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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2025

OR

o **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

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

Delaware	**20-4957796**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1445-A Laughlin Avenue, McLean, VA	**22101**
(Address of Principal Executive Offices)	(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 x No o

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 x No o

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	o	Accelerated filer	o
Non-accelerated filer	x	Smaller reporting company	x
		Emerging growth company	x

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.
x

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

As of May 12, 2025, the registrant had outstanding 3,119,317 shares of Class A Common Stock, par value $0.01 per share and 3,442,500 shares of the registrant's Class B Common Stock, par value $0.01 per share.

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INDEX OF DEFINED TERMS AND ACRONYMS

ACL	Allowance for Credit Losses
AFS	Available for Sale
AI	Artificial Intelligence
ALCO	Asset Liability Investment Committee of the Board of Directors of Chain Bridge Bank, N.A.
AOCI	Accumulated Other Comprehensive Income (Loss)
ASU	Accounting Standards Update
Bank	Chain Bridge Bank, N.A.
Board or Board of Directors	The Board of Directors of Chain Bridge Bancorp, Inc.
bps	Basis points, defined as one hundredth of one percentage point
Bylaws	Our amended and restated bylaws, which have been adopted by our Board
Call Report	The Federal Financial Institutions Examination Council ("FFIEC") Consolidated Reports of Condition and Income, which the Bank files with the FFIEC on a quarterly basis
CECL	Current Expected Credit Losses (ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments)
Chain Bridge, CBNA, the Company, we, us, our	Chain Bridge Bancorp, Inc., and its Subsidiaries
Charter	Our amended and restated certificate of incorporation, which became effective on October 3, 2024. The Charter authorizes the establishment of our Class A common stock and Class B common stock and effected the reclassification of each outstanding share of our common stock into 170 shares of Class B common stock
Class A common stock	Our Class A common stock, par value $0.01 per share
Class B common stock	Our Class B common stock, par value $0.01 per share
Common stock	Our Class A common stock and our Class B common stock
CRE	Commercial real estate
DGCL	Delaware General Corporation Law
EPS	Earnings per share
EVE	Economic value of equity
FASB	Financial Accounting Standard Board
FDIC	Federal Deposit Insurance Corporation
Federal Reserve	Federal Reserve System, the Board of Governors of the Federal Reserve System, or the Federal Reserve Bank of Richmond, Virginia
FFIEC	Federal Financial Institutions Examination Council
Fitzgerald Family	Collectively, 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. These persons include, but are not limited to, Peter Gosselin Fitzgerald, Gerald Francis Fitzgerald, Jr., James Gosselin Fitzgerald, Thomas Gosselin Fitzgerald, Julie Fitzgerald Schauer, Thomas Gosselin Fitzgerald, Jr., Andrew James Fitzgerald, and Lauren Fitzgerald Peterson
GAAP	Generally Accepted Accounting Principles
HTM	Held to Maturity
ICS®	IntraFi Cash Service®
IPO	Initial public offering
N/A	Not Applicable
NM	Not Meaningful (Comparisons of positive and negative values or to zero values are considered not meaningful)
OCC	Office of the Comptroller of the Currency
Old common stock	Our common stock, par value $1.00 per share, prior to the Reclassification

Political organizations	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 with such committees that are maintained or controlled by a candidate or federal officeholder (collectively, "Leadership PACs")); and other tax-exempt organizations under Section 527 of the Internal Revenue Code
Pre-IPO investors	The holders of our shares of old common stock immediately prior to the Reclassification
Reclassification	The reclassification of each outstanding share of our old common stock into 170 shares of Class B common stock
Return on average risk-weighted assets	Return on average risk-weighted assets is calculated as net income divided by average risk-weighted assets. Average risk-weighted assets are calculated using the last five quarter ends.
RWA	Risk-weighted assets
SEC	United States Securities and Exchange Commission
Tier 1 capital ratio	Tier 1 capital, which includes Common Equity Tier 1 capital plus non-cumulative perpetual preferred equity that qualifies as additional tier 1 capital, divided by total risk-weighted assets as defined under the U.S. Basel III Standardized approach
Tier 1 leverage ratio	Tier 1 capital, which includes Common Equity Tier 1 capital plus non-cumulative perpetual preferred equity that qualifies as additional tier 1 capital, divided by quarterly adjusted average assets as defined under the U.S. Basel III Standardized approach
Total capital ratio	Total capital, which includes Common Equity Tier 1 capital, tier 1 capital, and allowance for credit losses and qualifying subordinated debt that qualifies as tier 2 capital, divided by total risk-weighted assets as defined under the U.S. Basel III Standardized approach
Transaction accounts	As defined in the instructions for the Call Report

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, noninterest 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 ICS® network, as well as the amount and timing of deposit inflows and outflows into early 2025;
- our future net interest margin, net interest income, net income, and return on equity;
- Our political organization clients’ fundraising and disbursement activities;
- 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
- 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 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 Annual Report on Form 10-K dated December 31, 2024 (our “Form 10-K”), as filed with the U.S. Securities and Exchange Commission in accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, on March 21, 2025. 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.

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Part I - Financial Information

Item 1. Financial Statements

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

	March 31, 2025	December 31, 2024[1]
Assets		
Cash and due from banks	$ 8,094	$ 3,056
Interest-bearing deposits in other banks	621,123	407,683
Total cash and cash equivalents	629,217	410,739
Securities available for sale, at fair value	479,205	358,329
Securities held to maturity, at carrying value, net of allowance for credit losses of $175 and $202, respectively (fair value of $277,981 and $278,951, respectively)	295,400	300,451
Equity securities, at fair value	527	515
Restricted securities, at cost	3,023	2,886
Loans held for sale	—	316
Loans, net of allowance for credit losses of $4,476 and $4,514, respectively	297,526	308,773
Premises and equipment, net of accumulated depreciation of $7,405 and $7,285, respectively	11,156	9,587
Accrued interest receivable	6,416	4,231
Other assets	4,390	5,297
Total assets	$ 1,726,860	$ 1,401,124
Liabilities and stockholders' equity		
Liabilities		
Deposits:		
Noninterest-bearing	$ 1,243,170	$ 913,379
Savings, interest-bearing checking and money market accounts	313,969	324,845
Time, $250 and over	6,011	6,510
Other time	5,242	5,201
Total deposits	1,568,392	1,249,935
Accrued interest payable	61	46
Accrued expenses and other liabilities	6,902	6,897
Total liabilities	1,575,355	1,256,878
Commitments and contingencies		
Stockholders' equity		
Preferred Stock:		
No par value, 10,000,000 shares authorized, no shares issued and outstanding	—	—
Class A Common Stock:		
$0.01 par value, 20,000,000 shares authorized, 3,119,317 and 3,049,447 shares issued and outstanding, respectively	31	30
Class B Common Stock:		
$0.01 par value, 10,000,000 shares authorized, 3,442,500 and 3,512,370 shares issued and outstanding, respectively	34	35
Additional paid-in capital	74,785	74,785
Retained earnings	83,248	77,641
Accumulated other comprehensive loss	(6,593)	(8,245)
Total stockholders' equity	151,505	144,246
Total liabilities and stockholders' equity	$ 1,726,860	$ 1,401,124

See Notes to Consolidated Financial Statements.

[1] Derived from audited consolidated financial statements.

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

	Three Months Ended March 31,	
	2025	2024
Interest and dividend income		
Interest and fees on loans	$ 3,589	$ 3,280
Interest and dividends on securities, taxable	4,607	2,866
Interest on securities, tax-exempt	282	294
Interest on interest-bearing deposits in banks	6,263	3,259
Total interest and dividend income	14,741	9,699
Interest expense		
Interest on deposits	893	808
Interest on short-term borrowings	—	99
Total interest expense	893	907
Net interest income	13,848	8,792
Provision for (recapture of) credit losses		
Provision for (recapture of) loan credit losses	(38)	5
Recapture of securities credit losses	(27)	(199)
Total recapture of credit losses	(65)	(194)
Net interest income after provision for (recapture of) credit losses	13,913	8,986
Noninterest income		
Trust and wealth management	270	187
Service charges on accounts	240	311
Deposit placement services	133	1,122
Gain on sale of mortgage loans	13	—
Other income	39	28
Total noninterest income	695	1,648
Noninterest expenses		
Salaries and employee benefits	4,408	3,485
Professional services	893	465
Data processing and communication expenses	666	595
State franchise taxes	351	203
Occupancy and equipment expenses	251	275
FDIC and regulatory assessments	228	193
Directors fees	146	161
Insurance expenses	149	60
Marketing and business development costs	81	72
Other operating expenses	398	232
Total noninterest expenses	7,571	5,741
Net income before taxes	7,037	4,893
Income tax expense	1,430	976
Net income	$ 5,607	$ 3,917
Earnings per common share, basic and diluted[2]	$ 0.85	$ 0.86

See Notes to Consolidated Financial Statements.

[2] Share information for the historical period gives effect to the Reclassification. During the periods presented, the number of basic and diluted weighted average shares are the same because there were no potentially dilutive instruments. 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.

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

	Three Months Ended March 31,	
	2025	2024
Net income	$ 5,607	$ 3,917
Other comprehensive income:		
Unrealized holding gains on securities available for sale	1,809	6
Income tax expense related to above unrealized gain item	(380)	(1)
Amortization of unrealized holding losses on securities available for sale, transferred to held to maturity	282	291
Income tax expense related to the above amortization	(59)	(61)
Other comprehensive income, net of tax	1,652	235
Comprehensive income	$ 7,259	$ 4,152

See Notes to Consolidated Financial Statements.

Chain Bridge Bancorp, Inc. and Subsidiary
Consolidated Statements of Changes in Stockholders' Equity
(Dollars in thousands)
(unaudited)

	Common Stock [3]						
	Class A Shares Outstanding	Class B Shares Outstanding	Total Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance at December 31, 2023	$ —	$ 46	$ 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
Balance at March 31, 2024	$ —	$ 46	$ 46	$ 38,276	$ 60,609	$ (11,330)	$ 87,601
Balance at December 31, 2024	$ 30	$ 35	$ 65	$ 74,785	$ 77,641	$ (8,245)	$ 144,246
Conversion of Class B to Class A Common Stock	1	(1)	—	—	—	—	—
Net income	—	—	—	—	5,607	—	5,607
Other comprehensive income	—	—	—	—	—	1,652	1,652
Balance at March 31, 2025	$ 31	$ 34	$ 65	$ 74,785	$ 83,248	$ (6,593)	$ 151,505

See Notes to Consolidated Financial Statements.

[3] Share information presented prior to the Reclassification date of October 3, 2024 gives effect to the Reclassification, and attributes all earnings to Class B shares because no Class A shares were outstanding prior to the Reclassification.

Chain Bridge Bancorp, Inc. and Subsidiary
Consolidated Statements of Cash Flows
(Dollars in thousands)
(unaudited)

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities		
Net income	$ 5,607	$ 3,917
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization of premises and equipment	120	129
Premium amortization (discount accretion) on investment securities, net	(1,163)	202
Recapture of impairment loss on securities previously recognized in earnings	—	(1)
Fair value adjustment (gain) loss on equity security	(9)	4
Provision for (recapture of) loan credit losses	(38)	5
Recapture of securities credit losses	(27)	(199)
Gain on sale of mortgage loans	(13)	—
Origination of loans held for sale	(515)	(671)
Proceeds from sale of loans	844	—
Changes in assets and liabilities:		
Net increase in accrued interest receivable and other assets	(1,717)	(590)
Net increase in accrued interest payable, accrued expenses and other liabilities	20	675
Net cash provided by operating activities	3,109	3,471
Cash flows from investing activities		
Securities available for sale:		
Purchases of securities	(288,006)	(7,061)
Proceeds from calls, maturities, and paydowns	170,458	10,688
Securities held to maturity:		
Proceeds from calls, maturities and paydowns	5,005	7
Purchase of restricted securities, net	(137)	(123)
Reinvestment of dividends on equity security	(4)	(3)
Net decrease (increase) in loans	11,285	(1,123)
Purchases of premises and equipment	(1,689)	(60)
Net cash (used in) provided by investing activities	(103,088)	2,325
Cash flows from financing activities		
Net increase in noninterest-bearing, savings, interest-bearing checking and money market deposits	318,915	24,879
Net decrease in time deposits	(458)	(1,149)
Increase in short-term borrowings	—	—
Proceeds from stock issuance	—	12
Net cash provided by financing activities	318,457	23,742
Net increase in cash and cash equivalents	218,478	29,538
Cash and cash equivalents, beginning of period	410,739	316,767
Cash and cash equivalents, end of period	$ 629,217	$ 346,305
Supplemental disclosures of cash flow information		
Cash payments for interest	$ 878	$ 892
Cash payments for taxes	$ —	$ —
Supplemental disclosures of noncash investing activities		
Fair value adjustment for available for sale securities	$ 1,809	$ 6

See Notes to Consolidated Financial Statements.

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 a publicly traded bank holding company whose Class A common stock is listed on the New York Stock Exchange under the symbol "CBNA." The Company serves as the registered bank holding company for Chain Bridge Bank, National Association (the "Bank"), its wholly-owned subsidiary. The Company does not own or control any other subsidiaries and conducts substantially all of its business through the Bank. Both the Company and Bank have their headquarters and sole executive office in McLean, Virginia.

The Bank is a national banking association chartered by the OCC under the National Bank Act. The Bank commenced operations on August 6, 2007, following receipt of its Charter No. 24755 from the OCC. The Bank is a member of the FDIC under Certificate No. 58595 and is also a Federal Reserve member bank, as required of national banks. In 2020, the Bank opened its Trust & Wealth department following authorization from the OCC to exercise full fiduciary powers in accordance with 12 U.S.C. § 92a.

The Bank uses a branchless operating model that integrates digital banking channels with in-person services at its headquarters in McLean, Virginia. It offers a broad range of commercial and personal banking services, including deposit accounts, multiple types of loan products, trust administration, wealth management, and asset custody. The Bank's core deposit products include noninterest-bearing and interest-bearing checking accounts, as well as savings accounts. Its lending portfolio currently consists primarily of real-estate secured loans, with a significant portion being loans secured by first liens on single family residential properties in the Washington, D.C. area.

The Bank offers tailored financial solutions to individuals, families, businesses, non-profit organizations, and political organizations nationwide. 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 with such committees that are maintained or controlled by a candidate or federal officeholder (collectively, "Leadership PACs")); and other tax-exempt organizations under Section 527 of the Internal Revenue Code.

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, 2024 and the accompanying notes thereto, included in the Company's Annual Report on Form 10-K, filed with the SEC on March 21, 2025 ("Form 10-K").

The results of operations for the three months ended March 31, 2025 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 the prior year may be reclassified to conform to the current year's presentation. There were no reclassifications for the periods reported.

Segment Reporting

The Company operates as a single reportable segment. The Company's chief operating decision-makers, including senior management and the Board of Directors, evaluate financial performance and allocate resources on a consolidated basis. Although the Company offers a variety of financial products and services, including deposit accounts, loans, treasury management, and trust and wealth management services, management considers these activities to be components of a single business unit. Individual financial results of specific product lines or services are not separately reviewed by senior management for the purpose of making operating decisions. Accordingly, the Company has determined that it operates in one reportable segment under applicable accounting guidance.

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, 2024, contained within the Company's Form 10-K. There have been no significant changes to the application of significant accounting policies since December 31, 2024.

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 fair value of investment securities.

Recent Accounting Pronouncements

In December 2023, the 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 for the year ended December 31, 2025.

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.

In January 2025, the FASB issued ASU 2025-01, "Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date." ASU 2025-01 amends the effective date of ASU 2024-03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption of ASU 2024-03 is permitted. The Company does not expect the adoption of ASU 2025-01 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.

Note 2. 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 March 31, 2025 and December 31, 2024, 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 March 31, 2025 and December 31, 2024 (dollars in thousands):

	March 31, 2025				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value	Allowance for Credit Losses
Securities available for sale:					
U.S. government and federal agencies	$ 328,302	$ 355	$ (1,263)	$ 327,394	$ —
Mortgage backed securities	7,383	1	(470)	6,914	—
Corporate bonds	48,488	49	(516)	48,021	—
State and municipal securities	100,216	45	(3,385)	96,876	—
Total securities available for sale	$ 484,389	$ 450	$ (5,634)	$ 479,205	$ —
Securities held to maturity:					
U.S. government and federal agencies	$ 118,455	$ —	$ (7,320)	$ 111,135	$ —
Mortgage backed securities	1,163	—	(32)	1,131	—
Corporate bonds	56,410	53	(1,270)	55,193	(145)
State and municipal securities	119,547	8	(9,033)	110,522	(30)
Total securities held to maturity	$ 295,575	$ 61	$ (17,655)	$ 277,981	$ (175)
Total securities	$ 779,964	$ 511	$ (23,289)	$ 757,186	$ (175)

	December 31, 2024				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value	Allowance for Credit Losses
Securities available for sale:					
U.S. government and federal agencies	$ 207,935	$ 29	$ (1,561)	$ 206,403	$ —
Mortgage backed securities	7,976	1	(582)	7,395	—
Corporate bonds	44,707	20	(753)	43,974	—
State and municipal securities	104,705	37	(4,185)	100,557	—
Total securities available for sale	$ 365,323	$ 87	$ (7,081)	$ 358,329	$ —
Securities held to maturity:					
U.S. government and federal agencies	$ 122,452	$ —	$ (9,181)	$ 113,271	$ —
Mortgage backed securities	1,168	—	(51)	1,117	—
Corporate bonds	57,470	43	(1,698)	55,815	(171)
State and municipal securities	119,563	5	(10,820)	108,748	(31)
Total securities held to maturity	$ 300,653	$ 48	$ (21,750)	$ 278,951	$ (202)
Total securities	$ 665,976	$ 135	$ (28,831)	$ 637,280	$ (202)

There were no holdings of municipal or corporate debt securities that equaled or exceeded 10.0% of stockholders' equity at March 31, 2025 and December 31, 2024.

There were no securities pledged to secure any borrowing source at March 31, 2025 and December 31, 2024.

Proceeds from calls, maturities, and paydowns of debt securities available for sale totaled $170.5 million for the three months ended March 31, 2025 and $10.7 million for the three months ended March 31, 2024. Proceeds from calls, maturities, and paydowns of debt securities held to maturity totaled $5.0 million and $7 thousand for the three month periods ended March 31, 2025 and 2024, respectively.

During the three months ended March 31, 2025, the Bank did not sell any AFS securities. During the three months ended March 31, 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 previously recorded credit losses. This sale did not result in a realized gain or loss on sale of securities.

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 first quarter of 2025, the Company did not sell any HTM bonds.

The amortized cost and fair value of debt securities by contractual maturity at March 31, 2025 is as follows (dollars in thousands):

	Available for Sale		Held to Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Within one year	$ 257,320	$ 256,981	$ 48,008	$ 47,392
After one year through five years	199,790	197,267	162,907	155,064
After five years through ten years	22,495	20,594	80,374	71,865
Over ten years	4,784	4,363	4,286	3,660
Total	$ 484,389	$ 479,205	$ 295,575	$ 277,981

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 March 31, 2025 and December 31, 2024 (dollars in thousands):

	March 31, 2025					
	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	$ (25)	$ 123,291	$ (1,238)	$ 18,658	$ (1,263)	$ 141,949
Mortgage backed securities	—	—	(470)	6,858	(470)	6,858
Corporate bonds	(43)	11,335	(473)	24,357	(516)	35,692
State and municipal securities	(40)	7,941	(3,345)	72,821	(3,385)	80,762
Total securities available for sale	$ (108)	$ 142,567	$ (5,526)	$ 122,694	$ (5,634)	$ 265,261

	December 31, 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	$ (29)	$ 141,169	$ (1,532)	$ 22,348	$ (1,561)	$ 163,517
Mortgage backed securities	—	26	(582)	7,338	(582)	7,364
Corporate bonds	(90)	6,365	(663)	30,677	(753)	37,042
State and municipal securities	(77)	9,121	(4,108)	79,790	(4,185)	88,911
Total securities available for sale	$ (196)	$ 156,681	$ (6,885)	$ 140,153	$ (7,081)	$ 296,834

In the AFS portfolio at March 31, 2025, 39 out of 66 debt securities of the U.S. government and federal agencies, 11 out of 18 mortgage backed securities, 74 out of 100 corporate bonds, and 246 out of 286 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, 2024, contained within the Form 10-K, 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 March 31, 2025 and December 31, 2024, 743 and 776 debt securities had unrealized losses with aggregate impairment of 3.0% and 4.3%, 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 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 March 31, 2025 and December 31, 2024. 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 March 31, 2025 and December 31, 2024. The Company considers the unrealized losses on the debt securities as of March 31, 2025 and December 31, 2024 to be related to fluctuations in market conditions, primarily interest rates, and is not reflective of deterioration in credit.

At March 31, 2025, there was no allowance for credit losses, and there were no provisions, write offs, or recoveries on AFS debt securities recorded during the three months ended March 31, 2025.

The table below presents a rollforward by major security type of the allowance for credit losses on AFS debt securities for the three months ended March 31, 2024 (dollars in thousands):

	March 31, 2024				
For the three months ended	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, 2023	$ —	$ —	$ —	$ —	$ —
Provision for credit losses	—	—	210	—	210
Write offs charged against the allowance	—	—	—	—	—
Recoveries of amounts previously written off	—	—	(210)	—	(210)
Ending balance, March 31, 2024	$ —	$ —	$ —	$ —	$ —

At March 31, 2024, there was no allowance for credit losses on AFS debt securities recorded. During the three months ended March 31, 2024, the Bank received proceeds totaling $210 thousand for a bond that was fully charged off during 2023, and recorded a recovery of the credit loss.

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, 2024. 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 March 31, 2025 and December 31, 2024 by security type and credit rating (dollars in thousands):

	March 31, 2025				
	U.S. Government and Federal Agencies	Mortgage Backed Securities	Corporate Bonds	State and Municipal Securities	Total HTM Securities
AAA / AA / A	$ 118,455	$ 1,163	$ 18,005	$ 119,547	$ 257,170
BBB / BB / B	—	—	38,405	—	38,405
Total	$ 118,455	$ 1,163	$ 56,410	$ 119,547	$ 295,575

Notes to Unaudited Consolidated Financial Statements

	December 31, 2024				
	U.S. Government and Federal Agencies	Mortgage Backed Securities	Corporate Bonds	State and Municipal Securities	Total HTM Securities
AAA / AA / A	$ 122,452	$ 1,168	$ 18,046	$ 119,563	$ 261,229
BBB / BB / B	—	—	39,424	—	39,424
Total	$ 122,452	$ 1,168	$ 57,470	$ 119,563	$ 300,653

The following tables summarize the change in the allowance for credit losses on HTM debt securities for the three months ended March 31, 2025 and 2024 (dollars in thousands):

	March 31, 2025				
For the three months ended	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, 2024	$ —	$ —	$ 171	$ 31	$ 202
Provision for (recapture of) credit losses	—	—	(26)	(1)	(27)
Write offs charged against the allowance	—	—	—	—	—
Recoveries of amounts previously written off	—	—	—	—	—
Ending balance, March 31, 2025	$ —	$ —	$ 145 $—	$ 30 $—	$ 175

	March 31, 2024				
For the three months ended	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, 2023	$ —	$ —	$ 322	$ 26	$ 348
Provision for (recapture of) credit losses	—	—	3	8	11
Write offs charged against the allowance	—	—	—	—	—
Recoveries of amounts previously written off	—	—	—	—	—
Ending balance, March 31, 2024	$ —	$ —	$ 325	$ 34	$ 359

At March 31, 2025 and December 31, 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 March 31, 2025 and December 31, 2024.

Equity Securities

The Company reported a fair value gain of $9 thousand in its equity security holding during the three month period ended March 31, 2025 and fair value loss of $4 thousand for the three month period ended March 31, 2024. The gains and losses were reflected in the “other income” component of noninterest income on the consolidated statements of income.

Note 3. Loans and Allowance for Loan Credit Losses

A summary of the composition of the loan portfolio at March 31, 2025 and December 31, 2024 is presented below (dollars in thousands):

	March 31, 2025	December 31, 2024
Commercial real estate	$ 51,982	$ 53,480
Commercial	18,555	27,883
Residential real estate closed-end	211,936	210,730
Other consumer loans	19,529	21,194
	302,002	313,287
Less allowance for credit losses	(4,476)	(4,514)
Loans, net	$ 297,526	$ 308,773

Overdrafts totaling $18 thousand and $27 thousand at March 31, 2025 and December 31, 2024, respectively, were reclassified from deposits to loans.

The totals above include deferred costs (net of deferred fees) of $505 thousand at March 31, 2025 and $519 thousand at December 31, 2024.

The following tables present the activity in the allowance for credit losses by portfolio segment for the three months ended March 31, 2025 and 2024 (dollars in thousands):

	March 31, 2025				
	Commercial Real Estate	Commercial	Residential Real Estate Closed-End	Other Consumer Loans	Total
For the three months ended					
Allowance for credit losses:					
Beginning balance, December 31, 2024	$ 1,140	$ 483	$ 2,644	$ 247	$ 4,514
Provision for (recapture of) credit losses	164	(224)	31	(9)	(38)
Loans charged-off	—	—	—	—	—
Recoveries collected	—	—	—	—	—
Ending balance, March 31, 2025	$ 1,304	$ 259	$ 2,675	$ 238	$ 4,476

	March 31, 2024				
	Commercial Real Estate	Commercial	Residential Real Estate Closed-End	Other Consumer Loans	Total
For the three months ended					
Allowance for credit losses:					
Beginning balance, December 31, 2023	$ 1,233	$ 189	$ 2,668	$ 229	$ 4,319
Provision for (recapture of) credit losses	(16)	(12)	13	20	5
Loans charged-off	—	—	—	—	—
Recoveries collected	—	—	—	—	—
Ending balance, March 31, 2024	$ 1,217	$ 177	$ 2,681	$ 249	$ 4,324

There were no nonaccrual loans, loans 90 days past due and still accruing, or past due for 30 or more days as of March 31, 2025 and December 31, 2024.

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, 2024. The following table presents the outstanding balance of the loan portfolio, by year of origination, loan classification, and credit quality, as of March 31, 2025 and December 31, 2024 (dollars in thousands):

March 31, 2025	**Term Loans by Year of Origination**								
	2025	**2024**	**2023**	**2022**	**2021**	**Prior**	**Revolving Loans**	**Revolving to Term Loans**	**Total**
Commercial real estate									
Pass	$ —	$ 2,856	$ 2,515	$ 5,782	$ 7,148	$ 26,491	$ —	$ —	$ 44,792
Special Mention	—	—	—	—	1,550	2,145	—	—	3,695
Substandard	—	—	—	1,676	—	1,819	—	—	3,495
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total	$ —	$ 2,856	$ 2,515	$ 7,458	$ 8,698	$ 30,455	$ —	$ —	$ 51,982
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial									
Pass	$ 40	$ 382	$ —	$ 546	$ 8	$ 1,094	$ 16,485	$ —	$ 18,555
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total	$ 40	$ 382	$ —	$ 546	$ 8	$ 1,094	$ 16,485	$ —	$ 18,555
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Residential real estate closed-end									
Pass	$ 3,683	$ 15,876	$ 16,668	$ 47,529	$ 42,625	$ 85,555	$ —	$ —	$ 211,936
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total	$ 3,683	$ 15,876	$ 16,668	$ 47,529	$ 42,625	$ 85,555	$ —	$ —	$ 211,936
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other consumer loans									
Pass	$ —	$ 15	$ —	$ —	$ 16	$ —	$ 17,675	$ 1,823	$ 19,529
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total	$ —	$ 15	$ —	$ —	$ 16	$ —	$ 17,675	$ 1,823	$ 19,529
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Portfolio Loans									
Pass	$ 3,723	$ 19,129	$ 19,183	$ 53,857	$ 49,797	$ 113,140	$ 34,160	$ 1,823	$ 294,812
Special Mention	—	—	—	—	1,550	2,145	—	—	3,695
Substandard	—	—	—	1,676	—	1,819	—	—	3,495
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total Portfolio Loans	**$ 3,723**	**$ 19,129**	**$ 19,183**	**$ 55,533**	**$ 51,347**	**$ 117,104**	**$ 34,160**	**$ 1,823**	**$ 302,002**
Current period gross charge-offs	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**

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December 31, 2024	Term Loans by Year of Origination 2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving to Term Loans	Total
Commercial real estate									
Pass	$ 2,873	$ 2,526	$ 6,461	$ 7,250	$ 3,424	$ 25,849	$ —	$ —	$ 48,383
Special Mention	—	—	—	1,576	—	—	—	—	1,576
Substandard	—	—	1,676	—	—	1,845	—	—	3,521
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total	$ 2,873	$ 2,526	$ 8,137	$ 8,826	$ 3,424	$ 27,694	$ —	$ —	$ 53,480
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial									
Pass	$ 403	$ —	$ 552	$ 9	$ —	$ 1,147	$ 25,772	$ —	$ 27,883
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total	$ 403	$ —	$ 552	$ 9	$ —	$ 1,147	$ 25,772	$ —	$ 27,883
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Residential real estate closed-end									
Pass	$ 15,969	$ 17,834	$ 47,200	$ 43,125	$ 23,145	$ 63,222	$ —	$ —	$ 210,495
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	236	—	—	236
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total	$ 15,969	$ 17,834	$ 47,200	$ 43,125	$ 23,145	$ 63,458	$ —	$ —	$ 210,730
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Other consumer loans									
Pass	$ 17	$ —	$ —	$ 18	$ —	$ —	$ 19,336	$ 1,823	$ 21,194
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total	$ 17	$ —	$ —	$ 18	$ —	$ —	$ 19,336	$ 1,823	$ 21,194
Current period gross charge-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total Portfolio Loans									
Pass	$ 19,262	$ 20,360	$ 54,213	$ 50,402	$ 26,569	$ 90,218	$ 45,108	$ 1,823	$ 307,955
Special Mention	—	—	—	1,576	—	—	—	—	1,576
Substandard	—	—	1,676	—	—	2,081	—	—	3,757
Doubtful	—	—	—	—	—	—	—	—	—
Loss	—	—	—	—	—	—	—	—	—
Total Portfolio Loans	**$ 19,262**	**$ 20,360**	**$ 55,889**	**$ 51,978**	**$ 26,569**	**$ 92,298**	**$ 45,108**	**$ 1,823**	**$ 313,287**
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 losses under FASB ASC Topic 326 as of March 31, 2025 and December 31, 2024.

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 three months ended March 31, 2025 and 2024, 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 $8.5 million and $8.6 million as of March 31, 2025 and December 31, 2024, respectively. The decrease in loans outstanding relates to principal payments. 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 4. Deposits

The Bank held no deposits classified as brokered as of March 31, 2025 and December 31, 2024. To achieve full insurance from the FDIC, some of the Bank's depositors have enrolled in the 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. Reciprocal deposits through ICS® held on the consolidated balance sheets were $114.1 million and $130.3 million as of March 31, 2025 and December 31, 2024, respectively. Total ICS® One-Way Sell® deposits of $93.2 million and $63.3 million as of March 31, 2025, and December 31, 2024, respectively, were sold to the network and excluded from the Company's consolidated balance sheets. The Company receives fee income for deposits that are sold, which is reported under deposit placement services income on the consolidated statements of income.

As of March 31, 2025, there were three clients with an individual deposit balance exceeding 5.0% of total deposits. The total deposit balance related to these clients was $472.0 million or 30.1% of total deposits. As of December 31, 2024, there were two clients whose individual deposit balances exceeded 5.0% of total deposits. The total deposit balance related to these clients was $202.6 million or 16.2% of total deposits.

On April 15, 2025 a significant outflow of approximately $506.5 million, which the Bank funded using cash reserves at the Federal Reserve, occurred across six political organization client accounts, including the three accounts that exceeded the 5% threshold at quarter-end. As of the close of business on April 15, 2025, the six accounts maintained approximately $56.8 million in aggregate balances. As of the close of business on April 15, 2025, following the outflows, the Company's consolidated total deposits were $1.1 billion, with one deposit relationship exceeding 5% of consolidated total deposits at 5.15%. IntraFi Cash Service® (ICS®) One-Way Sell® deposits totaled $107.9 million. As of the close of business on May 12, 2025, the Company's consolidated total deposits were $1.2 billion, with IntraFi Cash Service® (ICS®) One-Way Sell® deposits totaling $71.8 million.

Note 5. Borrowings

Available Lines of Credit

The Bank maintains eligibility for a secured line of credit with the Federal Home Loan Bank ("FHLB"). To establish credit availability, the Bank will typically pledge eligible 1-4 family residential real estate loans from its loan portfolio as collateral. At March 31, 2025 and December 31, 2024, the Bank had not pledged any collateral to the FHLB. Consequently, no credit availability was established, and no outstanding borrowings were recorded.

The Bank also maintains eligibility for a secured line of credit with the Federal Reserve Bank of Richmond (“FRB”), and will typically pledge investment securities to establish credit availability. At March 31, 2025 and December 31, 2024, the Bank had not pledged any collateral to the FRB. Consequently, no credit availability was established, and no outstanding borrowings were recorded.

Short-Term Borrowing Facilities

As of March 31, 2025 and December 31, 2024, the Company had no outstanding short-term borrowings. The Bank maintains access to unsecured federal funds purchase lines of credit with:

- Pacific Coast Bankers’ Bank: $50.0 million, maturing June 30, 2025
- First National Bankers’ Bank: $10.0 million, maturing June 30, 2025, and
- Community Bankers’ Bank: $8.0 million, maturing March 12, 2026.

These federal funds lines renew annually, and balances may remain outstanding for periods ranging from 10 to 90 consecutive days. The use of these credit facilities is contingent upon compliance with specified financial conditions and covenants.

As of March 31, 2025 and December 31, 2024, the Bank had no outstanding balances under these federal funds purchase lines.

Note 6. 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 online real-time databases.

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):

		Fair Value Measurements Using		
Financial Assets	**Balances**	**Level 1**	**Level 2**	**Level 3**
As of March 31, 2025:				
Available for sale securities:				
U.S. government and federal agencies	$ 327,394	$ 325,432	$ 1,962	$ —
Mortgage backed securities	6,914	—	6,914	—
Corporate bonds	48,021	502	47,519	—
State and municipal securities	96,876	—	96,876	—
Total available for sale securities	$ 479,205	$ 325,934	$ 153,271	$ —
Equity securities	527	527	—	—
Total	$ 479,732	$ 326,461	$ 153,271	$ —
As of December 31, 2024:				
Available for sale securities:				
U.S. government and federal agencies	$ 206,403	$ 204,452	$ 1,951	$ —
Mortgage backed securities	7,395	—	7,395	—
Corporate bonds	43,974	480	43,494	—
State and municipal securities	100,557	—	100,557	—
Total available for sale securities	$ 358,329	$ 204,932	$ 153,397	$ —
Equity securities	515	515	—	—
Total	$ 358,844	$ 205,447	$ 153,397	$ —

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 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, and therefore no recorded reserve as of March 31, 2025 and December 31, 2024.

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 March 31, 2025 and December 31, 2024.

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 March 31, 2025 or December 31, 2024.

There were no assets measured at fair value on a nonrecurring basis at March 31, 2025 and December 31, 2024.

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 March 31, 2025 and December 31, 2024 (dollars in thousands):

	Carrying Amount	Fair Value Measurements Using			Total Fair Value
		Level 1	Level 2	Level 3	
As of March 31, 2025:					
Financial assets:					
Cash and due from banks	$ 629,217	$ 629,217	$ —	$ —	$ 629,217
Securities available for sale	479,205	325,934	153,271	—	479,205
Securities held to maturity, net	295,400	105,397	172,584	—	277,981
Equity securities	527	527	—	—	527
Restricted securities	3,023	—	3,023	—	3,023
Loans, net	297,526	—	—	286,257	286,257
Accrued interest receivable	6,416	—	6,416	—	6,416
Financial liabilities:					
Time deposits	11,253	—	—	11,169	11,169
Accrued interest payable	61	—	61	—	61

Notes to Unaudited Consolidated Financial Statements

	Carrying Amount	Fair Value Measurements Using Level 1	Level 2	Level 3	Total Fair Value
As of December 31, 2024:					
Financial assets:					
Cash and due from banks	$ 410,739	$ 410,739	$ —	$ —	$ 410,739
Securities available for sale	358,329	204,932	153,397	—	358,329
Securities held to maturity, net	300,451	107,593	171,358	—	278,951
Equity securities	515	515	—	—	515
Restricted securities	2,886	—	2,886	—	2,886
Loans held for sale	316	—	316	—	316
Loans, net	308,773	—	—	294,316	294,316
Accrued interest receivable	4,231	—	4,231	—	4,231
Financial liabilities:					
Time deposits	11,711	—	—	11,650	11,650
Accrued interest payable	46	—	46	—	46

Note 7. Accumulated Other Comprehensive Loss

The following table presents the changes in each component in accumulated other comprehensive loss, net of tax for the three months ended March 31, 2025 and 2024 (dollars in thousands):

	Unrealized Loss on Available for Sale Securities	Unrealized Loss on Securities Transferred from Available for Sale to Held to Maturity	Accumulated Other Comprehensive Loss
Balance at December 31, 2023	$ (7,931)	$ (3,634)	$ (11,565)
Unrealized holding gains, net of tax of $1	5	—	5
Amortization of unrealized holding losses, net of tax of $61	—	230	230
Balance at March 31, 2024	$ (7,926)	$ (3,404)	$ (11,330)
Balance at December 31, 2024	$ (5,525)	$ (2,720)	$ (8,245)
Unrealized holding gains, net of tax of $380	1,429	—	1,429
Amortization of unrealized holding losses, net of tax of $59	—	223	223
Balance at March 31, 2025	$ (4,096)	$ (2,497)	$ (6,593)

Note 8. Earnings Per Share

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. Because Class A Common Stock and Class B Common Stock share in earnings equally, any potential conversions of Class B Common Stock to Class A Common Stock do not have a dilutive impact.

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. Share information for historical periods gives effect to the Reclassification. All earnings are attributed to Class B shares for the historical periods because no Class A shares were outstanding during the historical periods.

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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 the three-month periods ended March 31, 2025 and 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 (dollars in thousands, except per share data). The number of basic and diluted shares are the same because there are no potentially dilutive instruments.

	Three Months Ended	
	March 31, 2025	March 31, 2024
Net Income	$ 5,607	$ 3,917
Dividends declared on common stock		
Class A Common Stock	—	—
Class B Common Stock	—	—
Undistributed net income for basic and diluted earnings per share	$ 5,607	$ 3,917
Weighted average shares outstanding		
Class A Common Stock	3,088,810	—
Class B Common Stock	3,473,007	4,568,240
Weighted average shares outstanding, basic and dilutive	6,561,817	4,568,240

	Three Months Ended	
	March 31, 2025	March 31, 2024
Earnings per common share, basic and diluted		
Class A Common Stock		
Per share dividends distributed	$ —	$ —
Undistributed earnings per share	0.85	—
Total basic and diluted earnings per share - Class A Common Stock	$ 0.85	$ —
Class B Common Stock		
Per share dividends distributed	$ —	$ —
Undistributed earnings per share	0.85	0.86
Total basic and diluted earnings per share - Class B Common Stock	$ 0.85	$ 0.86

Note 9. Subsequent Events

There were no subsequent events other than those disclosed in *Note 4. Deposits*.

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, 2024 included in our Form 10-K. 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 Form 10-K. 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 a publicly traded bank holding company whose Class A common stock is listed on the New York Stock Exchange under the symbol "CBNA." The Company was incorporated on May 26, 2006, and is subject to supervision and regulation by the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, as amended. The Company serves as the registered bank holding company for Chain Bridge Bank, National Association (the "Bank"), its wholly-owned subsidiary. The Company does not own or control any other subsidiaries and conducts substantially all of its business through the Bank.

We offer a broad range of commercial and personal banking services, including deposit accounts, multiple types of loan products, trusts 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

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, Class A common stock, par value $0.01 per share ("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"). Share information presented prior to the Reclassification date of October 3, 2024 gives effect to the Reclassification and attributes all earnings to Class B shares because no Class A shares were outstanding prior to the Reclassification.

Three Months Ended March 31, 2025 Highlights

Highlights of our results of operations and financial condition as of and for the three months ended March 31, 2025 are provided below.

Financial Performance

- Consolidated net income was $5.6 million for the three months ended March 31, 2025, compared to $3.9 million for the three months ended March 31, 2024. Earnings per share for the three months ended March 31, 2025 were $0.85, compared to $0.86 for the three months ended March 31, 2024.[4]

[4] For historical periods presented, all earnings are attributed to Class B shares because no Class A shares were outstanding.

- Net interest income, before provision for, or recapture of, credit losses, was $13.8 million for the three months ended March 31, 2025, compared to $8.8 million for the three months ended March 31, 2024. Net interest income, after provision for, or recapture of, credit losses was $13.9 million for the three months ended March 31, 2025, compared to $9.0 million for the three months ended March 31, 2024.
- Return on average equity was 15.39% for the three months ended March 31, 2025, compared to 18.33% for the three months ended March 31, 2024.
- Return on average assets for the three months ended March 31, 2025 was 1.43%, compared to 1.39% for the three months ended March 31, 2024.
- Return on average risk-weighted assets was 5.74% for the three months ended March 31, 2025, compared to 3.82% for the three months ended March 31, 2024.[5]

Balance Sheet

- Total assets were $1.7 billion as of March 31, 2025, compared to $1.4 billion as of December 31, 2024.
- Total deposits were $1.6 billion as of March 31, 2025, compared to $1.2 billion as of December 31, 2024. Excluded from these totals are One-Way Sell® deposits, which were placed at other banks through the ICS® network. These One-Way Sell® deposits amounted to $93.2 million as of March 31, 2025, compared to $63.3 million as of December 31, 2024.
- No non-performing assets or other real estate owned (“OREO”) were reported as of March 31, 2025 or December 31, 2024.
- Cash balances held at the Federal Reserve were $620.3 million as of March 31, 2025, compared to $406.7 million as of December 31, 2024.
- As of March 31, 2025, the total debt securities portfolio balance was $774.6 million, compared to $658.8 million as of December 31, 2024.
- Book value per share was $23.09 as of March 31, 2025, compared to $21.98 as of December 31, 2024.
- As of March 31, 2025, the Company had a total risk-based capital ratio of 41.43% and a tier 1 risk-based capital ratio of 40.24%. The Bank exceeded the minimum requirements to be well-capitalized for bank regulatory purposes, with a total risk-based capital ratio of 38.12% and a tier 1 risk-based capital ratio of 36.93%.
- As of March 31, 2025, our liquidity ratio was 89.14%, compared to 85.13% as of December 31, 2024.

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 has not adjusted its target federal funds rate through the first quarter of 2025, but did reduce the target rate during September, November and December of 2024. 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; 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 with such committees that are maintained or controlled by a candidate or federal officeholder (collectively, “Leadership PACs”)); and other tax-exempt organizations under Section 527 of the Internal Revenue Code. These accounts are often associated with firms that provide treasury, legal or regulatory compliance services to political organizations.

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,

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[5] Return on average risk-weighted assets is calculated as net income divided by average risk-weighted assets. Average risk-weighted assets are calculated using the last two quarter ends.

deposits from political organizations increase in the periods leading up to federal elections followed by a decline around the elections. Election outcomes may also impact the timing and scale of deposit inflows or outflows from political organizations, and this cycle was no exception. During the first quarter of 2025, the Company experienced a material increase in deposits from certain political organization clients, primarily attributable to a post-election surge in deposits following the November 2024 federal elections. A significant portion of the increase was concentrated in three accounts that each, individually, held more than 5% of total deposits at quarter-end. In the aggregate, these accounts totaled $472.0 million and represented 30.1% of consolidated total deposits as of March 31, 2025. While historically political organization deposits have began rebuilding in the quarters following an election, the pace and scale of the increase in the political organization deposits during the first quarter of 2025, and the resulting deposit concentration, differed from typical patterns we have observed in prior post-election periods and reflected elevated, event-driven fundraising activity.

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, particularly in the Washington, D.C. metropolitan area, and levels of government spending influence our deposit levels and earnings. At various points throughout 2024 and the first quarter of 2025, we estimate that at least a majority of our deposit balances were sourced from political organizations, which we believe reduces our direct exposure to broader economic trends. However, economic downturns may lead to declines in political donations, which could adversely affect our deposit levels and income. Additionally, national or regional recessions could increase the risk of loan defaults and negatively impact the credit quality of our municipal and corporate bonds, potentially leading to defaults.

Following the January 20, 2025, inauguration of President Trump, the administration has introduced a series of policy proposals aimed at reducing federal expenditures, federal real estate holdings, leases, and the federal workforce. These include a proposed 8% annual reduction in the Department of Defense budget over five years and a hiring policy limiting new hires to one for every four federal employees who leave. Additionally, the newly established Department of Government Efficiency Service (“DOGE”) has announced efforts to cut federal spending by $1 trillion, which may lead to further reductions in government contracts, agency budgets, and workforce levels. While the specifics of these proposals continue to evolve, the potential for significant federal spending cuts represents a known uncertainty that could materially impact the region’s economy.

These measures could have broad economic implications for the Washington, D.C. metropolitan area, given the region’s reliance on federal employment and contracting. As a known uncertainty, a reduction in federal workforce levels and agency budgets could negatively impact the financial stability of consumers and businesses dependent on government spending, increasing the credit risk of our consumer and commercial borrowers. Additionally, decreased demand for commercial office space and housing may place downward pressure on residential and commercial real estate values, which could further affect the region’s economy and the performance of our loan portfolio.

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. 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 reduced its target federal funds rate three times 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 Item 1,"Business — Supervision and Regulation" in our Form 10-K.

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 March 31, 2025, we estimate that approximately 74.6% 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® network. We typically earn fee income from ICS® for deposits that are placed at other banks as One-Way Sell® deposits, or we earn interest income when we choose to receive reciprocal deposits through ICS®. Using the ICS® 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. These costs have included, and will continue to 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 have increased our legal, regulatory and financial compliance costs and have made 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, annualized 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, annualized 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® deposits which are sold into the ICS® 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 professional services, 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 those such as 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 $620.3 million as of March 31, 2025, 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 the reporting period.

Our most significant accounting policies are described in the Notes to the Consolidated Financial Statements in our Form 10-K. These policies, together with the other disclosures presented in the financial statement notes and this Quarterly Report on Form 10-Q, provide information on the valuation of significant assets and liabilities and the methodologies used in determining those values. Based on the valuation techniques applied, and the sensitivity of financial statement amounts to the underlying methods, assumptions, and estimates, we have identified the determination of the allowance for credit losses and the fair value of securities as the areas that involve the most subjective or complex judgments and, as such, could be subject to revision as new information becomes available. We describe these policies in detail within the “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates” section of our Form 10-K. There have been no material changes to our critical accounting policies from those disclosed in the Form 10-K.

The effects of new accounting pronouncements are detailed in Note 1 to the Consolidated Financial Statements, “Organization and Summary of Significant Accounting Policies.”

Results of Operations

Net Income

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

	Three Months Ended March 31,			
(*dollars in thousands*)	**2025**	**2024**	**$ Change**	**% Change**
Interest and dividend income	$ 14,741	$ 9,699	$ 5,042	52.0 %
Interest expense	893	907	(14)	(1.6 %)
Net interest income	13,848	8,792	5,056	57.5 %
Provision for (recapture of) credit losses	(65)	(194)	129	(66.5 %)
Net interest income after provision for (recapture of) credit losses	13,913	8,986	4,927	54.8 %
Noninterest income	695	1,648	(953)	(57.8 %)
Noninterest expense	7,571	5,741	1,830	31.9 %
Net income before taxes	7,037	4,893	2,144	43.8 %
Income tax expense	1,430	976	454	46.5 %
Net income	$ 5,607	$ 3,917	$ 1,690	43.1 %

For the three months ended March 31, 2025, our net income increased by $1.7 million compared to the three months ended March 31, 2024, primarily due to a $5.1 million, or 57.5%, increase in net interest income. An increase of $1.8 million in noninterest expense, driven most notably by increases in employment, professional services, and insurance costs associated with increased public company expenses, coupled with an increase in our state franchise taxes, partially offset the increase in net income. A $953 thousand decrease in noninterest income, driven by a decline in deposit placement services income following the reduction in One-Way Sell® balances, also partially offset the 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.

	Three Months Ended March 31,			
(*dollars in thousands*)	**2025**	**2024**	**$ Change**	**% Change**
Interest and dividend income				
Interest and fees on loans	$ 3,589	$ 3,280	$ 309	9.4 %
Interest and dividends on securities, taxable	4,607	2,866	1,741	60.8 %
Interest on securities, tax exempt	282	294	(12)	(4.0 %)
Interest on interest-bearing deposits in banks	6,263	3,259	3,004	92.2 %
Total interest and dividend income	14,741	9,699	5,042	52.0 %
Interest expense				
Interest on deposits	893	808	85	10.5 %
Interest on short-term borrowings	—	99	(99)	(100.0 %)
Total interest expense	893	907	(14)	(1.6 %)
Net interest income	$ 13,848	$ 8,792	$ 5,056	57.5 %

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 March 31, 2025 Average Balance	2025 Interest	2025 Average Yield/Cost	2024 Average Balance	2024 Interest	2024 Average Yield/Cost
Assets						
Interest-earning assets:						
Interest-bearing deposits in other banks	$ 566,675	$ 6,263	4.48 %	$ 237,726	$ 3,259	5.56 %
Investment securities, taxable[1]	639,825	4,607	2.92 %	503,404	2,866	2.31 %
Investment securities, tax-exempt	62,235	282	1.84 %	64,822	294	1.84 %
Loans	308,741	3,589	4.71 %	303,063	3,280	4.39 %
Total interest-earning assets	1,577,476	14,741	3.79 %	1,109,015	9,699	3.55 %
Less allowance for credit losses	(4,715)			(4,671)		
Noninterest-earning assets	19,097			26,170		
Total assets	$ 1,591,858			$ 1,130,514		
Liabilities and Stockholders' Equity						
Interest-bearing liabilities:						
Savings, interest-bearing checking and money market	$ 325,018	$ 817	1.02 %	$ 247,771	$ 693	1.13 %
Time deposits	11,438	76	2.69 %	15,839	115	2.94 %
Short-term borrowings	—	—	— %	5,000	99	8.03 %
Total interest-bearing liabilities	336,456	893	1.08 %	268,610	907	1.37 %
Noninterest-bearing liabilities						
Demand deposits	1,100,966			771,149		
Other liabilities	6,642			5,046		
Total liabilities	1,444,064			1,044,805		
Stockholders' equity	147,794			85,709		
Total liabilities and stockholders' equity	$ 1,591,858			$ 1,130,514		
Net interest income		$ 13,848			$ 8,792	
Net interest margin			3.56 %			3.15 %

1 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.

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.

	For the three months ended March 31, 2025 compared to 2024		
	Increase (decrease) due to change in:		
(*dollars in thousands*)	Average volume	Average rate	Total
Interest-earning assets			
Interest-bearing deposits in other banks	$ 4,510	$ (1,506)	$ 3,004
Taxable investment securities	777	964	1,741
Non-taxable investment securities	(12)	—	(12)
Loans	61	248	309
Total increase (decrease) in interest income	$ 5,336	$ (294)	$ 5,042
Interest-bearing liabilities			
Savings, interest-bearing checking and money market accounts	$ 214	$ (90)	$ 124
Time deposits	(32)	(7)	(39)
Short-term borrowings	(99)	—	(99)
Total increase (decrease) in interest expense	$ 83	$ (97)	$ (14)
Increase (decrease) in net interest income	$ 5,253	$ (197)	$ 5,056

For the three months ended March 31, 2025, our net interest income increased by $5.1 million, or 57.5%, compared to the three months ended March 31, 2024, primarily driven by a $328.9 million increase in the average balance of interest-bearing deposits in other banks, principally at the Federal Reserve. This increase was primarily due to inflows of deposits from political organizations, which were invested in interest-earning assets, such as reserves at the Federal Reserve. As a result, our net interest margin increased to 3.56% for the three months ended March 31, 2025, from 3.15% for the three months ended March 31, 2024. See "— Financial Condition — Deposits" for additional information regarding deposit levels.

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 March 31, 2025, our interest and fees on loans increased 9.4% to $3.6 million compared to the three months ended March 31, 2024 primarily driven by a 0.32% increase in average yield and an increase of the average total loan balance of $5.7 million.

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 March 31, 2025, our interest and dividends on taxable securities increased 60.8% to $4.6 million from $2.9 million for the three months ended March 31, 2024. The average balance for all taxable securities increased $136.4 million when comparing the periods, and the yield improved 0.61%. As portions of maturing bonds have been reinvested, we have observed a steady increase in the average yield for the taxable securities portfolio. The Company reinvested maturing bonds and invested funds from temporarily elevated deposit levels in short term U.S. Treasury securities with maturities during 2025 and into 2026, which is intended to align with the timing of expected deposit outflows.

Interest on securities, tax-exempt. For the three months ended March 31, 2025, our interest on tax-exempt securities decreased 4.0% from the prior period due primarily to a $2.6 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 decreased three times throughout 2024, to 4.40% on December 19, 2024. For the three months ended March 31, 2025, our interest on interest-bearing deposits in banks increased by $3.0 million compared to the prior period, primarily driven by a $328.9 million increase in average balances, which was slightly offset by a decrease in yield of 1.08%.

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 March 31, 2025, our interest expense on deposits increased 10.5% compared to the three months ended March 31, 2024. The increase was primarily driven by a $72.8 million increase in average interest-bearing deposit balances, partially offset by a 0.17% decrease in the average rate. As of March 31, 2025 and March 31, 2024, approximately 79.3% and 73.4%, 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 March 31, 2025, the Company had no short-term borrowings, compared to March 31, 2024, when the Company had an outstanding balance of $5.0 million on its $10.0 million unsecured line of credit with a correspondent bank. On October 10, 2024, the Company used a portion of the net proceeds from the IPO to fully repay the outstanding principal balance on this line of credit and closed the line on October 11, 2024. Substantially all interest on short-term borrowings reported during the three months ended March 31, 2024 was 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.

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:

	Three Months Ended March 31,			
(*dollars in thousands*)	2025	2024	$ Change	% Change
Provision for (recapture of) credit losses				
Provision for (recapture of) loan credit losses	$ (38)	$ 5	$ (43)	NM
Recapture of securities credit losses	(27)	(199)	172	(86.5 %)
Total recapture of credit losses	$ (65)	$ (194)	$ 129	(66.5 %)

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

For the three months ended March 31, 2025, our provision for credit losses consisted of a net recapture of $65 thousand. Within the loan portfolio, the $38 thousand recapture resulted from a reduction in outstanding balances, partially offset by an increase in the overall reserve rate for loan credit losses. Within our securities portfolio, the shortening time to maturity of our held to maturity securities portfolio resulted in a lower required reserve in accordance with our ACL methodology. During the three months ended March 31, 2024, we reported a net recapture of $194 thousand. The net recapture during the three months ended March 31, 2024 was primarily attributable to the sale of a bond for $210 thousand which was related to a single corporate issuer whose business was closed by a regulatory authority and entirely written off in 2023.

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.

	Three months ended March 31,			
(*dollars in thousands*)	2025	2024	$ Change	% Change
Noninterest income				
Trust and wealth management income	$ 270	$ 187	$ 83	44.6 %
Service charges on accounts	240	311	(71)	(22.8 %)
Deposit placement services income	133	1,122	(989)	(88.1 %)
Gain on sale of mortgage loans	13	—	13	NM
Other income	39	28	11	40.9 %
Total noninterest income	$ 695	$ 1,648	$ (953)	(57.8 %)

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

For the three months ended March 31, 2025, our noninterest income decreased by $953 thousand, or 57.8%, to $695 thousand compared to the three months ended March 31, 2024 primarily driven by a decrease in deposit placement services income, which is fee income we earn on One-Way Sell® deposits sold through the ICS® network.

*Trust and wealth management inco*me. For the three months ended March 31, 2025, our trust and wealth management income increased by $83 thousand, or 44.6%, compared to the three months ended March 31, 2024. This increase was primarily due to a rise in the volume of total assets under administration, which grew to $409.4 million at March 31, 2025 from $267.5 million at March 31, 2024. 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 70.7% from March 31, 2024, while assets under custody increased 45.4% over the same period.

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.

Service charges on accounts. For the three months ended March 31, 2025, our service charges on accounts decreased by $71 thousand, or 22.8%, compared to the three months ended March 31, 2024 primarily driven by lower transaction volume, particularly among check processing and wire transfers. Our fee income is typically higher during the fiscal quarters leading up to and during the general election as political organization deposit account activity causes an increase in bank transactions.

Deposit placement services income. For the three months ended March 31, 2025, our deposit placement services income decreased by $989 thousand compared to the three months ended March 31, 2024 on account of lower One-Way Sell® deposit balances. As of March 31, 2025 and March 31, 2024, One-Way Sell® deposits totaled $93.2 million and $289.2 million, respectively. For the three months ended March 31, 2025 and March 31, 2024, our average One-Way Sell®

deposits were $63.5 million and $259.7 million, respectively. Accounts enrolled in the ICS® network are further discussed under "— Financial Condition — Deposits" below.

Gain on sale of mortgage loans. For the three months ended March 31, 2025, the gain on sale of mortgages increased by $13 thousand compared to the three months ended March 31, 2024, which had no sales activity or any related gains.

Noninterest Expense

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

	Three months ended March 31,			
(*dollars in thousands*)	2025	2024	$ Change	% Change
Noninterest expenses				
Salaries and employee benefits	$ 4,408	$ 3,485	$ 923	26.5 %
Professional services	893	465	428	92.1 %
Data processing and communication expenses	666	595	71	11.9 %
State franchise taxes	351	203	148	73.1 %
Occupancy and equipment expenses	251	275	(24)	(8.7 %)
FDIC and regulatory assessments	228	193	35	18.0 %
Directors fees	146	161	(15)	(9.1 %)
Insurance expenses	149	60	89	148.9 %
Marketing and business development costs	81	72	9	12.9 %
Other operating expenses	398	232	166	71.7 %
Total noninterest expenses	$ 7,571	$ 5,741	$ 1,830	31.9 %

For the three months ended March 31, 2025 our noninterest expense increased by $1.8 million, or 31.9%, compared to the three months ended March 31, 2024, primarily driven by increases in salaries and employee benefits and professional service expenses.

Salaries and employee benefits. For the three months ended March 31, 2025, our salaries and employee benefits increased by $923 thousand, or 26.5%, compared to the three months ended March 31, 2024, resulting from higher headcount and salary increases.

Professional services. For the three months ended March 31, 2025, our professional services expense increased $428 thousand, or 92.1%, compared to the three months ended March 31, 2024, primarily driven by legal and consulting expenses incurred in connection with the Company's operations as a public company. During the three months ended March 31, 2025, professional services expense included recruiting services performed by a third party, in addition to recurring expenses.

Data processing and communication expenses. For the three months ended March 31, 2025, our data processing and communication expenses increased $71 thousand or 11.9%, compared to the three months ended March 31, 2024, driven by higher data processing fees charged by our core provider arising from periodic rate increases, the purchase of various new products, increased costs associated with enhanced information technology ("IT") functionality, and an increase in core processing expenses incurred by the Trust & Wealth Department on account of growth in managed assets and custody accounts.

State franchise taxes. For the three months ended March 31, 2025, our state franchise taxes increased $148 thousand, or 73.1%, compared to the three months ended March 31, 2024, primarily driven by the growth in the Bank's capital which forms the basis for the tax computation for our Virginia bank franchise taxes.

Occupancy and equipment expenses. For the three months ended March 31, 2025, our occupancy and equipment expenses decreased by $24 thousand or 8.7%, compared to the three months ended March 31, 2024, primarily driven by lower building maintenance costs.

FDIC and regulatory assessments. For the three months ended March 31, 2025, our FDIC and regulatory assessments expense increased $35 thousand, or 18.0%, due to the growth in the Bank's assets between the comparative periods.

Directors' fees. In the three months ended March 31, 2025, our directors' fees decreased $15 thousand compared to the three months ended March 31, 2024, primarily driven by a decrease in the number of board and committee meetings, compared to the prior year when the Company prepared for its IPO.

Insurance expenses. For the three months ended March 31, 2025, our insurance expenses increased $89 thousand or 148.9%, compared to the three months ended March 31, 2024. The increase was primarily due to increased costs associated with directors and officers insurance, as a result of our operations as a public company.

Marketing and business development costs. For the three months ended March 31, 2025, our marketing and business development costs were relatively unchanged, compared to the three months ended March 31, 2024.

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. For the three months ended March 31, 2025, the increase in our other operating costs during the period was driven primarily by increased printing and subscription costs, which increased $75 thousand and $31 thousand, respectively, compared to the three months ended March 31, 2024. The increased printing costs year-over-year was primarily due to an enhanced production and printing process for our Annual Report to Shareholders.

Income Tax Expense

Income tax expense is recorded based on our pre-tax financial income adjusted for nondeductible expenses and tax-exempt income. For the three months ended March 31, 2025, our income tax expense was $1.4 million, representing an increase of 46.5%, compared to $976 thousand for the three months ended March 31, 2024. The increase was driven by the increase in pre-tax earnings, which increased 43.8% during the comparable period.

Our effective income tax rate was 20.32% for the three months ended March 31, 2025, an increase of 0.38% from 19.95% for the three months ended March 31, 2024. During 2025, 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. Treasury securities, corporate bonds, and state and municipal securities, with smaller allocations to U.S. government agency and mortgage-backed 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 March 31, 2025 by contractual maturities.

	Balance as of March 31, 2025			
	Available for Sale		Held to Maturity	
(*dollars in thousands*)	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield
U.S. government and federal agencies				
Due in one year or less	$ 204,113	4.16 %	$ 26,401	1.92 %
Due after one year through five years	120,308	3.92 %	64,088	1.75 %
Due after five years through ten years	3,881	1.45 %	25,426	1.77 %
Due after ten years	—	— %	2,540	1.77 %
	328,302	4.04 %	118,455	1.80 %
Mortgage backed securities				
Due in one year or less	3,109	2.11 %	—	— %
Due after one year through five years	—	— %	—	— %
Due after five through ten years	486	2.93 %	—	— %
Due after ten years	3,788	2.95 %	1,163	4.62 %
	7,383	2.59 %	1,163	4.62 %
Corporate bonds				
Due in one year or less	18,471	3.20 %	16,363	2.47 %
Due after one year through five years	29,521	3.83 %	39,541	2.70 %
Due after five years through ten years	—	— %	506	2.83 %
Due after ten years	496	7.31 %	—	— %
	48,488	3.63 %	56,410	2.63 %
State and municipal securities				
Due in one year or less	31,627	3.18 %	5,244	2.57 %
Due after one year through five years	49,961	2.37 %	59,278	2.21 %
Due after five years through ten years	18,128	2.07 %	54,442	2.29 %
Due after ten years	500	3.75 %	583	2.59 %
	100,216	2.58 %	119,547	2.27 %
Total securities	$ 484,389	3.67 %	$ 295,576	2.16 %

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.

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 March 31,		As of December 31,			
	2025		2024		Change	
(*dollars in thousands*)	$	% of total securities	$	% of total securities	$	%
U.S. government treasuries	$ 437,950	56.5 %	$ 320,976	48.7 %	$ 116,974	36.4 %
U.S. federal agencies securities	7,899	1.0 %	7,879	1.2 %	20	0.3 %
Mortgage backed securities	8,077	1.0 %	8,563	1.3 %	(486)	(5.7 %)
Corporate bonds	104,431	13.5 %	101,444	15.4 %	2,987	2.9 %
State and municipal securities	216,423	28.0 %	220,120	33.4 %	(3,697)	(1.7 %)
Total securities	$ 774,780	100.0 %	$ 658,982	100.0 %	$ 115,799	17.6 %

Total securities. As of March 31, 2025, the carrying value of our debt securities before the allowance for credit losses was $774.8 million, representing an increase of $115.8 million, or 17.6%, compared to $659.0 as of December 31, 2024. The increase was primarily driven by investments of excess cash into U.S. government treasuries.

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 March 31, 2025, our U.S. government treasuries increased by $117.0 million or 36.4%, compared to December 31, 2024. During the quarter, we invested a portion of our excess cash reserves in short term U.S. Treasury securities that mature during 2025 and 2026.

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 March 31, 2025, our U.S. federal agencies securities remained substantially unchanged compared to December 31, 2024.

Mortgage backed securities. Our mortgage backed securities portfolio consists of pass through and agency-issued collateralized mortgage obligations. As of March 31, 2025, our mortgage backed securities decreased by $486 thousand, or 5.7%, compared to December 31, 2024. During the period, mortgage backed securities represented 1.0% 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 March 31, 2025, our corporate bonds increased by $3.0 million, or 2.9%, compared to December 31, 2024, due to purchases with two- to three-year maturities.

State and municipal securities. State and municipal securities are debt obligations issued by state and local governments. As of March 31, 2025, our state and municipal securities decreased by $3.7 million or 1.7%, compared to December 31, 2024, due to maturities within the portfolio that were not subsequently replaced with similar investments.

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 $1.8 million as of March 31, 2025 and $1.6 million as of December 31, 2024, respectively, and was 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:

Held to Maturity:	**As of and for the three months ended March 31,**	
(*dollars in thousands*)	**2025**	**2024**
Average HTM debt securities outstanding	$ 297,422	$ 305,316
Total outstanding HTM debt securities at end of each period	295,575	308,312
Allowance for credit losses at the beginning of period	202	348
Provision for (recapture of) for credit losses	(27)	11
Total charge-offs	—	—
Total recoveries	—	—
Net (charge-offs) recoveries	—	—
Allowance for credit losses at end of period	$ 175	$ 359
Ratio of allowance to total HTM debt securities outstanding at period end	0.06 %	0.12 %
Ratio of nonaccrual HTM securities to total HTM securities outstanding at period end	— %	— %
Ratio of allowance to nonaccrual debt securities at period end	— %	— %

Available for Sale:	**As of and for the three months ended March 31,**	
(*dollars in thousands*)	**2025**	**2024**
Average AFS debt securities outstanding	$ 394,217	$ 256,728
Total outstanding AFS debt securities at end of each period	479,205	254,880
Allowance for credit losses at the beginning of period	—	—
Provision for (recapture of) for credit losses	—	(210)
Total charge-offs	—	—
Total recoveries	—	210
Net (charge-offs) recoveries	—	210
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	— %	— %

During the three months ended March 31, 2024, we received proceeds totaling $210 thousand for a corporate bond previously written off and recorded a recovery of credit losses. There was no further activity related to the AFS allowance for credit losses in 2024, and no activity in 2025.

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.

	As of March 31,		As of December 31,	
	2025		2024	
Balance at the end of each period (*dollars in thousands*)	Amount	% to total HTM bonds	Amount	% to total HTM bonds
U.S. government and federal agencies	$ —	— %	$ —	— %
Mortgage backed securities	—	— %	—	— %
Corporate	145	0.05 %	171	0.06 %
State and municipal	30	0.01 %	31	0.01 %
Total	$ 175	0.06 %	$ 202	0.07 %

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

	Three months ended March 31,					
	2025			2024		
(*dollars in thousands*)	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
U.S. government and federal agencies	$ —	$ 243,293	— %	$ —	$ 92,558	— %
Mortgage backed securities	—	7,155	— %	—	8,487	— %
Corporate	—	43,580	— %	210	55,139	0.38 %
State and municipal	—	98,473	— %	—	100,413	— %

Loan Portfolio

Our loan portfolio consists of mortgage, commercial, and consumer loans to clients. A substantial portion of our loan portfolio is 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, as described in the “Risk Factors” section of our Form 10-K.

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

	As of March 31,		As of December 31,			
	2025		2024		Change	
(*dollars in thousands*)	Amount	% of Total Loans	Amount	% of Total Loans	$	%
Commercial real estate	$ 51,982	17.2 %	$ 53,480	17.1 %	$ (1,498)	(2.8 %)
Commercial	18,555	6.1 %	27,883	8.9 %	(9,328)	(33.5 %)
Residential real estate, closed-end	211,936	70.2 %	210,730	67.2 %	1,206	0.6 %
Other consumer loans	19,529	6.5 %	21,194	6.8 %	(1,665)	(7.9 %)
Total	$ 302,002	100.0 %	$ 313,287	99.9 %	$ (11,285)	(3.6 %)

As of March 31, 2025, our total loans decreased by $11.3 million or 3.6%, compared to December 31, 2024. The decrease reflects the strategic reduction in our commercial real estate lending to reduce our exposure to this sector, coupled with decreases in the commercial non-real estate and consumer portfolios.

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 March 31, 2025, our residential real estate loans increased by $1.2 million, or 0.6%, compared to December 31, 2024 reflecting several originations which occurred during the quarter.

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 March 31, 2025, our commercial real estate loans decreased by $1.5 million, or 2.8%, compared to December 31, 2024.

As of March 31, 2025, 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 March 31, 2025 and December 31, 2024, we had $18.3 million and $18.7 million, respectively, in owner-occupied loans and $33.7 million and $34.8 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 March 31, 2025, our non-owner-occupied office loans totaled $6.4 million, retail loans totaled $12.7 million, multifamily loans totaled $7.3 million, and hotel loans totaled $3.9 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 the Form 10-K.

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 cyclicality 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 March 31, 2025, our commercial loans decreased by $9.3 million, or 33.5%, compared to December 31, 2024. The decline was primarily due to several large paydowns during the quarter from political organizations, which are consistent with prior cycles.

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 March 31, 2025, other consumer loans decreased by $1.7 million, or 7.9%, from December 31, 2024, driven primarily by borrowers repaying balances on their HELOCs. The following table presents the components of other consumer loans:

(*dollars in thousands*)	As of March 31, 2025	As of December 31, 2024
Residential construction loans	$ 2,337	$ 1,806
HELOCs	14,197	16,373
Consumer secured	2,453	2,428
Consumer unsecured	542	587
Total consumer loans	$ 19,529	$ 21,194

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 March 31, 2025, variable rate loans, which include floating and adjustable rate structures, comprised 70.3% 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.

The following table details maturities and sensitivity to interest rate changes for our loan portfolio as of March 31, 2025, and the contractual maturity and interest-rate profile of our loan portfolio:

At March 31, 2025	Remaining Contractual Maturity Held for Investment				
(*dollars in thousands*)	One year or less	After one year through five years	After five years and through fifteen years	After fifteen years	Total
Fixed rate loans:					
Commercial real estate	$ —	$ 22,505	$ 20,866	$ —	$ 43,371
Commercial	—	1,230	—	—	1,230
Residential real estate, closed-end	468	668	34,331	7,349	42,816
Other consumer loans	—	2,293	—	—	2,293
Total fixed rate loans	$ 468	$ 26,696	$ 55,197	$ 7,349	$ 89,710
Variable rate loans:					
Commercial real estate	$ —	$ 80	$ 7,999	$ 532	$ 8,611
Commercial	16,398	127	800	—	17,325
Residential real estate, closed-end	—	2,136	3,369	163,615	169,120
Other consumer loans	3,189	4,866	7,366	1,815	17,236
Total variable rate loans	$ 19,587	$ 7,209	$ 19,534	$ 165,962	$ 212,292
Total loans	$ 20,055	$ 33,905	$ 74,731	$ 173,311	$ 302,002

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 of the 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 March 31, 2025 and December 31, 2024, 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 4 to our audited consolidated financial statements for the year ended December 31, 2024.

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.

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

(dollars in thousands)	As of and for the Three Months Ended March 31, 2025	2024
Average loans outstanding	$ 308,741	$ 303,063
Total loans outstanding at end of each period	302,002	305,267
Allowance for credit losses at the beginning of period	4,514	4,319
Provision for (recapture of) credit losses	(38)	5
Charge-offs	—	—
Recoveries	—	—
Allowance for credit losses at end of period	$ 4,476	$ 4,324
Ratio of allowance to total loans outstanding at period end	1.48 %	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 March 31, 2025		As of December 31, 2024	
(dollars in thousands)	Amount	% of total loans	Amount	% of total loans
Commercial real estate	$ 1,304	0.43 %	$ 1,140	0.36 %
Commercial	259	0.09 %	483	0.15 %
Residential real estate	2,675	0.89 %	2,644	0.84 %
Other consumer loans	238	0.08 %	247	0.08 %
Total	$ 4,476	1.48 %	$ 4,514	1.44 %

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 non-real estate segment as of December 31, 2024 to the commercial real estate segment as of March 31, 2025. This migration was caused by a decline in the commercial portfolio's outstanding balance and an increase in the qualitative risk assessment applicable to the commercial real estate segment.

There were no loan charge-offs for the interim period ended March 31, 2025 or the year ended December 31, 2024. As a result, the ratio of loan charge-offs to average loans outstanding was 0.00% for all reported periods.

Deposits

We provide a wide range of commercial and consumer 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. 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 March 31, 2025. 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 March 31, 2025, our balance sheet reflected $114.1 million of reciprocal ICS® deposits. Excess deposits totaling $93.2 million as of March 31, 2025 were placed at other participating banks as One-Way Sell® deposits. Our deposit placement services income was $133 thousand for the three months ended March 31, 2025. 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 March 31, 2025, 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 March 31, 2025, 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.

During the first quarter of 2025, the Company experienced a material increase in deposits from certain political organization clients, primarily attributable to a post-election surge in deposits following the November 2024 federal elections. A significant portion of the increase was concentrated in three accounts that each, individually, held more than 5% of total deposits at quarter-end. In the aggregate, these accounts totaled $472.0 million and represented 30.1% of consolidated total deposits as of March 31, 2025. While historically political organization deposits have began rebuilding in the quarters following an election, the pace and scale of the increase in the political organization deposits during the first quarter of 2025, and the resulting deposit concentration, differed from typical patterns we have observed in prior post-election periods and reflected elevated, event-driven fundraising activity.

The Company treated these inflows as potentially temporary and maintained the balances in cash reserves held at the Federal Reserve and short-term U.S. Treasury securities that matured during the quarter.

On April 15, 2025 a significant outflow of approximately $506.5 million occurred across six political organization client accounts, including the three accounts that exceeded the 5% threshold at quarter-end. As of the close of business on April 15, 2025, the six accounts maintained approximately $56.8 million in aggregate balances. The Company funded these withdrawals using its cash reserves at the Federal Reserve. As of the close of business on April 15, 2025, the Company's consolidated total deposits were $1.1 billion, with one deposit relationship exceeding 5% of consolidated total deposits at 5.15%. IntraFi Cash Service® (ICS®) One-Way Sell® deposits totaled $107.9 million. As of the close of business on May 12, 2025, the Company's consolidated total deposits were $1.2 billion, with IntraFi Cash Service® (ICS®) One-Way Sell® deposits totaling $71.8 million.

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

	As of March 31, 2025		As of December 31, 2024		Change	
(*dollars in thousands*)	Amount	% of total deposits	Amount	% of total deposits	$	%
Noninterest-bearing	$ 1,243,170	79.3 %	$ 913,379	73.1 %	$ 329,791	36.1 %
Savings, interest-bearing and money market accounts	313,969	20.0 %	324,845	26.0 %	(10,876)	(3.3 %)
Time, $250 and over	6,011	0.4 %	6,510	0.5 %	(499)	(7.7 %)
Other time	5,242	0.3 %	5,201	0.4 %	41	0.8 %
Total	$ 1,568,392	100.0 %	$ 1,249,935	100.0 %	$ 318,457	25.5 %

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

	Three months ended March 31,			
	2025		2024	
(*dollars in thousands*)	Average Balance	Average Rate	Average Balance	Average Rate
Noninterest-bearing	$ 1,100,966	0.00 %	$ 771,149	0.00 %
Savings, interest-bearing checking and money market accounts	325,018	1.02 %	247,771	1.12 %
Time, $250 and over	6,233	2.76 %	9,287	2.99 %
Other time	5,205	2.61 %	6,552	2.87 %
Total average deposits	$ 1,437,422	0.25 %	$ 1,034,759	0.31 %

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 $857.8 million as of March 31, 2025 and December 31, 2024, respectively, representing approximately 74.6% and 68.6% of our deposit portfolio as of March 31, 2025 and December 31, 2024, respectively.

The maturity profiles of our uninsured time deposits, those deposits that exceed the FDIC insurance limit, as of March 31, 2025 are as follows:

(*dollars in thousands*)	Three Months or Less	More than Three Months to Twelve Months	More than Twelve Months to Three Years	More than Three years	Total
Time deposits, uninsured	$ 600	$ 4,273	$ 1,138	$ —	$ 6,011

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

March 31, 2025 and December 31, 2024, the secured line of credit had no collateral pledged and therefore no available or outstanding balance.

Federal Reserve Bank Discount Window. The Bank also maintains eligibility for a secured line of credit with the Federal Reserve Bank of Richmond ("FRB"). To establish credit availability, the Bank will typically pledge securities. At March 31, 2025 and December 31, 2024, the Bank had not pledged any collateral to the FRB. Consequently, no credit availability was established, and no outstanding borrowings were recorded.

Federal Funds Lines of Credit. The Bank also maintains access to unsecured federal funds purchase lines of credit with:

- Pacific Coast Bankers' Bank: $50.0 million, maturing June 30, 2025
- First National Bankers' Bank: $10.0 million, maturing June 30, 2025
- Community Bankers' Bank: $8.0 million, maturing March 12, 2026

These federal funds lines renew annually, and balances may remain outstanding for periods ranging from 10 to 90 consecutive days. The use of these credit facilities is contingent upon compliance with specified financial conditions and covenants.

As of March 31, 2025 and December 31, 2024, the Bank had no outstanding balances under these federal funds purchase lines.

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:

	As of March 31,	As of December 31,
(dollars in thousands)	2025	2024
Commitments to grant loans	$ 8,416	$ 408
Credit card lines	942	762
Unfunded commitments under lines of credit	22,034	22,230
Standby letters of credit	4,689	4,491

Commitments to grant loans increased from December 31, 2024 to March 31, 2025, primarily due to commercial loans which were in the process of origination at March 31, 2025. Credit card lines increased by $180 thousand, or 23.6% during the period, due to growth in the business credit card program. Unfunded commitments under lines of credit decreased $196 thousand, or 0.9% from December 31, 2024 to March 31, 2025, staying relatively consistent. Standby letters of credit were also relatively stable, increasing $198 thousand, or 4.4%.

For information regarding the arrangement related to the ICS® network and related One-Way Sell® 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. See "— Financial Condition — Deposits" for more information regarding fluctuations in our deposit base, including those occurring after March 31, 2025. We employ various strategies intended to manage liquidity. Our account at the Federal Reserve, which held approximately $620.3 million as of March 31, 2025, 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 March 31, 2025 and December 31, 2024, our reported liquidity ratios were 89.14% and 85.13%, respectively. As of March 31, 2025, we had $93.2 million in One-Way Sell® deposit accounts through the ICS® 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.

In addition to traditional sources of liquidity, such as reciprocal deposits and lines of credit, we also utilize the ICS® network for both One-Way Buy® deposits and One-Way Sell® deposits, each serving distinct roles in our liquidity management strategy. One-Way Sell® deposits and reciprocal deposits involve placing deposits from our own clients with other participating banks through the ICS® network. One-Way Sell® 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® deposits involve receiving deposits from other banks' customers through the ICS® 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 74.6% of deposits were uninsured as of March 31, 2025. To obtain FDIC insurance for deposits exceeding the $250 thousand threshold, some clients enroll in the ICS®, which is described in greater detail under "— Deposits" above. As of March 31, 2025, deposit balances totaling $207.3 million were enrolled in the ICS® program. $93.2 million these deposits were positioned as One-Way Sell® deposits and are therefore not reflected on the balance sheet. The Bank has the flexibility to convert these One-Way Sell® 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® accounts to reciprocal as its primary sources of liquidity. Similar to other deposits, depositors may withdraw their One-Way Sell® deposits at any time, which could impact the volume of One-Way Sell® 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 Call Report, which the Bank files with the FFIEC on a quarterly basis, using pledged collateral such as qualifying mortgages and investment securities. Based on the March 31, 2025 Call Report, 25% of total assets equates to credit availability of $431.7 million. As of March 31, 2025, 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®. The Bank can request funding of up to 10% of total assets, which equates to $172.7 million as of the Bank's March 31, 2025 Call Report, in a One-Way Buy® of daily maturing or term deposit products. Requesting One-Way Buy® 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® deposits is high, then the rate required to successfully bid for One-Way Buy® deposits would be expected to increase, and so One-Way Buy® deposits may be a less reliable source of liquidity. As of March 31, 2025, 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 March 31, 2025 or December 31, 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 March 31, 2025, our AFS securities portfolio had a fair value of $479.2 million, and our total AFS and HTM debt securities portfolio had an amortized cost of $780.0 million, including $305.3 million of bonds maturing within a year and $362.7 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 March 31, 2025 was $151.5 million, an increase of $7.3 million compared to $144.2 million as of December 31, 2024. Net income for the three months ended March 31, 2025 contributed $5.6 million to the increase in stockholders' equity. Forming the remaining balance of the change, accumulated other comprehensive loss decreased $1.7 million during the three months ended March 31, 2025, which is primarily related to the improvement in the market value of the AFS securities portfolio.

Book value per share as of March 31, 2025 and December 31, 2024 was $23.09 and $21.98, respectively. The increase between periods is primarily the result of earnings. 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 March 31, 2025 and December 31, 2024, respectively, 61.7% and 52.4% 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.

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:

	March 31, 2025		December 31, 2024		Well-capitalized requirement
($ in thousands)	**Amount**	**Ratio**	**Amount**	**Ratio**	**Ratio**
Total risk-based capital ratio	$ 149,741	38.12 %	$ 131,750	32.94 %	10.00 %
Tier 1 risk-based capital ratio	145,090	36.93 %	127,034	31.76 %	8.00 %
Common equity tier one risk-based capital ratio	145,090	36.93 %	127,034	31.76 %	6.50 %
Tier 1 leverage ratio	145,090	9.07 %	127,034	9.57 %	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® 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® deposits. As of March 31, 2025, our deposits enrolled in the ICS® program in a One-Way Sell® position totaled $93.2 million.

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 $847.3 million and $616.5 million as of March 31, 2025 and December 31, 2024, 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.

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
March 31, 2025	(22.33 %)	(16.68 %)	(11.10 %)	(5.65 %)	5.46 %	10.96 %	16.56 %	22.11 %
December 31, 2024	(18.05 %)	(13.46 %)	(8.98 %)	(4.55 %)	4.45 %	8.93 %	13.37 %	17.91 %

Change in interest rates (immediate)	-400 bps	-300 bps	-200 bps	-100 bps	+100 bps	+200 bps	+300 bps	+400 bps
March 31, 2025	(49.35 %)	(36.90 %)	(24.49 %)	(12.16 %)	12.04 %	24.10 %	36.28 %	48.32 %
December 31, 2024	(48.48 %)	(36.12 %)	(23.86 %)	(11.92 %)	11.80 %	23.50 %	35.42 %	47.20 %

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
March 31, 2025	(10.41 %)	(7.06 %)	(3.95 %)	(1.76 %)	1.81 %	3.65 %	5.69 %	7.77 %
December 31, 2024	(5.48 %)	(3.37 %)	(1.72 %)	(1.19 %)	0.36 %	0.68 %	1.32 %	2.12 %

Due to the nature of our client base, and the resulting balance sheet cyclicality, 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 Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 21, 2025.

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

None.

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 March 31, 2025, 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

Number	Description
31.1	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
31.2	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
32.1	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

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: May 13, 2025	By:	/s/ John J. Brough
	Name:	John J. Brough
	Title:	Chief Executive Officer and Director (Principal Executive Officer)
Dated: May 13, 2025	By:	/s/ Joanna R. Williamson
	Name:	Joanna R. Williamson
	Title:	Executive Vice President & Chief Financial Officer (Principal Financial Officer)

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: May 13, 2025	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: May 13, 2025	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 March 31, 2025, 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: May 13, 2025	By:	/s/ John J. Brough
	Name:	John J. Brough
	Title:	Chief Executive Officer and Director (Principal Executive Officer)

Dated: May 13, 2025	By:	/s/ Joanna R. Williamson
	Name:	Joanna R. Williamson
	Title:	Executive Vice President & Chief Financial Officer (Principal Financial Officer)