitor or any Potential Regulatory Interlocks within the three years preceding the submission of the stockholder notice.

“person” means any individual, firm, partnership, limited liability company, trust, association, group, corporation (including not-for-profit) or other entity.

“Potential Regulatory Interlocks” means, with respect to a proposed nominee, any interlocking with another depository institution that would result from such nominee’s service on the Board or any circumstance with respect to the nominee that would cause the Corporation to seek, or assist in the seeking of, advance approval or to obtain, or assist in the obtaining of, an interlock waiver pursuant to the rules or regulations of the Federal Reserve Board or the OCC.

“Proposal Information” means as to any business (other than nomination of persons for election to the Board) the Proposing Stockholder proposes to bring before a meeting of stockholders pursuant to Section 1.2 or Section 1.11:

(1) a brief description of the business desired to be brought before the meeting of stockholders;

(2) the text of the proposal or business (including the complete text of any resolutions proposed to be presented for consideration and, in the event that such business includes a proposal to amend any incorporation document, including, but not limited to, the Certificate of Incorporation or these Bylaws, the language of the proposed amendment);

(3) the reasons for conducting such business at the meeting of stockholders (including the text of any reasons for the proposed business that will be disclosed in any proxy statement or supplement thereto to be filed with the SEC); and

(4) a complete and accurate description of any material interest in such business of the Proposing Stockholder and any Interested Persons, individually or in the aggregate, including any anticipated benefit to the Proposing Stockholder and any Interested Persons therefrom.

“public disclosure” shall be deemed to include a disclosure made in a press release reported by a national news service, in a document filed by the Corporation with the SEC pursuant to Section 13, 14 or 15(d) of the Exchange Act or in a notice pursuant to the applicable rules of an exchange on which the securities of the Corporation are listed.

“Proposing Stockholder” means any stockholder proposing nominations or other business to be brought before a meeting of stockholders pursuant to Section 1.2 or Section 1.11.

“Qualified Representative” of a stockholder means a person who is a duly authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to the Secretary to act for such stockholder as proxy at a specified meeting of stockholders. The Qualified Representative must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

“Questionnaire” means, as to each person whom a Proposing Stockholder proposes to nominate for election or reelection to the Board, a director’s and officers’ questionnaire in the form provided by the Corporation pursuant to Section 1.11(c)(i) and signed by such proposed nominee.

“Representation and Agreement” means, in connection with any nomination or other business proposed by a Proposing Stockholder to be brought before a meeting of stockholders, written representations and agreements in the form provided by the Corporation pursuant to Section 1.11(c)(i), and signed by, as applicable, the Proposing Stockholder, each proposed nominee and any other person by whom or on whose behalf the nomination or other proposal is being made that:

(1) each of the applicable persons (including the Proposing Stockholder and any proposed nominee) will update and supplement the information described in Section 1.2 or Section 1.11, as applicable, from time to time to the extent necessary so that such information shall be true and correct (x) as of the record date for determining the stockholders entitled to notice of the applicable meeting and (y) as of the date that is the tenth business day prior to such meeting or any adjournment or postponement thereof. Any such update and supplement shall be delivered in writing to the Secretary in accordance with an Acceptable Delivery Method not later than the fifth business day following the record date for determining the stockholders entitled to notice of the meeting (in the case of any update and supplement required to be disclosed as of the record date) and not later than the eighth business day prior to the date for the meeting or any adjournment or postponement thereof (in the case of any update or supplement required to be made as of the tenth business day prior to the meeting or adjournment or postponement thereof);

(2) each of the applicable persons (including the Proposing Stockholder and any proposed nominee) will provide to the Corporation such other information and certifications as it may reasonably request, including any information required or requested by the Corporation’s subsidiaries, or required, requested or expected by banking or other regulators;

(3) each of the applicable persons (including the Proposing Stockholder and any proposed nominee) will provide facts, statements and other

information in all communications with the Corporation and its stockholders that are or will be true and correct in all material respects and that do not and will not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(4) each of the applicable persons (including the Proposing Stockholder and any proposed nominee) agrees to comply with all applicable law, rules and regulations in connection with the nomination, solicitation and election, as applicable (including Rule 14a-19 under the Exchange Act);

(5) the proposed nominee will comply with the Corporation's processes for evaluating any person being considered for nomination to the Board, including, at the reasonable request of the Governance and Nominating Committee of the Board, meet with the Governance and Nominating Committee to discuss matters relating to the nomination of such proposed nominee to the Board, including the information provided by such proposed nominee to the Corporation in connection with such person's nomination and such proposed nominee's eligibility to serve as a member of the Board;

(6) the proposed nominee consents to the running of a background check in accordance with the Corporation's policy for prospective directors and will provide any information requested by the Corporation that is necessary to run such background check;

(7) the proposed nominee, if elected to serve as a member of the Board, (1) agrees to comply with applicable state and federal law (including applicable fiduciary duties under state law), the rules of any stock exchange on which any Corporation Securities are traded, and all of the Corporation's corporate governance, ethics, conflict of interest, confidentiality and stock ownership and trading policies and guidelines applicable generally to the Corporation's directors and (2) would be in compliance with any such policies and guidelines that have been publicly disclosed;

(8) the proposed nominee is not and will not become a party to (i) any compensatory, payment or other financial agreement, arrangement or understanding with any person or entity other than the Corporation in connection with service or action as a director of the Corporation that has not been disclosed to the Corporation, (ii) any agreement, arrangement or understanding with any person or entity as to how the proposed nominee would vote or act on any issue or question as a director (a "Voting Commitment") that has not been disclosed to the Corporation or (iii) any Voting Commitment that could reasonably be expected to limit or interfere with the proposed nominee's ability to comply, if elected as a director of the Corporation, with fiduciary duties under applicable law;

(9) the proposed nominee (1) intends to serve the full term for which he or she is standing for election if nominated by the Board and elected by the stockholders, and (2) consents to being named in any proxy statement, associated proxy card or other proxy materials; and



(10) the proposed nominee's candidacy or, if elected, membership on the Board, would not violate applicable state or federal law or the rules of any stock exchange upon which any Corporation Securities are traded.

"Requesting Stockholder" means any stockholder of record that makes a Special Meeting Request.

"SEC" means the Securities and Exchange Commission.

"Short Interest" shall mean any agreement, arrangement, understanding or relationship (including any repurchase or so called "stock borrowing" agreement or arrangement) the effect or intent of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of any Corporation Securities or manage risk with respect to any Corporation Securities, or which provides, directly or indirectly, the opportunity to profit or share in any profit derived from any decrease in the price or value of any Corporation Securities.

"Stockholder Information" means as to any Proposing Stockholder or Requesting Stockholder:

- (1) whether such person is providing the notice at the request of a beneficial holder of any Corporation Securities;
- (2) the name and record address of such person and, as applicable, the beneficial holder (including, if applicable, as they appear on the Corporation's books and records);
- (3) (1) the class and series and number of shares of Corporation Securities which are, directly or indirectly, owned beneficially or of record by such person or, as applicable, the beneficial holder and (2) the dates such Corporation Securities were acquired;
- (4) a complete and accurate description of all Derivative Instruments or Short Interests owned, held or entered into by or on behalf of such person or, as applicable, the beneficial owners;
- (5) a complete and accurate description of any agreement, arrangement or understanding pursuant to which such person or, as applicable, the beneficial owner has received any financial assistance, funding or other consideration from any other person with respect to the investment by such person in the Corporation;
- (6) a complete and accurate description of any agreement, arrangement or understanding that has been made, the effect or intent of which is to increase or decrease the voting power of such person or, as applicable, the beneficial owner with respect to any Corporation Securities, without regard to whether such transaction is required to be reported on a Schedule 13D in accordance with the Exchange Act;

(7) a complete and accurate description of all agreements, arrangements and understandings between or among (i) such person and any Interested Persons or (ii) such person or any Interested Persons and any other person (naming each such person) in connection with or related to the proposed nomination or other business to be brought at the meeting, including without limitation (A) any proxy, contract, arrangement, understanding or relationship pursuant to which such person has the right to vote any Corporation Securities; and (B) any other agreements that would be required to be disclosed by such person or any other person pursuant to Item 5 or Item 6 of a Schedule 13D that would be filed pursuant to the Exchange Act (regardless of whether the requirement to file a Schedule 13D is applicable to the stockholder giving the notice or any Interested Person or other person);

(8) any material interest of such person or, as applicable, the beneficial owner in the proposed nomination or other business to be brought at the meeting;

(9) a representation from such person as to whether such person or any beneficial owner on whose behalf such person is acting intends or is part of a group (providing the name and address of each participant) which intends (i) to deliver a proxy statement to and/or form of proxy with holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or to elect each proposed nominee, (ii) otherwise to solicit proxies in support of such proposed nomination or other business, and/or (iii) to solicit the holders of the Corporation's shares in accordance with Rule 14a-19 under the Exchange Act;

(10) a representation from such person that such person (1) is, and will at the time of such meeting, be a holder of record of Corporation Securities entitled to vote at such meeting, that (2) intends to vote such Corporation Securities at such meeting, and (3) intends to appear in person at, or send a Qualified Representative to, such meeting to make such proposed nomination or present such other proposed business, as applicable, before such meeting; and

(11) the completed Representation and Agreement in the form provided by the Corporation pursuant to Section 1.11(c)(i) with respect to such person and, as applicable, the beneficial owner.

*Certain identified information has been omitted from this exhibit because it is not material and is customarily and actually treated by the registrant as private or confidential. [\*\*\*] indicates that information has been omitted.*

**Chain Bridge Bancorp, Inc.  
and  
Chain Bridge Bank, N.A.**

**Incentive Compensation Plan**

Plan Year 2024

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**Chain Bridge Bancorp, Inc.**  
**and**  
**Chain Bridge Bank, N.A.**  
**2024 Incentive Compensation Plan**

**Section 1. Purpose**

Chain Bridge Bancorp, Inc. (the “Company”) and Chain Bridge Bank, N.A. (the “Bank”), collectively referred to as “Chain Bridge,” hereby establish the 2024 Incentive Compensation Plan (the “Plan”). The objective of the Plan is to promote a culture of safety, profitability, and growth while emphasizing robust risk management. The Plan underscores the importance of diligent risk controls and aims to foster a prudent risk management framework while promoting the sustainable and profitable growth of both the Company and the Bank. The Plan offers potential financial incentives to all participating employees in recognition and reward for their efforts and achievements in these critical areas. However, the final approval and distribution of any awards under this Plan are at the sole discretion of the Company’s Board of Directors.

**Section 2. Definitions**

**2.1 Definitions.**

- (a) “Award Year” means the twelve (12) month period whose last day coincides with the end of the Company’s annual accounting period.
  - (b) “Board” means the Board of Directors of the Company.
  - (c) “Participant” means an employee designated by the Board to participate in the Plan.
  - (d) “Tier I Officers” means the Chairman, Chief Executive Officer, President, and Chief Financial Officer of the Bank.
  - (e) “Tier II Officers” means the Executive Vice Presidents of the Bank and Section 16 officers of the Company not otherwise classified as Tier I Officers who are designated as such by the Board as set forth in Section 6 hereof.
  - (f) “Tier III Officers” means the Senior Vice Presidents and Vice Presidents of the Bank who are designated as such by the Board as set forth in Section 6 hereof.
  - (g) “Tier IV Officers” means those officers of the Bank designated as such by the Board as set forth in Section 6 hereof.
  - (h) “Tier V Employees” means those non-officer employees of the Bank designated as such by the Board as set forth in Section 6 hereof.
  - (i) Each individual in Tiers I-V is considered a “Participant” in the Plan.
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- (j) “Salary” refers to the regular gross income paid to an officer or employee by the Company for services rendered as part of the terms of employment. This includes compensation paid on a periodic (e.g., weekly, bi-weekly, monthly) basis, excluding any and all forms of variable pay. For the purposes of this Plan, “salary” does not include any additional compensation or benefits, including but not limited to deferred compensation, bonuses, commissions, employer contributions to retirement plans, fringe benefits, allowances, reimbursements, insurance premiums, equity awards, stock options, stock appreciation rights, or any payments made under long-term incentive programs.
- (k) No employee shall be excluded from being a Participant in the Plan by virtue of service as a Chain Bridge Director.
- (l) “Retirement Date” means the date upon which a Participant attains age 65.

**2.2 Gender and Number.** Unless otherwise explicitly stated or contextually evident, words in the masculine form also include the feminine, and words in the singular form include the plural, and vice versa.

### **2.3 Formulas.**

- (a) “Plan Operating Income” means consolidated book net income of Chain Bridge, excluding gains or losses from the sale or other disposition of securities, mutual fund shares or exchange-traded shares, net of tax. Plan Operating Income includes provision for State Franchise Tax and Federal Income Taxes at the rates actually incurred by Chain Bridge.
  - (b) “Adjustment for Credit Losses” refers to a value calculated using the following elements related to various forms of credit, such as loans and securities. First, you start with the provisions set aside for potential credit losses, known as the ‘Credit Loss Provisions.’ From this, subtract the amounts written off as uncollectible, which we call ‘Charge-Offs of Bad Credits.’ Then, add back “Recoveries” which are any previously written-off amounts that have since been recovered. Further adjustments are made by adding or subtracting changes in the specific reserves for individual credits. The final total is adjusted to reflect the corresponding tax effects, either increasing or decreasing the total as necessary.
  - (c) “Budget Adjustments” means the total income impact, net of tax effect, of decisions adopted by the Board which deviate materially from the budget adopted by the Board. Changes could include strategic decisions such as adding another branch, adding another division or subsidiary of the Company or the Bank, acquiring assets or liabilities of another institution, a change in the capital structure, or any other material change not contemplated in the budget.
  - (d) “Other Adjustments” means the total amount, net of tax effect, of unusual and extraordinary income and/or expense items and/or average asset growth or average asset decline, which, in the sole discretion of the Board, would be considered inappropriate to include as part of operating results for the purposes of this Plan.
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- (e) “Base Plan Income” means Plan Operating Income increased or decreased by Adjustments for Credit Losses, Budget Adjustments and Other Adjustments, if any.
- (f) “Adjustment for Plan Accrual” means the amount accrued on the books of Chain Bridge for this Plan, less the actual amount to be paid under this Plan, the total of which is decreased or increased by the associated tax effect.
- (g) “Net Income for Plan” means Base Plan Income decreased or increased by Adjustment for Plan Accrual.
- (h) “Average Assets for the Plan” means the arithmetic daily average assets of Chain Bridge, computed from January 1 through December 31, plus unrealized losses and less unrealized gains on securities, net of tax effect, plus the average balance of Allowance for Credit Losses, net of tax effect. In the case of extraordinary or temporary average asset growth or decline, in the current or previous year, the Board shall have the discretion to include or exclude all or part of the extraordinary or temporary asset fluctuation for the calculation of current or previous year Average Assets for the Plan. For example, assume actual Average Assets for the Plan during ‘year one’ were \$550 million which exceeded the maximum Average Assets growth levels on the “Grid” of \$500 million. When calculating growth in ‘year two,’ Average Assets from ‘year one’ may be adjusted to \$500 million that was the maximum growth level recognized on the “Grid” during ‘year one.’
- (i) “Average Equity for the Plan” means the arithmetic daily average equity of Chain Bridge, computed from January 1 through December 31, plus unrealized losses and less unrealized gains on securities, net of tax effect, plus the average balance of Allowance for Credit Losses, net of tax effect.
- (j) “Return on Average Equity for the Plan” means the Net Income for the Plan, divided by Average Equity for the Plan in each case for the Award Year.
- (k) “Asset Growth” means Average Assets for the Plan for the Award Year less Average Assets for the Plan for the previous year divided by Average Assets for the Plan for the previous year. In the event previous year asset growth exceeded maximum award levels in the previous year, the Board shall have the discretion to adjust the previous year Average Assets to the maximum award level achieved in the previous year.

### **Section 3. Administration**

The Plan shall be administered by the Board. The Board shall have full power and authority to select Participants from among those eligible, which includes all full-time and permanent employees of Chain Bridge, and to classify them as delineated in Section 6 below. The Board is also empowered to adopt and revise such rules and procedures as it deems necessary for the effective administration of the Plan. Notwithstanding any other provision contained herein, the decision of the Board regarding any question that arises concerning the

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individuals selected for awards, the amount, terms, form, and time of payment of awards, and the interpretation of this Plan shall be final, conclusive, and binding.

#### **Section 4. Individual Performing Calculation**

The individual performing the calculation of Plan payments will be the Chief Administrative Officer of the Bank or other qualified individual as appointed by the Board.

#### **Section 5. Audit**

The Audit Committee, at the direction of the Board, shall reserve the right to annually engage a qualified audit firm to review and validate Plan calculations prior to payments being made to Participants.

#### **Section 6. Participation**

Employees of the Bank who are approved by the Board are eligible to participate in the Plan. Each Participant in the Plan shall be classified as a Tier I Officer, Tier II Officer, Tier III Officer, Tier IV Officer, or Tier V Employee for purposes of the Plan. In selecting and classifying Participants, the Board shall consider an individual's position and potential impact on the Company's and Bank's business results and performance. The selection of Participants, their classification as a Tier I Officer, Tier II Officer, Tier III Officer, Tier IV Officer, or Tier V Employee and thus their respective portions of the target incentive compensation, shall be determined annually by the Board and promptly communicated in writing to Participants.

#### **Section 7. Awards**

- 7.1 Total Incentive Compensation: The aggregate incentive compensation granted to all Participants within the present Award Year will be limited to 20% of the Plan's net income used to calculate the Return on Average Equity for the Plan. This limit pertains to the incentive compensation award, excluding other amounts such as taxes and 401k contributions.
  - 7.2 Incentive Compensation Components: Incentive compensation calculation is comprised of two elements: financial performance and risk management performance. Points from each category will be accumulated to compute the total points earned. Negative points in one component will offset points acquired in the other. Incentive compensation points can be obtained from each component as detailed below.
  - 7.3 Incentive Compensation Financial Component: Participants can accrue incentive compensation points contingent on Chain Bridge's financial performance, particularly Average Asset Growth and Return on Average Equity. A Grid, provided in Exhibit 1, details the potential points achievable based on various combinations of Average Asset
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Growth and Return on Average Equity, representing their respective importance to stockholders. Fractional points can be obtained in both categories, calculated on a pro-rated basis.

- 7.4 Incentive Compensation Risk Management Component: Participants can also accrue or forfeit incentive compensation points based on the Company's risk management performance. Risk management performance is quantitatively measured by considering a mix of factors [\*\*\*]. Points are assigned or deducted based on performance in each domain, with a summary of the calculation process provided in Exhibit 1. [\*\*\*]. Points will be assigned or deducted on a pro-rated basis according to the fractional performance rating.
- 7.8 Incentive Compensation Calculation: The calculation of each Participant's incentive compensation involves adding financial compensation points and risk management component points for the Award year. The incentive compensation award for each Tier I to V Officer or Employee will be their respective salary paid multiplied by a certain percentage of the incentive compensation points divided by 100. For Tier I, it is 100%; Tier II, 85%; Tier III, 75%; Tier IV, 65%, and Tier V, 55%. Refer to Section 8 for payments to Participants not employed by the Bank for the entire Award Year.
- 7.9 Compliance Training Requirement: Participants must satisfactorily complete all training mandated by the Bank's compliance policy to be eligible for the incentive compensation award. Those failing to complete the required compliance training by December 31st of the current Plan year will be ineligible for the award.

## **Section 8. Payment**

- 8.1 Normal Payment. Incentive compensation awards shall be earned as of the last business day of the Award Year. Participants must be Chain Bridge employees in active status, or on approved leave of absence, on the last business day of the Award Year with the exception of situations described in Section 8.2. Payment of incentive compensation awards shall be made via payroll, less applicable tax and other withholding, in cash within sixty (60) days following the end of the Award Year, but in no event before the Bank has filed its year-end Call Report.
- 8.2 Payment Under Conditions of Termination. If termination of employment occurs during an Award Year due to retirement post the Retirement Date, death, or total disability, the Participant will be deemed to have earned an incentive award proportional to their actual salary paid in the Award Year. The distribution of this payment will be in accordance with Section 8.1.

However, if the termination of employment transpires for reasons other than retirement post the Retirement Date, death, total disability, or approved leave of absence, no incentive compensation will be considered earned for the Award Year in which the termination takes place.

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8.3 Payment to Participants who are not Employees as of the first business day of the Award Year. Participants must be employed on or before December 1 of the current award year and must be employed continuously through the last day of the award year to be eligible for the incentive awards. All Participants' incentive awards will be based on their actual salary paid in the Award Year.

#### **Section 9. Clawback Provision**

Incentive compensation awarded under this Plan shall be subject recovery or "clawback" as set forth in the Company's Policy for Recoupment of Incentive Compensation, as adopted by the Board.

#### **Section 10. Dissolution or Merger**

If the Company or the Bank should be liquidated and/or dissolved or if the Company or the Bank should become a party to a merger or consolidation in which it is not the surviving corporation, the Plan shall be frozen, and the amount of the Participants' incentive compensation shall be determined based on results through the date of such dissolution, merger, or consolidation.

#### **Section 11. Amendment and Termination**

The Board may, at any time, terminate, modify or amend this Plan. No termination or amendment shall, without the consent of the Participants, adversely affect the rights of such Participants in previously earned incentive compensation awards. No awards may be made under this Plan at any time if, in the opinion of the Board, the overall financial condition of the Company or the Bank is unsound.

#### **Section 12. Other Conditions**

- 12.1 Assignment. No right or interest of any Participant in the Plan shall be assignable or transferable, or subject to any lien, directly or indirectly, by operation of law, or otherwise, including execution, levy, garnishment, attachment, pledge, and bankruptcy. In the event of Participant's death, payment shall be made to the Participant's designated beneficiary, or in the absence of such designation, to the Participant's estate.
  - 12.2 Right of Employment. The receipt of an award under the Plan shall not give any employee any right to continued employment by the Bank, and the right to dismiss any employee is specifically reserved to the Bank. The receipt of an award with respect to any one year shall not give an employee the right to receive an award with respect to any subsequent year.
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12.3 Withholding for Taxes. The Bank shall have the right to deduct from all payments under this Plan any federal or state taxes required by law to be withheld with respect to such payments.

12.4 In the sole discretion of the Board, the Award may be reduced or eliminated if the Participant has not demonstrated satisfactory performance or conduct consistent with Chain Bridge's Code of Business Ethics and Conduct, mission, shared values, and leadership skills.

**Section 13. Legal Considerations**

In the event that the terms of this Plan conflict with any law, the conflicting terms will be deemed to be modified to the minimum extent necessary to comply with that law. This Plan shall be governed and interpreted in accordance with the laws of the Commonwealth of Virginia.

**Section 14. Effective Date**

The effective date of this Plan shall be the date of its adoption by the Board.

**Acknowledgement:**

Employee acknowledges receipt of this Incentive Compensation Plan and further acknowledges that he or she has read and agrees to the terms outlined herein.

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit 31.1**

**CERTIFICATION**

I, John J. Brough, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Chain Bridge Bancorp, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. [reserved]
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

CHAIN BRIDGE BANCORP, INC.

Dated: November 13, 2024

By: /s/ John J. Brough

Name: John J. Brough

Title: Chief Executive Officer and Director  
(Principal Executive Officer)

**Exhibit 31.2**

**CERTIFICATION**

I, Joanna R. Williamson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Chain Bridge Bancorp, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. [reserved]
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 13, 2024

By: /s/ Joanna R. Williamson  
Name: Joanna R. Williamson  
Title: Executive Vice President & Chief Financial Officer  
(Principal Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO SECTION 906**

In connection with the Quarterly Report on Form 10-Q of Chain Bridge Bancorp, Inc. (the "Company") for the period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, as the Principal Executive Officer of the Company and the Principal Financial Officer of the Company, respectively, certify, pursuant to and for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to their knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

CHAIN BRIDGE BANCORP, INC.

Dated: November 13, 2024

By: /s/ John J. Brough  
Name: John J. Brough  
Title: Chief Executive Officer and Director  
(Principal Executive Officer)

Dated: November 13, 2024

By: /s/ Joanna R. Williamson  
Name: Joanna R. Williamson  
Title: Executive Vice President & Chief Financial Officer  
(Principal Financial Officer)