INVESTOR PRESENTATION

April 27, 2022

COASTAL
FINANCIAL CORPORATION

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Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures for 2017 to exclude the impact of a deferred tax asset revaluation due to the enactment of the Tax Cuts and Jobs Act of 2017 (the "Tax Cuts and Jobs Act"), including adjusted net income, adjusted earnings per share-diluted, adjusted return on average assets and adjusted return on average shareholders' equity. These non-GAAP financial measures and any other non-GAAP financial measures that we discuss in this presentation should not be considered in isolation, and should be considered as additions to, and not substitutes for or superior to, measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their most directly comparable GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of Coastal's non-GAAP financial measures as tools for comparison. See the Appendix to this presentation for a reconciliation of the non-GAAP financial measures used in (or conveyed orally during) this presentation to their most directly comparable GAAP financial measures.

This presentation also contains certain non-GAAP financial measures in addition to results presented in accordance with GAAP to illustrate and identify the impact of Paycheck Protection Program ("PPP") loans, Paycheck Protection Program Liquidity Facility ("PPPLF") borrowings, customer deposits from PPP loans, and related earnings and expenses. By removing these significant items and show what the results would have been without them we are providing investors with the information to better compare results with periods that did not have these significant items. "Adjusted Tier 1 leverage capital ratio, excluding PPP loans" is a non-GAAP measure that excludes the impact of PPP loans on balance sheet. The most directly comparable GAAP measure is Tier 1 leverage capital ratio. See the Appendix to this presentation for a reconciliation of the non-GAAP financial measures used in (or conveyed orally during) this presentation to their most directly comparable GAAP financial measures.

This presentation contains a non-GAAP measure to illustrate the impact of BaaS credit enhancements, BaaS fraud recovery and reimbursement of expenses on total BaaS fees. "BaaS fee income, net" excludes BaaS credit enhancements, BaaS fraud recovery and reimbursement of expenses. The most directly comparable GAAP measure is total BaaS fees.

LONG-TERM STRATEGIC VERTICALS

COASTAL FINANCIAL CORPORATION

The Community Bank "CCB"

- **Best-in-class community bank** that offers lending and deposit products to commercial customers
- Community bank loan portfolio consists **primarily of CRE[1] and C&I loans $1.27 billion; 87%** of community bank loans **originated in the state of Washington**
- Attractive funding mix with **98% core deposits[2] and cost of deposits of 0.11%**
- Conservative credit culture with strong **Net Charge-off performance (<0.01% YTD)[3]**
- **Asset-sensitive balance** sheet that is well-positioned for rising interest rate environment

Provide Banking as a Service (BaaS) "CCBX"

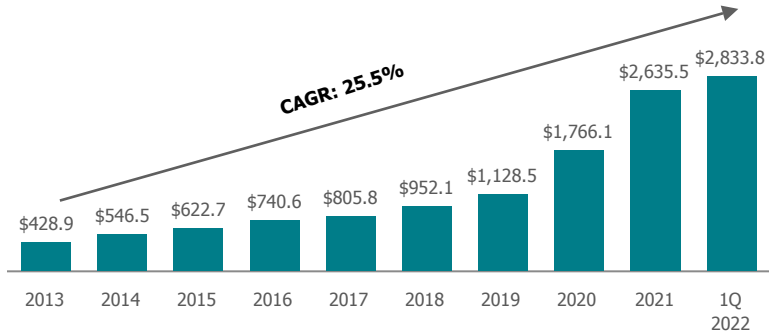
- **Provides Banking as a Service (BaaS)** to broker dealers and digital financial services providers
- **20 active partner**s with 8 more currently in the testing / implementation / onboarding or signed LOI stage -**1Q22 activity includes signing a large established partner** and exiting of smaller partner
- **Robust sourcing capabilities and thorough due diligence** of potential partner relationships
- **Exceptional growth in BaaS fee[4] income, net** of 69% YoY
- **Strong deposit generation platform** with total balance of $899.5 million (26% growth QoQ), and excluding $276.6 million transferred off the balance sheet
- **$515.3 million in total loans receivable** (400.0% growth YoY)

Note: Data as of three months ended March 31, 2022 unless otherwise indicated
(1) Total CRE loans include commercial real estate loans, multifamily and construction, land and land development loans.
(2) Core deposits are all deposits excluding brokered and time deposits.
(3) Community bank only.
(4) Total BaaS fee income, net is a non-GAAP measure and excludes BaaS credit enhancements, BaaS fraud recovery and reimbursement of expenses. Refer to "non-GAAP Reconciliation" in the appendix for additional details.

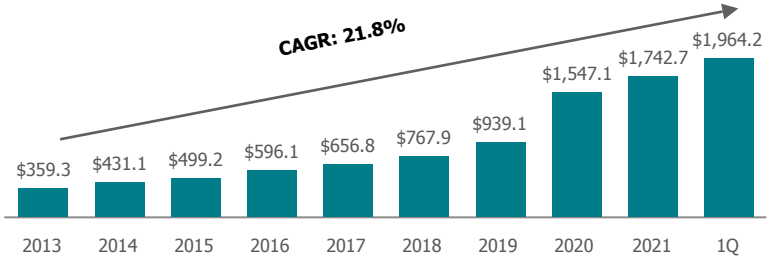
CONSOLIDATED FINANCIAL HIGHLIGHTS - *As of and for the Quarter ended March 31, 2022*

Balance Sheet (in millions)	
Total Assets	$2,833.8
Total Loans	$1,964.2
Total Deposits	$2,576.5
Total Shareholders' Equity	$207.9
Earnings and Profitability	
Net Income *(in millions)*	$6.2
Return on Average Assets ("ROAA") - *annualized*	0.93%
Return on Average Shareholders' Equity -*annualized*	12.12%
Net Interest Margin -*annualized*	4.45%
Efficiency Ratio	59.34%
Loans Receivable to Deposits	76.24%
Capital Ratios (Consolidated)	
Total Shareholder Equity to to Total Assets	7.34%
Tangible Equity to Tangible Assets (1)	7.34%
Tier 1 Leverage Capital Ratio	7.75%
Adjusted Tier 1 Leverage Capital Ratio, excluding PPP loans(2)	7.99%
Tier 1 Risk-Based Capital Ratio	9.88%
Total Risk-Based Capital Ratio	12.30%
Asset Quality	
Total Nonperforming Assets to Total Assets	0.08%
Total Nonperforming Loans to Total Loans	0.12%
Allowance for Loan Losses to Total Loans	1.97%
Total Net Charge-Offs to Average Loans	0.64 %
Community Bank Net Charge-Offs to Average Loans	<0.01 %
CCBX Net Charge-Offs to Average Loans	2.98 %

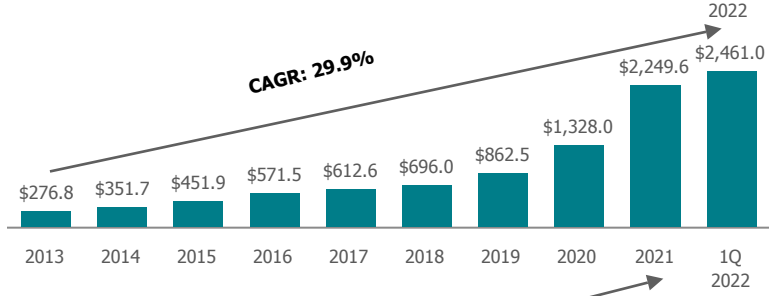
Total Assets



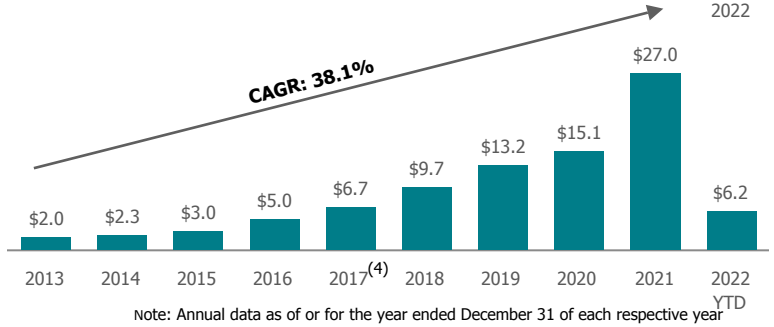
Total Loans



Core Deposits (3)



Net Income



Note: Annual data as of or for the year ended December 31 of each respective year

(1) Tangible equity to tangible assets is a non-GAAP measure. Since there is no goodwill or other intangible assets as of the date indicated, tangible equity to tangible assets is the same as total shareholders' equity to total assets as of the date indicated.
(2) Adjusted Tier 1 leverage ratio, excluding PPP loans is a non-GAAP measure that excludes the impact PPP loans on the balance sheet. Please refer to non-GAAP reconciliation in the Appendix for additional details.
(3) Consists of total deposits less all time and brokered deposits.
(4) 2017 net income is adjusted to exclude the impact of a deferred tax asset revaluation due to the enactment of the Tax Cuts and Jobs Act. Refer to "Non-GAAP Reconciliation" in the Appendix for additional details.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") INITIATIVES

ESG Across Coastal

For Coastal, ESG is a complex initiative across the whole organization. Addressing the issue of the 14.1 million unbanked people[(1)] in the United states cannot be tackled with merely adding products or doing diversity, equity and inclusion training. Nor can real environmental impact happen through mere board level policies and simply changing our investment portfolio. We are choosing to tackle ESG throughout our company with meaningful actions and collaboration.

CCBX – Working with our CCBX partners allows us to provide a broader range of services for different demographics through their offerings. Developing the kind of unique offerings to specific under-served or under-banked populations would be difficult for a bank our size, but by partnering with third-party fintech partners like FAIR, Brigit and Greenwood we are able to use our banking charter to support this effort in a much broader scope.

Coastal Community Bank – Our community bank has always had close ties to the communities we serve and has been recognized as a corporate philanthropist by the Puget Sound Business Journal. We are now evolving to offer affiliated products through our third-party fintech partners that are more inclusive and meet their needs of a broader range of consumers. Once again, our scope and reach is multiplied by collaborating with our third-party fintech partners to offer inclusive products.

Social Responsibility

Financial Inclusion

We see financial inclusion as **providing access to useful and affordable financial products and services to meet the needs of the under-served**. However, overcoming a widespread distrust of banks, lack of financial education, and barriers to entry are all part of the process to bring the underserved in our communities the financial products and services they need to thrive.

We are actively working to address:

- **Accessibility to services**
- **Needs based solution**
- **Education**

Environmental Responsibility

Climate Change

Coastal is approaching our responsibility in many ways from **understanding our carbon footprint and identifying offsets to developing strong partnerships with ESG focused fintechs.**

In 2022, we plan to **complete a Sustainable Impact Survey with Aspiration** to understand our GHG impact and ways we can offset it. Working with Aspiration, we are exploring ways to develop customer facing-solutions that enable climate action.

Additionally, we have and will continue to consider climate change and **its impact on our loan portfolio and customers.**

(1) Source: National Survey of Unbanked and Underbanked Households by the Federal Deposit Insurance Corporation (FDIC) in June 2021.

CCB OVERVIEW

Dedication to Community Banking

Coastal Community Bank was established in 1997 with a focus on serving small to medium-sized businesses within the Puget Sound region.

Offers traditional lending and deposit products to commercial and retail customers

- Lending products: Commercial real estate, Small Business Administration ("SBA"), business lines of credit and term, residential mortgage, and credit card and other consumer loans
- Deposit products: Checking, savings, money market, CD's & IRA's

Provides business services such as treasury management, remote deposit capture and credit card processing

CCB's Core Markets

Largest community bank by deposit market share in Snohomish County

- Headquartered in Everett, Washington - the largest city in and county seat of Snohomish County

14 full-service banking locations

- 12 in Snohomish County
- 1 in Island County
- 1 in King County

Notable Employers

BOEING, PROVIDENCE Health & Services, Department of the Navy, COSTCO WHOLESALE, amazon, Naval Station Everett, Microsoft, Tulalip Tribes, Starbucks Coffee

Accolades and Recognitions

PIPER | SANDLER — "Bank and Thrift Sm-All Stars" **2019 -2021** - *Piper Sandler*

RAYMOND JAMES — Raymond James "Community Bankers Cup Award" **2019-2021**

2014-2021 Recipient of the prestigious "5-Star Rating" from BauerFinancial, Inc.

Everett Herald – **2014 - 2019** Readers Choice – "Best Bank"

Stanwood & Camano News "Best Bank" **2013 - 2021**

2019 - 2021 American Banker Top 200 Community Bank"

Note: Data as of March 31, 2022 unless otherwise indicated

CCBX
A DIVISION OF COASTAL COMMUNITY BANK

CCBX PARTNER AND REVENUE GROWTH

Business Overview

CCBX provides banking as a service (BaaS) that enables broker dealers and digital financial services partners to offer their customers banking services

20 active partners with 8 more currently in the implementation / onboarding or signed LOI stage as of March 31, 2022

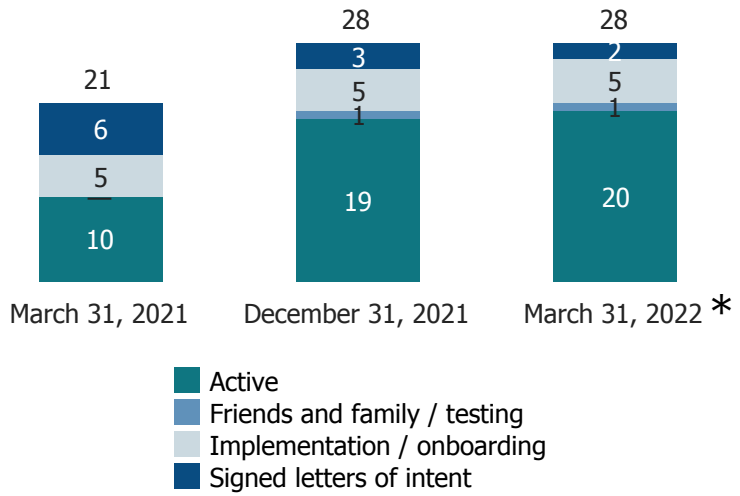
- Robust sourcing capabilities and intensive due diligence process

Fee-based business model primarily driven by:

- Servicing and other BaaS fees
- Interchange fees
- Fraud, credit enhancement and expense recovery

- **BaaS Fees includes $18.0 million in credit enhancements, fraud loss recovery and expense reimbursement** for the three months ended March 31, 2022, compared to $10.6 million for the three months ended December 31, 2021 and $183,000 for the three months ended March 31, 2021
- **Reimbursement for any partner credit enhancement and fraud loss** provided by the partner is included in noninterest income. Partner fraud loss represents non-credit fraud losses on partner's customer loan and deposit accounts and is recognized in noninterest expense
- **Interchange income increase of 17% QoQ -** BaaS Fees includes $432,000 in **interchange income** for the three months ended March 31, 2022 compared to $368,000 in interchange income for the three months ended December 31, 2021 and $35,000 for the three months ended March 31, 2021

CCBX Partner Growth



*Activity includes signing addition of large, established partner and exit of smaller partner

BaaS Fee Income, net (1)

As of and for the three month period indicated (Dollars in thousands)

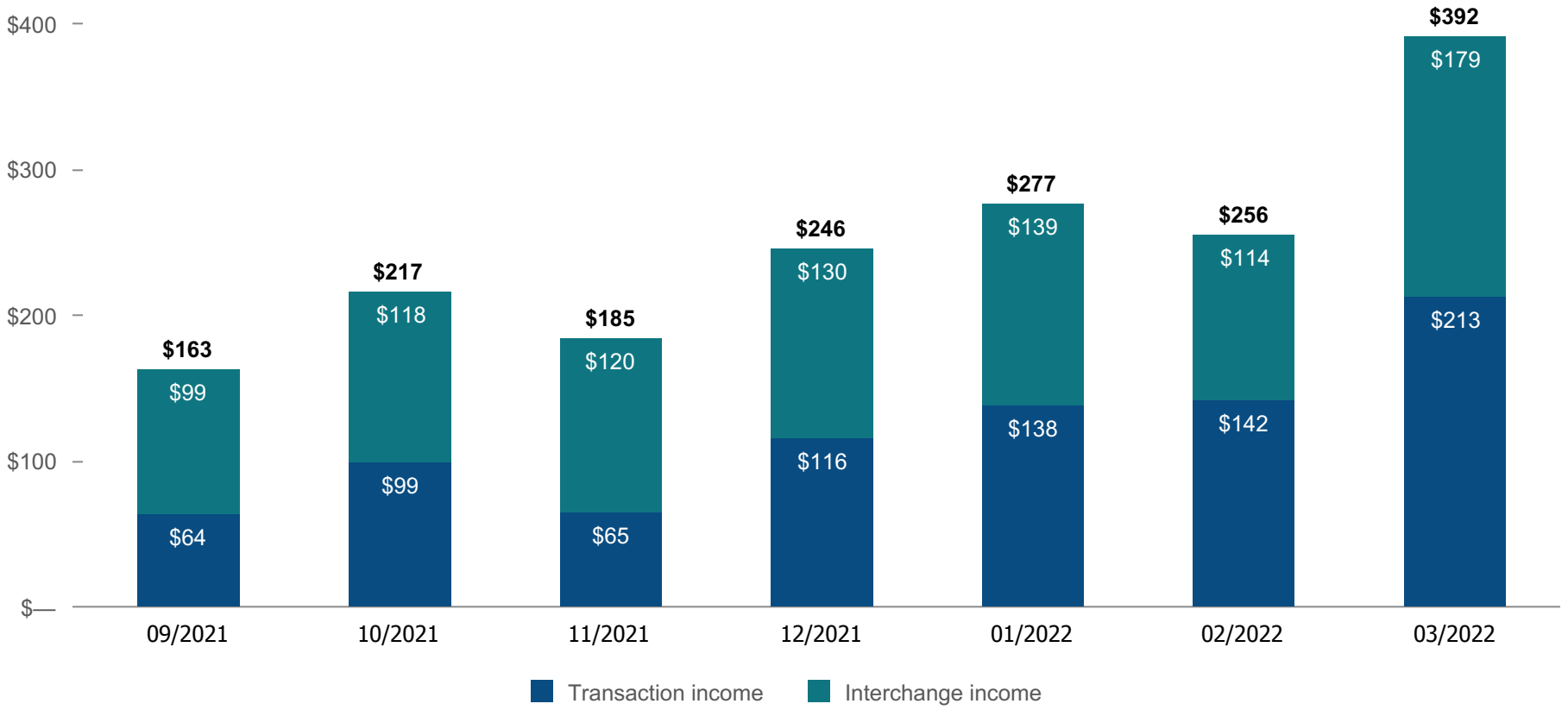


Note: Data as of and for the quarter ended March 31, 2022, unless otherwise indicated
(1) BaaS fee income, net is a non-GAAP measure that excludes BaaS credit enhancements, BaaS fraud recovery and reimbursement of expenses. Refer to "Non-GAAP Reconciliation" in the Appendix for additional details.
(2) Includes one-time, nonrecurring lump-sum fees of $197,000 from two partners.

GROWTH IN CCBX ACTIVITY BASED INCOME

CCBX TRANSACTION AND INTERCHANGE INCOME

(Dollars in thousands)



CCBX Loans and Deposits

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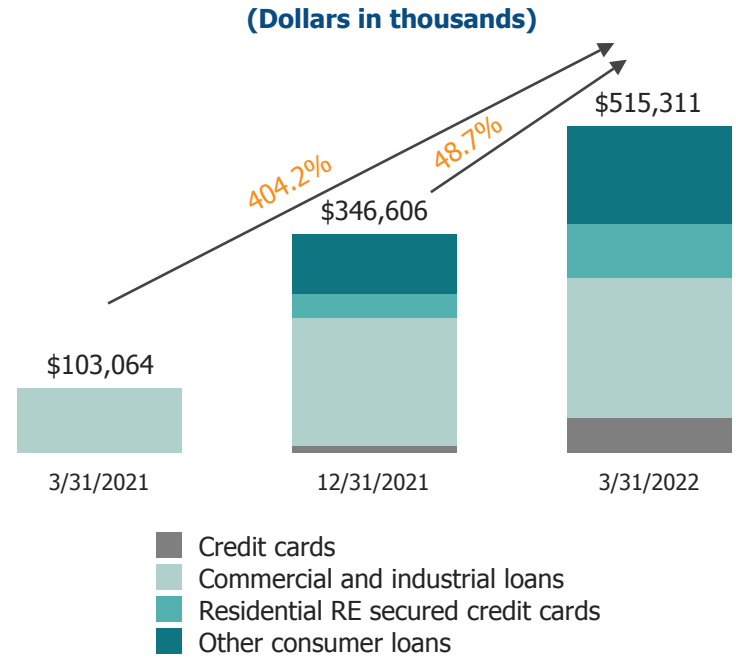
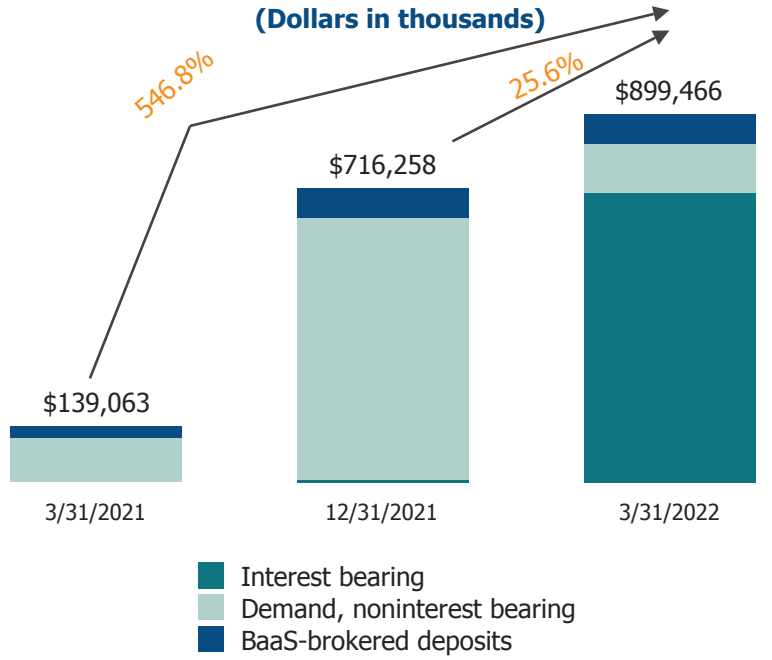
CCBX Loans Receivable



CCBX Deposits



Partner loan origination diversifies loan portfolio

- As of March 31, 2022, loan growth of $168.7 million, or 48.7%, compared to December 31, 2021, and $412.2 million or 400.0%, compared to March 31, 2021
- Commercial and industrial capital call line commitments increased $137.5 million, or 33.1%, to $553.5 million as of March 31, 2022, compared to $416.0 million as of December 31, 2021

Growing platform for low-cost deposit generation

- Deposit growth of $183.2 million, or 25.6%, as of March 31, 2022, compared to December 31, 2021, and $760.4 million, or 546.8%, compared to March 31, 2021
- Access to $276.4 million in CCBX deposits that are transferred off the balance sheet as of March 31, 2022
- As a result of the FOMC interest rate increase, $690.4 million in CCBX deposits started earning interest in mid-March 2022 and were transferred to the interest bearing deposit category

Note: Data as of and for the quarter ended March 31, 2022, unless otherwise indicated

CCBX
A DIVISION OF COASTAL COMMUNITY BANK

ROBUST SOURCING CAPABILITIES AND PARTNERING

Thesis-Driven Sourcing

- Focused points of view and research with experts
- Proactive market mapping and product identification
- Diversity and inclusion

Intensive Filtering

- Visionary management teams
- Strong execution teams
- Compelling unit economics
- Bankable size (scalable)

Due Diligence

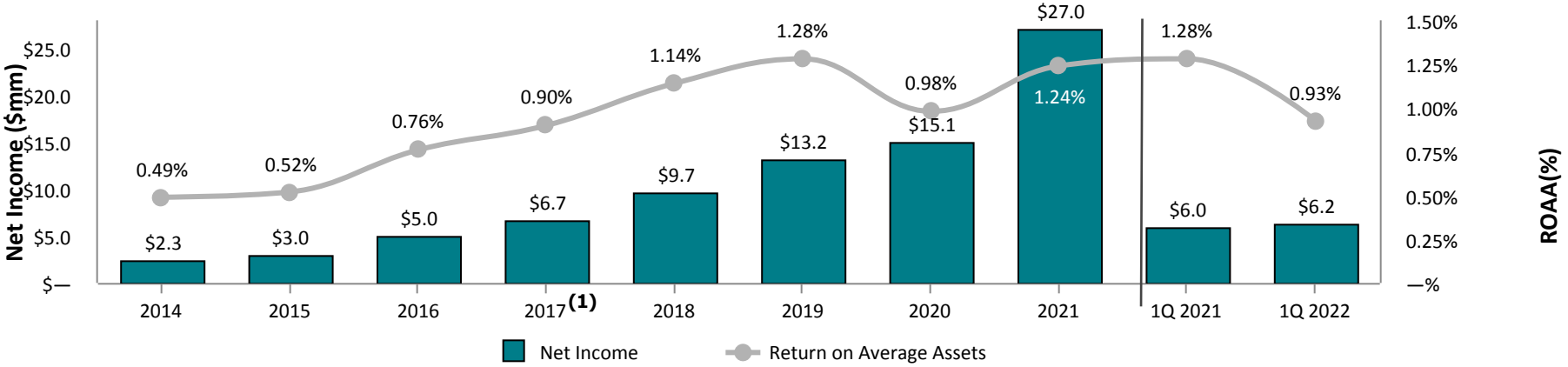
- Rigorous vendor process of review
- Proud of "slow and thorough" approach – SPA risked based
- Leverage advisors and network for diverse insights
- Integrate/leverage strategic eco-system partners

Onboarding to Date

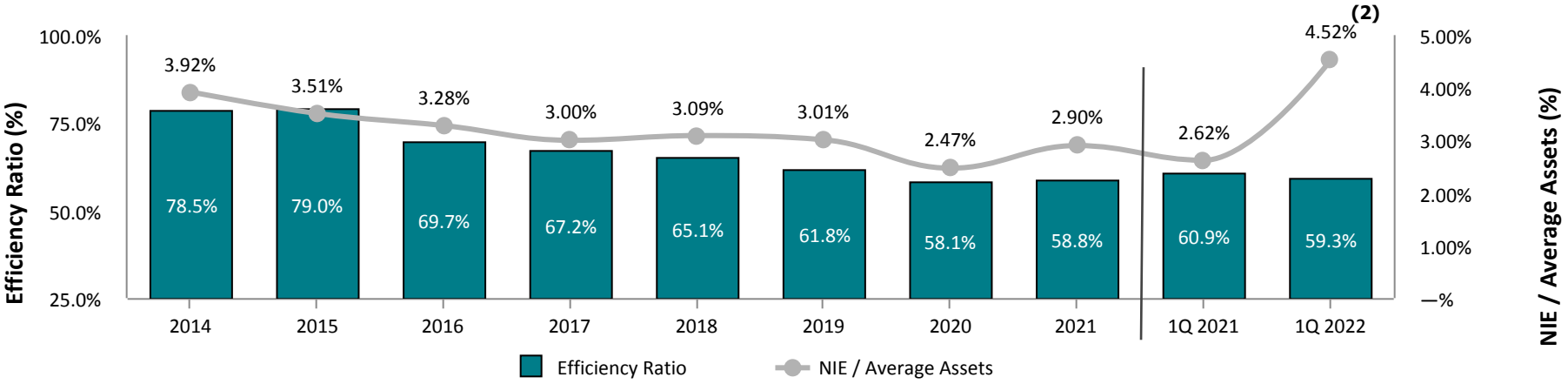
- Involve board members
- Fintech experts and partners
- Integrate Coastal LPs

HISTORIC PROFITABILITY AND EFFICIENCY

Net Income and Return on Average Assets
(average assets for QE March 31, 2022 includes $79.8 million in average PPP loans)



Efficiency Ratio (%) and Noninterest Expense ("NIE") to Average Assets (%)
(average assets for QE March 31, 2022 includes $79.8 million in average PPP loans)



Note: Annual data is as of and for the year ended December 31 of each respective year. Quarterly data is as of or for the three months ended of each respective quarter.

(1) Adjusted to exclude the impact of deferred tax asset revaluation due to the enactment of the Tax Cuts and Jobs Act. Refer to "Non-GAAP Reconciliation" in the Appendix for additional details.

(2) Change in NIE / Average Assets: 1Q2022 includes $12.9 million in BaaS loan and fraud expense compared to $90,000 in 1Q2021. This negatively affected the NIE to average asset ratio even though our partners covered 100% of these losses.

LOAN COMPOSITION

Consolidated Commercial & Industrial ("C&I") Portfolio

- $394.3 million total C&I loans
  - $218.7 million in capital call lines
  - $47.5 million in PPP Small Business Administration ("SBA") C&I loans
  - $123.8 million in other C&I loans
  - $4.3 million in other SBA C&I loans

Consolidated Commercial Real Estate ("CRE") Portfolio

- $1.10 billion total CRE loans(1)
  - $58.8 million of SBA 504 loans in portfolio
  - 299% regulatory aggregate CRE to total risk-based capital (2)

Consolidated 1-4 Family Real Estate Portfolio

- $268.7 million total 1-4 family loans
  - $11.2 million purchased from financial institutions, all of which were individually re-underwritten

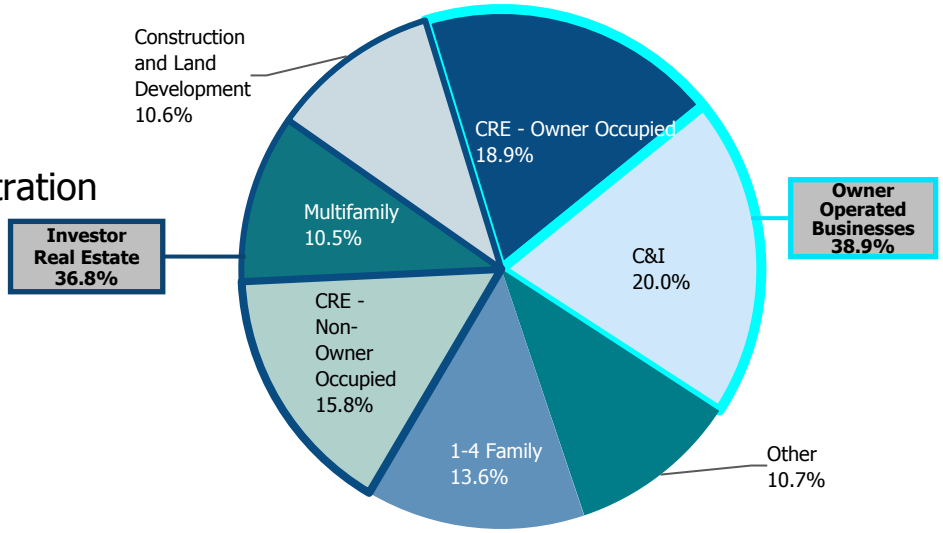
Legal Lending Limit

- $51.9 million as of March 31, 2022

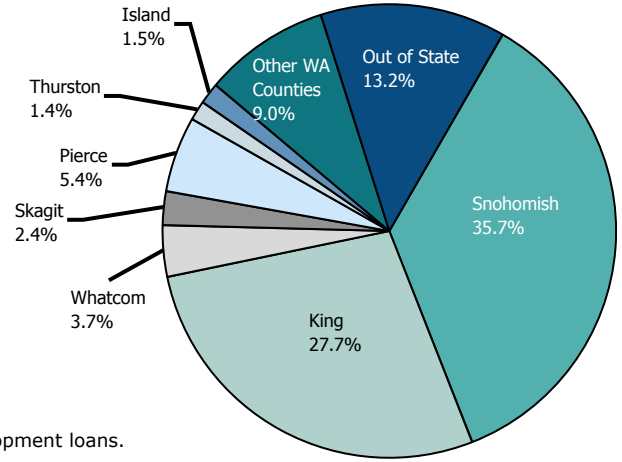
Community Bank Loan Portfolio

- 2.72 years weighted average reprice
- 7.58 years weighted average maturity

Consolidated Loan Composition



Community Bank Loan Concentrations by County



(1) Total CRE loans include commercial real estate loans, multifamily and construction, land and land development loans.
(2) Calculated on Bank-level Tier 1 Capital + Allowance for Loan Losses as of March 31, 2022.

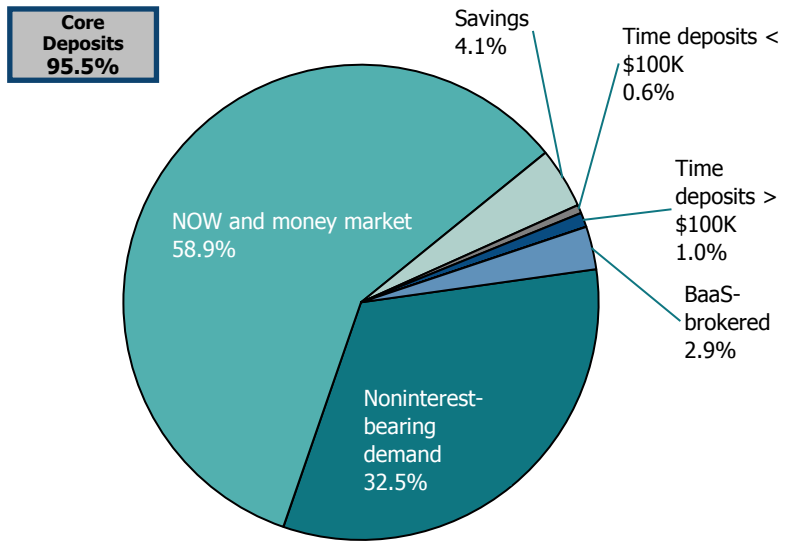
Note: Data as of and for the quarter ended March 31, 2022, unless otherwise indicated.

DEPOSIT COMPOSITION

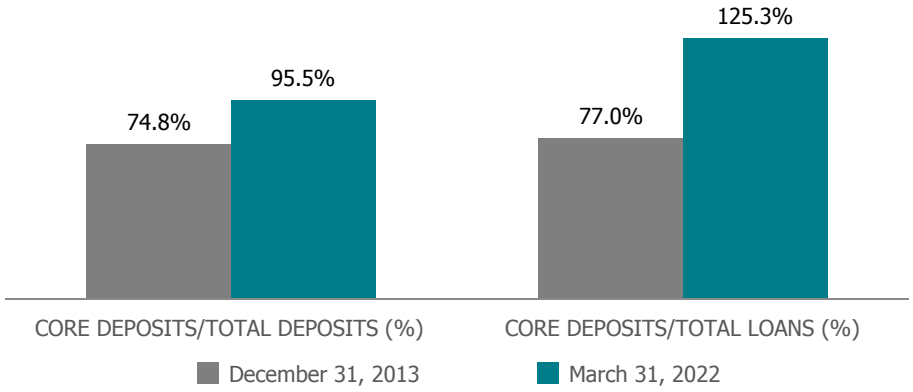
Emphasis on core deposits has helped generate an attractive funding mix

- Core deposits are all deposits excluding time deposits and brokered deposits
- Core deposits were 125.3% of total loans as of March 31, 2022
- Core deposits were 95.5% of total deposits as of March 31, 2022
- Cost of total deposits was 0.09% for the quarter ended March 31, 2022 compared to 0.09% for the quarter ended December 31, 2021, and 0.17% for the quarter ended March 31, 2021
- We continue to focus on managing our deposits to maintain low deposit costs in this increasing rate environment
- No internet-sourced deposits
- Ability to use funding from BaaS program and to transfer deposits off the balance sheet when not needed.
- Access to $276.4 million in CCBX deposits that are currently transferred off the balance sheet as of March 31, 2022

Deposit Composition



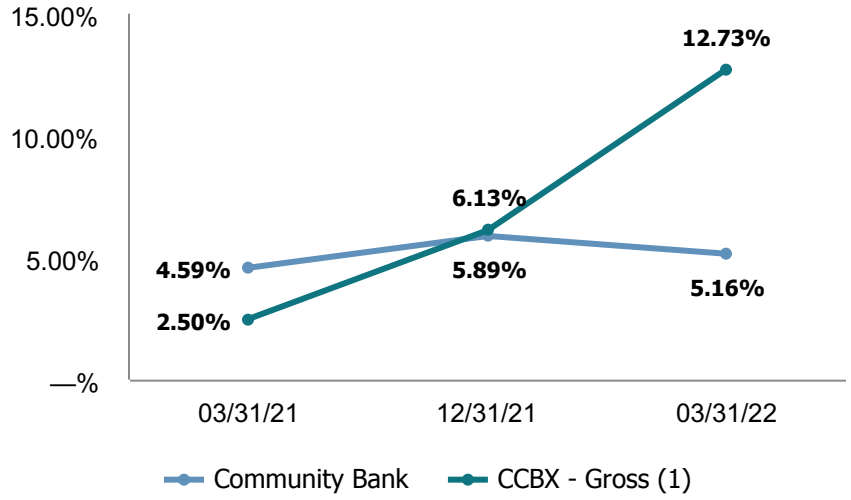
Core Deposit Driven Funding



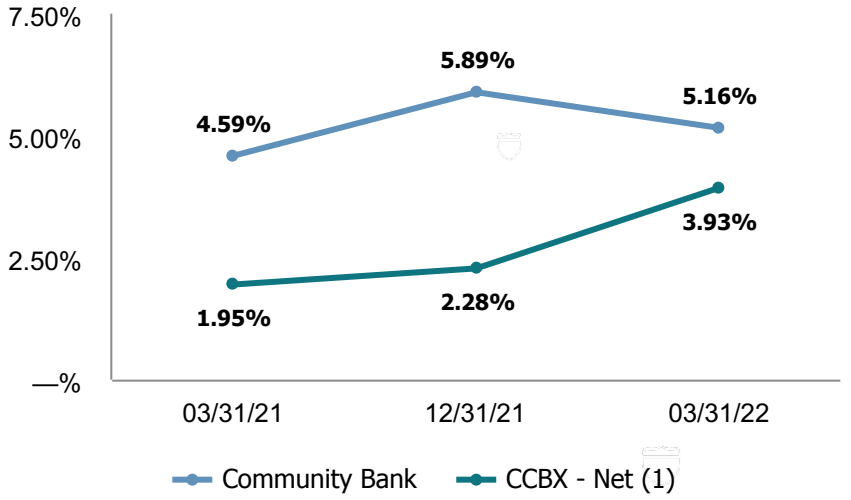
Note: Data as of and for the quarter ended March 31, 2022 unless otherwise indicated.

SEGMENT OVERVIEW - Community Bank and CCBX

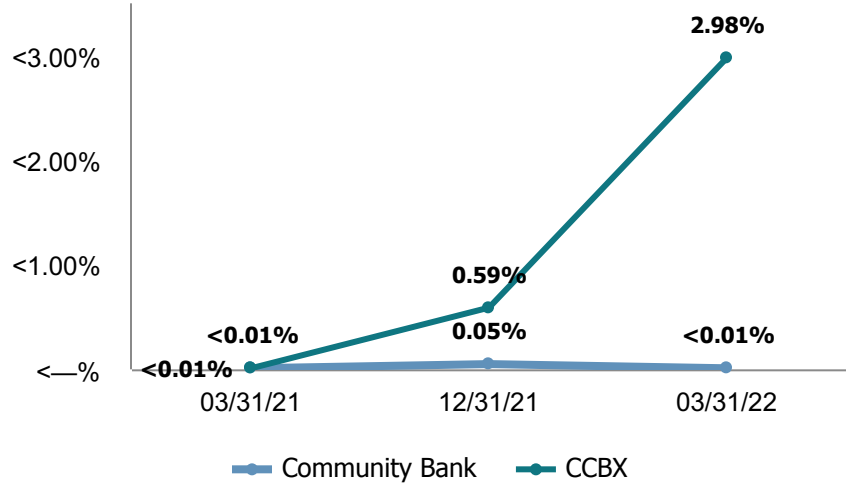
Average Yield - Loans Receivable



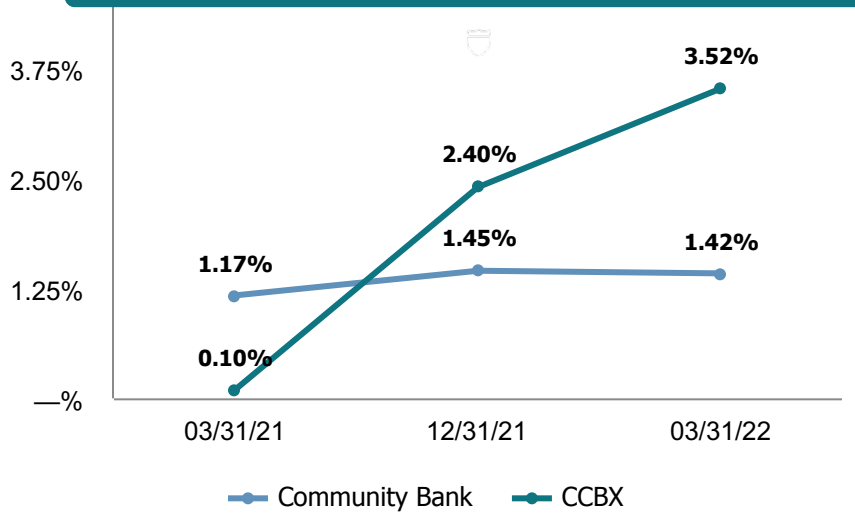
Community Bank: Average Yield - Loans Receivable
CCBX: Net BaaS Loan Income /Average CCBX Loans



Net Charge-Offs



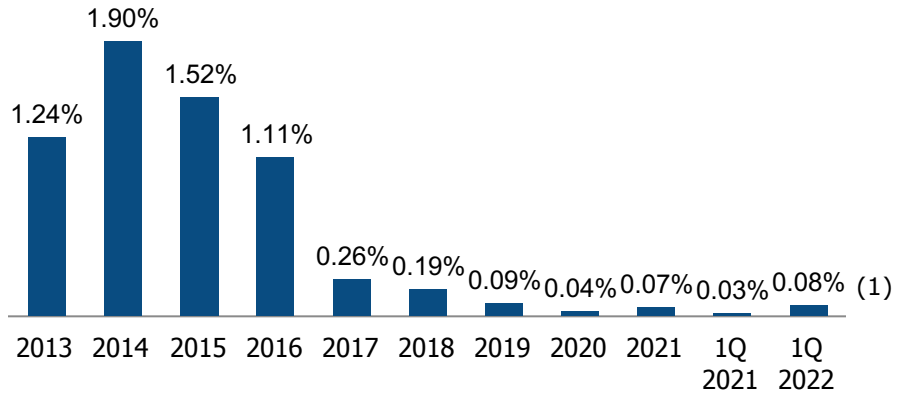
Allowance for Loan Losses to Total Loans



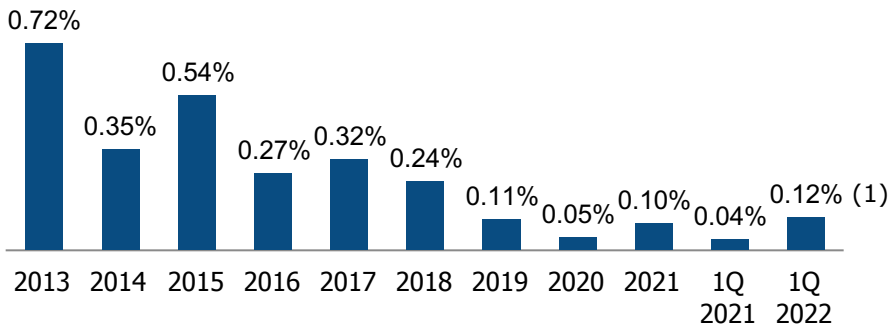
(1) CCBX Gross does not include the impact of BaaS loan expense. BaaS loan expense represents the amount paid or payable to partners for credit enhancement and servicing CCBX loans. To determine net revenue (Net BaaS loan income) earned from CCBX loan relationships, the Company takes BaaS loan interest income and deducts BaaS loan expense to arrive at Net BaaS loan income which can be compared to interest income on the Company's community bank loans.

STRONG ASSET QUALITY

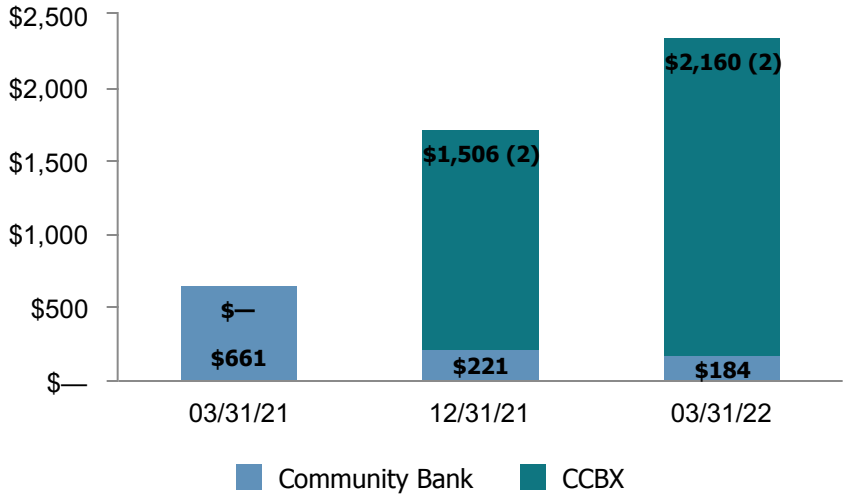
NPAs / Assets



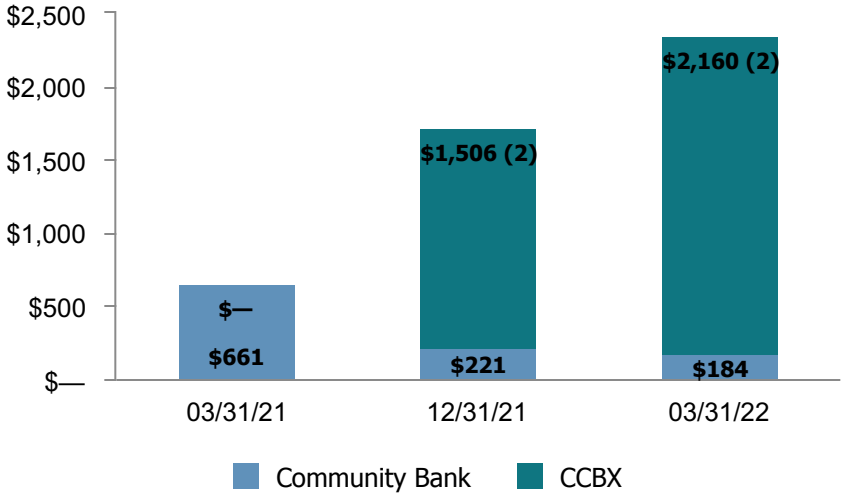
NPLs / Loans



NPAs by Segment (in thousands)



NPLs by Segment (in thousands)

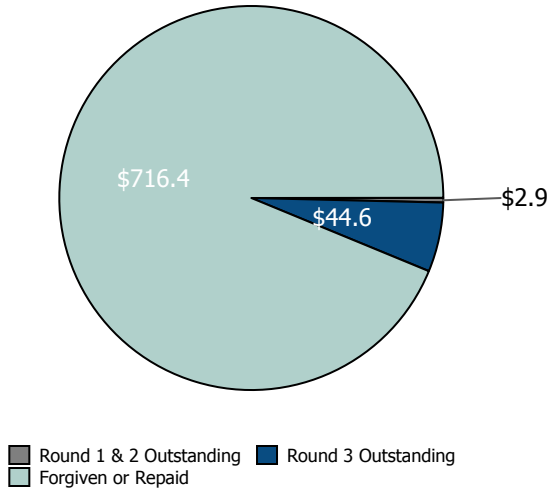


(1) These ratios are impacted by the increase in CCBX loans over 90 days delinquent that are covered by CCBX partner credit enhancements, see note below for more information.
(2) Agreements with our CCBX partners provide for a credit enhancement which protects the Bank by absorbing incurred losses. Under the agreement, the CCBX partner will reimburse the Bank for its loss/charge-off on these loans. Timing of the loss/charge-off varies depending on the type of loan and how many days delinquent. Once the loss/charge-off occurs then the Bank will collect the loss amount from the CCBX partner.

COVID-19 RESPONSE – PPP LOANS

Status of PPP Loans

As of March 31, 2022
(in millions)



- PPP loans:
  - We funded a total of $763.9 million in assistance to existing and new small business customers in 2020 and 2021
  - As of March 31, 2022, we have $47.5 million in PPP loans outstanding
- Repaid the Paycheck Protection Program Liquidity Facility ("PPPLF") as of June 30, 2021, which was utilized to fund PPP loans

Total of Net Deferred Fees on PPP Loans

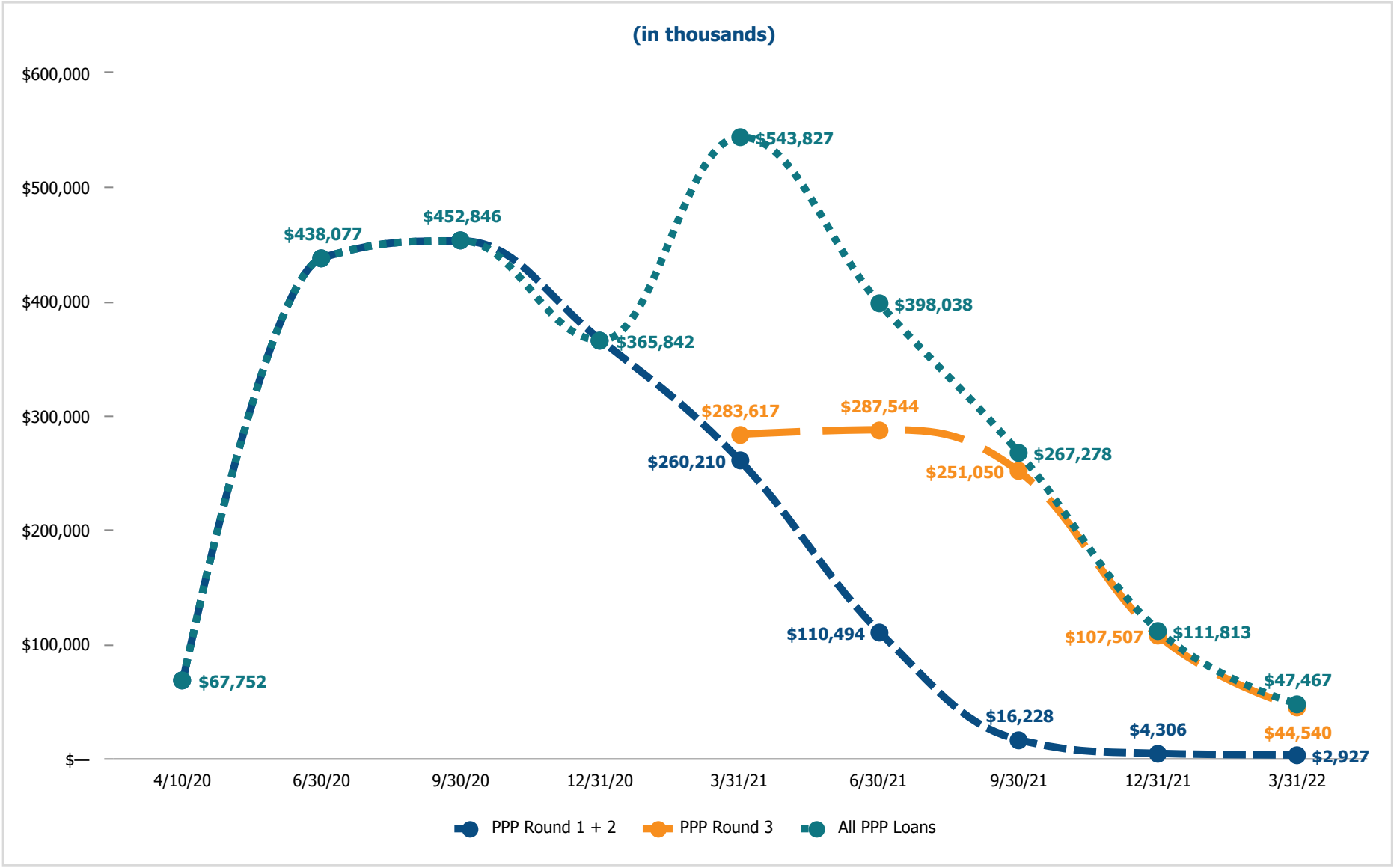
As of March 31, 2022
(in millions)



- Net Deferred Fees on PPP loans:
  - Total of $26.3 million in net deferred fees on all PPP loans originated, as of March 31, 2022
  - Earned $2.3 million in net deferred fees on PPP loans in the quarter ended March 31, 2022
  - $1.4 million in these net deferred fees remain as of March 31, 2022, and will be earned over the remaining life of the loans

COVID-19 RESPONSE – PPP LOANS

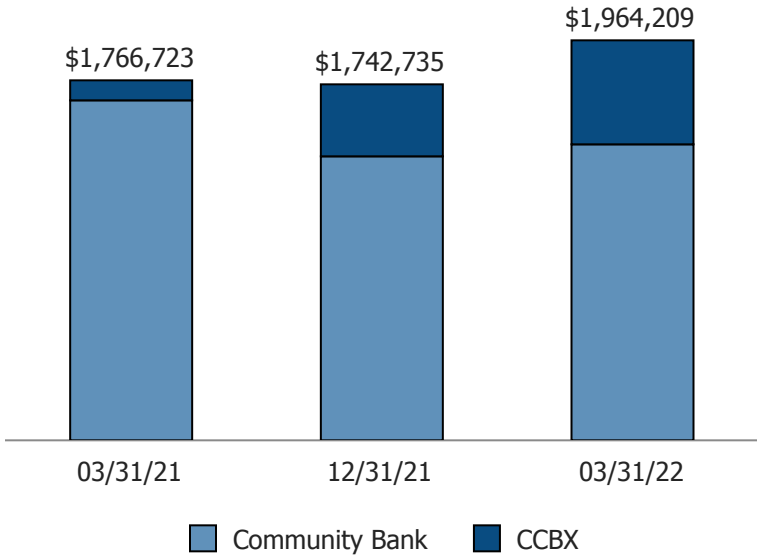
PPP Balances Over Time



CFC LOAN AND DEPOSIT GROWTH

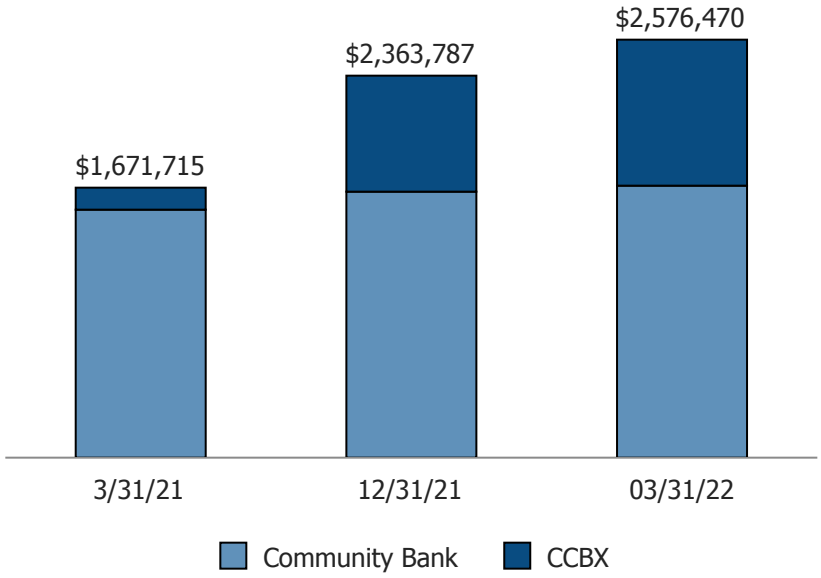
Total Loans

(Dollars in thousands)



Total Deposits

(Dollars in thousands)



Loan Growth of $221.5 million or 12.7% from December 31, 2021

Credit Quality 99.1% of Portfolio "Pass"

Reclassified $690.4 million in CCBX deposits from noninterest bearing to interest bearing in 1Q2022(1)

Low 0.08% Nonperforming Assets to Total Assets

CCBX Deposit Growth of $183.2* million or 25.6% from December 31, 2021

*Does not include $276.4 million in CCBX deposits as of March 31, 2022, that are transferred off the balance sheet

(1) "As a result of the FOMC interest rate increase, $690.4 million in CCBX deposits started earning interest in mid-march 2022 and were transferred to the interest bearing deposit category

Note: Data as of and for the quarter ended March 31, 2022, unless otherwise indicated

CFC QUARTERLY RESULTS

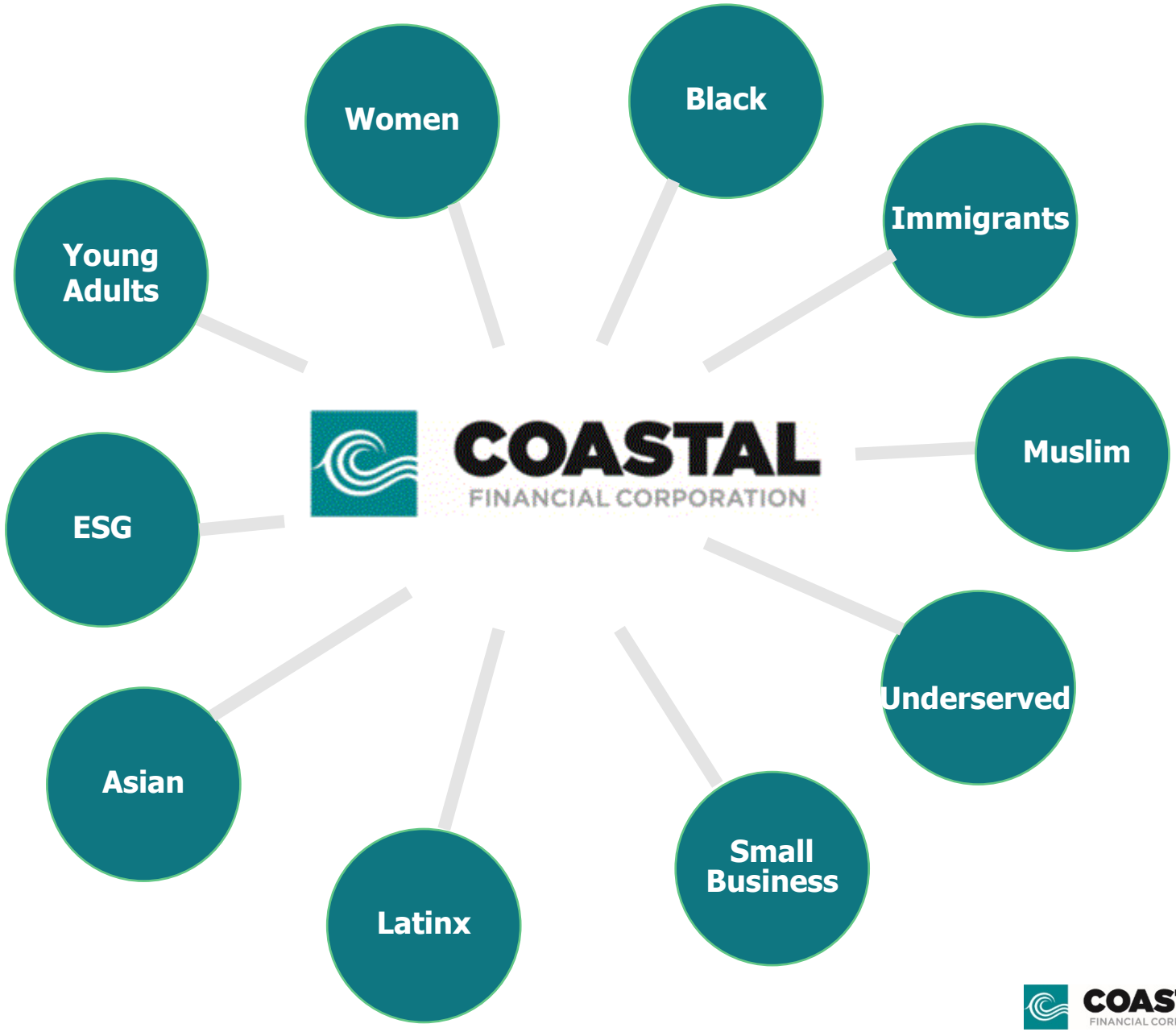
1Q 2022 Financial Results:

Earnings	For the Three Months Ended March 31, 2022	2021
Net Income *(Dollars in millions)*	$6.2	$6.0
Basic Earnings Per Share	$0.48 (1)	$0.50
Return on Average Assets	0.93% (2)	1.28%
Provision for Loan Losses *(Dollars in thousands)*	$12,942	$357

Balance Sheet	As of the quarter ended *(Dollars in millions, except per share amounts)* March 31, 2022	December 31, 2021	March 31, 2021
Total Assets	$2,833.8	$2,635.5	$2,029.4
Total Loans	$1,964.2	$1,742.7	$1,766.7
Total Deposits	$2,576.5	$2,363.8	$1,671.7
Total Shareholders' Equity	$207.9	$201.2	$146.7
Book Value Per Share	$16.08	$15.63	$12.24

(1) Earnings per share is impacted by capital raise completed in December 2021, which increased the total number of shares outstanding.
(2) ROA for the quarter ended March 31, 2022 was affected by a $648.6 million increase in liquidity which increased lower earning assets compared to the quarter ended March 31, 2021. These assets are available to be deployed into higher earning assets in future periods.

DIVERSITY, EQUITY, AND INCLUSION (DEI) AND ESG INITIATIVES



APPENDIX

CFC SELECTED YEAR-END FINANCIALS

(Dollars in thousands, except per share data)	As of and for the Year Ended December 31, 2021	2020	2019	2018	2017
Statement of Income Data:					
Total interest income	$ 83,083	$ 63,038	$ 48,587	$ 38,743	$ 32,113
Total interest expense	3,646	5,652	6,576	3,926	2,875
Provision for loan losses	9,915	8,308	2,544	1,826	870
Net interest income after provision for loan losses	69,522	49,078	39,467	32,991	28,368
Total noninterest income	28,118	8,182	8,258	5,467	4,154
Total noninterest expense	63,263	38,119	31,063	26,216	22,433
Provision for income taxes	7,372	3,995	3,461	2,541	4,653
Net income	27,005	15,146	13,201	9,701	5,436
Adjusted net income [1]	N/A	N/A	N/A	N/A	6,731
Balance Sheet Data:					
Cash and cash equivalents	$ 813,161	$ 163,117	$ 127,814	$ 125,782	$ 89,751
Investment securities	36,623	23,247	32,710	37,922	38,336
Loans	1,742,735	1,547,138	939,103	767,899	656,788
Allowance for loan losses	(28,632)	(19,262)	(11,470)	(9,407)	(8,017)
Total assets	2,635,517	1,766,122	1,128,526	952,110	805,753
Interest-bearing deposits	1,007,879	829,046	596,716	510,089	460,937
Noninterest-bearing deposits	1,355,908	592,261	371,243	293,525	242,358
Total deposits	2,363,787	1,421,307	967,959	803,614	703,295
Total borrowings	52,873	192,292	23,562	33,546	33,529
Total shareholders' equity	201,222	140,217	124,173	109,156	65,711
Share and Per Share Data: [2]					
Shares outstanding at end of period	12,875,315	11,954,327	11,913,885	11,893,203	9,248,901
Weighted average common shares outstanding–diluted	12,701,464	12,209,371	12,196,120	10,608,764	9,237,629
Book value per share	$ 15.63	$ 11.73	$ 10.42	$ 9.18	$ 7.11
Tangible book value per share [3]	15.63	11.73	10.42	9.18	7.11
Earnings per share – basic	2.25	1.27	1.11	0.93	0.59
Earnings per share – diluted	2.16	1.24	1.08	0.91	0.59
Adjusted earnings per share – diluted [1]	N/A	N/A	N/A	N/A	0.73
Performance Ratios:					
Return on average assets	1.24%	0.98%	1.28%	1.14%	0.73%
Adjusted return on average assets [1]	N/A	N/A	N/A	N/A	0.90%
Return on average shareholders' equity	17.24%	11.44%	11.29%	11.40%	8.27%
Adjusted return on average shareholders' equity [1]	N/A	N/A	N/A	N/A	10.24%
Credit Quality Ratios:					
Nonperforming assets to total assets	0.07%	0.04%	0.09%	0.19%	0.26%
Nonperforming assets to total loans and OREO	0.10%	0.05%	0.11%	0.24%	0.32%
Nonperforming loans to total loans	0.10%	0.05%	0.11%	0.24%	0.32%
Allowance for loan losses to total loans	1.64%	1.25%	1.22%	1.23%	1.22%
Net charge-offs to average loans	0.03%	0.04%	0.06%	0.06%	0.06%

(1) Refer to "Non-GAAP Reconciliation" in this Appendix for additional details.
(2) Share and per share amounts are based on total common shares outstanding, which includes common stock.
(3) Tangible book value per share is a non-GAAP measure. Since there is no goodwill or other intangible assets as of the dates indicated, tangible book value per share is the same as book value per share as of each of the dates indicated.

CFC SELECTED QUARTERLY FINANCIALS

(Dollars in thousands, except per share data)	As of and for the Quarter Ended				
	1Q 2022	4Q2021	3Q 2021	2Q 2021	1Q 2021
Statement of Income Data:					
Total interest income	$ 30,142	$ 25,546	$ 19,608	$ 19,573	$ 18,328
Total interest expense	874	843	801	959	1,043
Provision for loan losses	12,942	8,942	255	361	357
Net interest income after provision for loan losses	16,326	15,761	18,552	18,251	16,928
Total noninterest income	21,986	14,220	6,132	4,782	3,013
Total noninterest expense	30,415	21,050	16,130	13,731	12,352
Provision for income taxes	1,667	1,641	1,870	2,289	1,572
Net Income	6,230	7,290	6,684	7,013	6,018
Balance Sheet Data:					
Cash and cash equivalents	$ 682,109	$ 813,161	$ 669,725	$ 282,889	$ 204,314
Investment securities	136,177	36,623	34,924	27,443	22,894
Loans	1,964,209	1,742,735	1,705,682	1,658,149	1,766,723
Allowance for loan losses	(38,770)	(28,632)	(20,222)	(19,966)	(19,610)
Total assets	2,833,750	2,635,517	2,451,568	2,007,138	2,029,359
Interest-bearing deposits	1,738,426	1,007,879	927,097	913,782	903,025
Noninterest-bearing deposits	838,044	1,355,908	1,296,443	887,896	768,690
Total deposits	2,576,470	2,363,787	2,223,540	1,801,678	1,671,715
Core deposits [1]	2,460,954	2,249,573	2,148,445	1,724,134	1,590,850
Total borrowings	27,893	52,873	52,854	38,584	197,099
Total shareholders' equity	207,920	201,222	161,086	154,100	146,739
Share and Per Share Data: [2]					
Shares outstanding at end of period	12,928,548	12,875,315	12,012,107	12,007,669	11,988,636
Weighted average common shares outstanding–diluted	13,475,337	12,701,464	12,456,674	12,459,467	12,393,493
Book value per share	$ 16.08	$ 15.63	$ 13.41	$ 12.83	$ 12.24
Tangible book value per share [3]	16.08	15.63	13.41	12.83	12.24
Earnings per share – basic	0.48	0.60	0.56	0.59	0.50
Earnings per share – diluted	0.46	0.57	0.54	0.56	0.49
Performance Ratios:					
Return on average assets	0.93%	1.14%	1.21%	1.36%	1.28%
Return on average shareholders' equity	12.12%	16.80%	16.77%	18.60%	16.84%
Credit Quality Ratios:					
Nonperforming assets to total assets	0.08%	0.07%	0.04%	0.03%	0.03%
Nonperforming assets to total loans and OREO	0.12%	0.10%	0.05%	0.04%	0.04%
Nonperforming loans to total loans	0.12%	0.10%	0.04%	0.04%	0.04%
Allowance for loan losses to total loans	1.97%	1.64%	1.19%	1.20%	1.11%
Net charge-offs to average loans	0.64%	0.13%	0.00%	0.00%	0.00%
Other Key Ratios:					
Yield on Loans Receivable	6.80%	5.92%	4.57%	4.44%	4.51%
Cost of Deposits	0.09%	0.09%	0.10%	0.14%	0.16%
Net Interest Margin	4.45%	3.95%	3.48%	3.70%	3.76%
Efficiency Ratio	59.34%	54.08%	64.68%	58.69%	60.85%
Loans Receivable to Deposits	76.24%	73.73%	76.71%	92.03%	105.68%
Cost of Funds	0.14%	0.14%	0.16%	0.20%	0.24%

(1) Core deposits are defined as all deposits excluding time and brokered deposits.
(2) Share and per share amounts are based on total common shares outstanding, which includes common stock and nonvoting common stock.
(3) Tangible book value per share is a non-GAAP measure. Since there is no goodwill or other intangible assets as of the dates indicated, tangible book value per share is the same as book value per share as of each of the dates indicated.

COMMUNITY BANK - DIVERSE LOAN PORTFOLIO

Commercial Real Estate

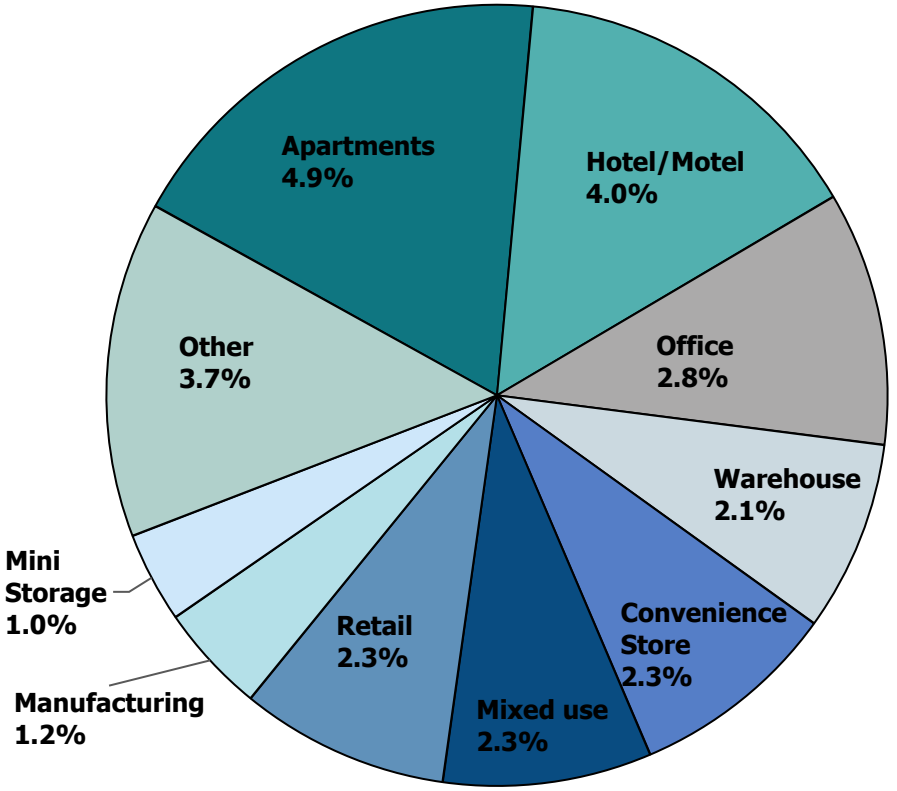
$889.5 million
Outstanding Balance

$28.9 million
Available Loan Commitment

$1.5 million
Average Loan Balance

26.6%
% of Loans Receivable (Total Outstanding Balances and Available Commitments) Excludes PPP Loans

Exposure by Industry
% of Total Loans Receivable
(Total Outstanding Balances and Available Commitments)
Excludes PPP Loans



Note: Data as of and for the quarter ended March 31, 2022, unless otherwise indicated

COMMUNITY BANK - DIVERSE LOAN PORTFOLIO

Construction, Land and Land Development

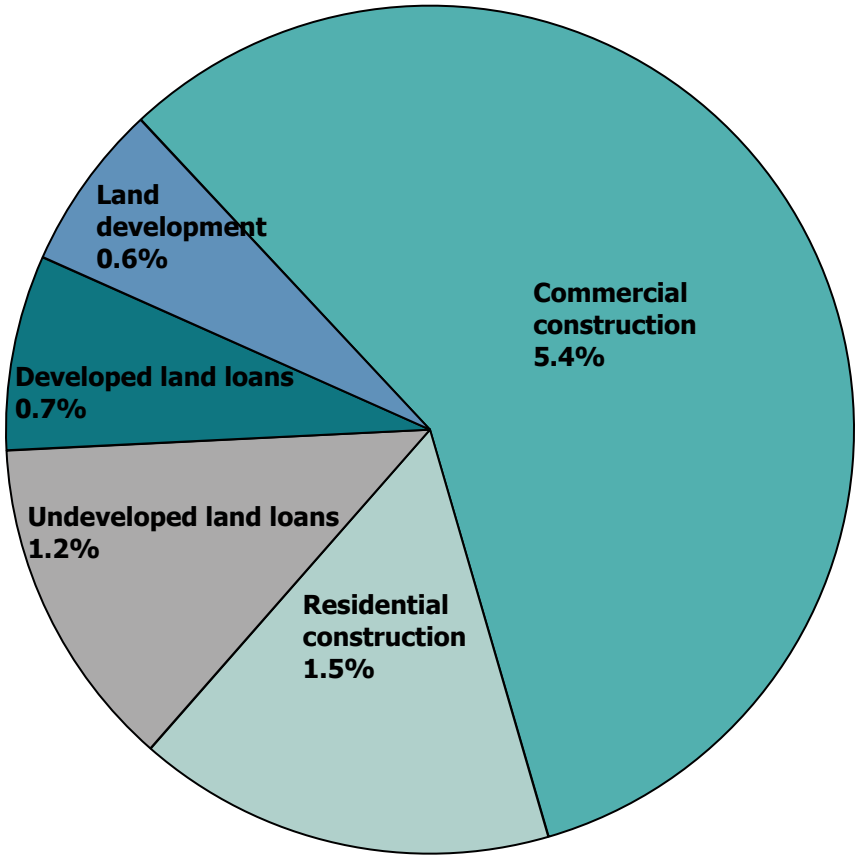
$208.1 million
Outstanding Balance

$116.8 million
Available Loan Commitment

$1.5 million
Average Loan Balance

9.4%
% of Loans Receivable (Total Outstanding Balances and Available Commitments) Excludes PPP Loans

Exposure by Industry
% of Total Loans Receivable
(Total Outstanding Balances and Available Commitments)
Excludes PPP Loans



Note: Data as of and for the quarter ended March 31, 2022, unless otherwise indicated

COMMUNITY BANK LOAN PORTFOLIO STATISTICS

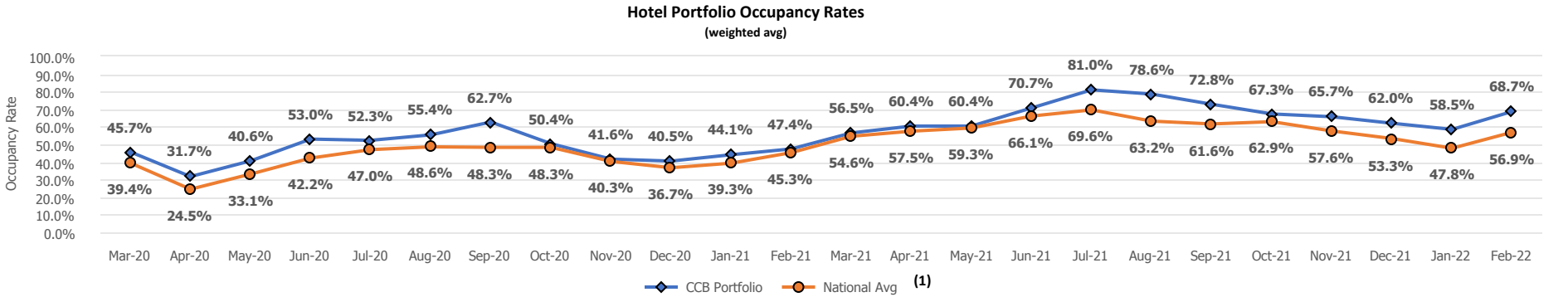
Significant CRE Loan Sub-Categories	Total Commitments	Weighted Average Seasoning (Months)	Weighted Average FICO Score	Weighted Average LTV	Weighted Average DSCR
Multifamily	$210,388,953	25.9	764.64	61.50%	3.65x
Hotels	$138,134,894	34.9	764.07	56.72%	1.97x
Retail	$96,085,636	31.2	767.87	55.96%	2.14x
Convenience Store	$79,434,257	37.3	777.97	57.66%	2.93x
Mixed Use	$78,768,395	43.2	761.70	54.45%	2.83x
Warehouse	$71,732,230	42.8	779.24	58.43%	3.35x
Office - General	$71,227,277	45.5	774.69	59.86%	3.21x
Manufacturing	$40,726,112	52.1	765.05	58.04%	2.62x
Mini Storage	$33,016,716	21.0	787.61	63.08%	3.42x
Office - Professional	$27,022,294	31.4	781.20	56.19%	2.48x

Loan Category	Commitments	Weighted Average Seasoning (Months)	Weighted Average FICO Score	Weighted Average LTV	Weighted Average DSCR
Commercial Real Estate	$918,355,855	35.5	769.84	58%	2.92x
C&I (excludes FI and PPP loans & CCL)	$165,076,124	40.5	771.99	50%	3.73x
Construction/Land	$324,881,555	12.8	783.62	51%	3.92x

(1) Based on best available data. If a loan has multiple guarantors, FICO score represented is highest of the guarantors. FICO scores are based off origination unless updated through annual term loan review or other credit action.

(2) Loan to Value ("LTV") data is based on best available data. LTV at origination is used unless updated information was made available through an annual term loan review or other credit action.

(3) Debt Service Coverage Ratio ("DSCR") data is based on best available data. DSCR at origination is used unless updated information was made available through an annual term loan review or other credit action.



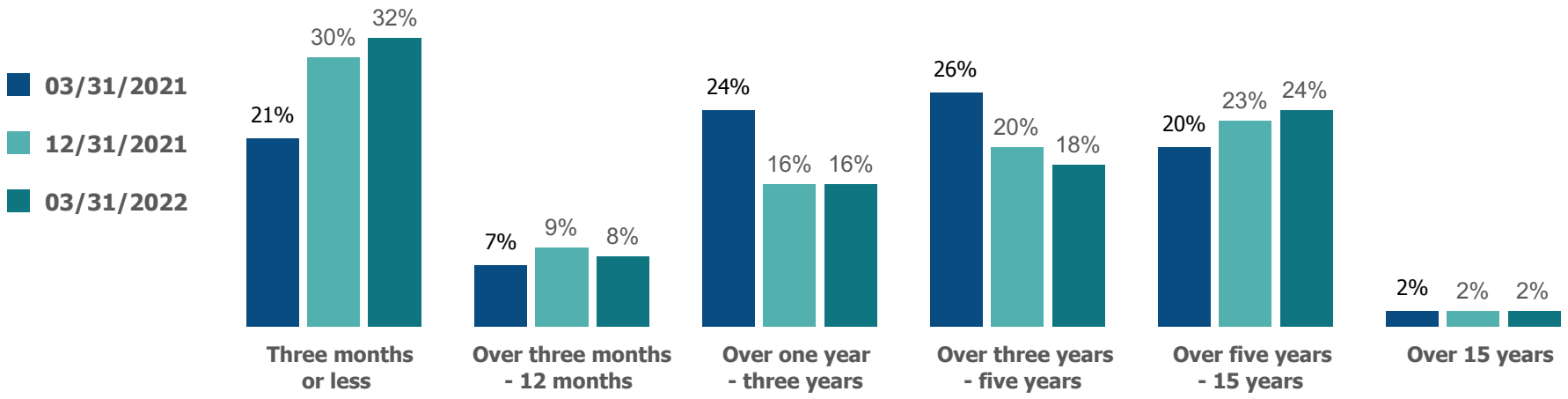
The Bank's hotel portfolio predominantly consists of travel hotels/motels and as such our occupancy rates are higher than the national average.

(1) Source: https://www.statista.com/statistics/206546/us-hotels-occupancy-rate-by-month/

Most current data as of March 31, 2022 unless noted otherwise

ASSET-SENSITIVE BALANCE SHEET

Loan Repricing



Bank will Benefit when Rates Increase

- Asset sensitive
- 32% of our assets reprice within 3 months as of March 31, 2022, up from 21% at March 31, 2021
- 2.37 years weighted average reprice
- 6.59 years weighted average maturity

Loan Strategy:

- shorter term loans
- interest rate swaps
- variable loans

Deposit Strategy:

- Funding from noninterest bearing deposits, savings and money markets vs. term deposits (ex. time deposits)

NON-GAAP RECONCILIATIONS

The following non-GAAP financial measures are presented to illustrate and identify the impact of PPP loans on Tier 1 Capital, we are providing investors with this information to better compare results with periods that did not have these significant impacts. These measures include the following:

"Adjusted Tier 1 leverage capital ratio, excluding PPP loans" is a non-GAAP measure that excludes the impact of PPP loans on balance sheet. The most directly comparable GAAP measure is Tier 1 leverage capital ratio.

Reconciliations of the GAAP and non-GAAP measures follow.

(Dollars in thousands, unaudited)	As of March 31, 2022	As of December 31, 2021	As of March 31, 2021
Adjusted Tier 1 leverage capital ratio, excluding PPP loans:			
Company:			
Tier 1 capital	$ 211,580	$ 204,585	$ 150,055
Average assets for the leverage capital ratio	$ 2,728,833	$ 2,536,512	$ 1,741,666
Less: Average PPP loans	(79,828)	(186,267)	(475,941)
Plus: Average PPPLF borrowings	—	—	170,376
Adjusted average assets for the leverage capital ratio	$ 2,649,005	$ 2,649,005	$ 1,436,101
Tier 1 leverage capital ratio	7.75%	8.07%	8.62%
Adjusted Tier 1 leverage capital ratio, excluding PPP loans	7.99%	8.70%	10.45%

The following non-GAAP financial measures are presented to illustrate the impact of BaaS credit enhancements, BaaS fraud recovery and reimbursement of expenses on total BaaS fees. "BaaS fee income, net" excludes BaaS credit enhancements, BaaS fraud recovery and reimbursement of expenses. The most directly comparable GAAP measure is total BaaS fees.

Reconciliations of the GAAP and non-GAAP measures follow.

	Three months Ended		
(Dollars in thousands, unaudited)	March 31, 2022	December 31, 2021	March 31, 2021
BaaS fee income, net - excluding BaaS credit enhancements, BaaS fraud recovery and reimbursement of expenses			
Total Baas Fees	$ 20,112	$ 12,649	$ 948
Less: BaaS credit enhancements	(13,075)	(9,076)	—
Less: Baas fraud recovery	(4,571)	(1,209)	—
Less: Reimbursement of expenses	(372)	(295)	(183)
Total BaaS fee income, net - excluding BaaS credit enhancements, BaaS fraud recovery and reimbursement of expenses	$ 2,094	$ (1) 2,069	$ 765

(1) Includes one-time, nonrecurring lump-sum fees of $197,000 from two partners.

NON-GAAP RECONCILIATION – 2017 ADJUSTED MEASURES

Some of the financial measures included in this presentation are not measures of financial performance recognized by GAAP. Our management uses the non-GAAP financial measures set forth below in its analysis of our performance for 2017 to exclude the impact of a deferred tax asset revaluation due to the enactment of the Tax Cuts and Jobs Act.

- "Adjusted net income" is a non-GAAP measure defined as net income increased by the additional income tax expense that resulted from the revaluation of deferred tax assets as a result of the reduction in the corporate income tax rate under the recently enacted Tax Cuts and Jobs Act. The most directly comparable GAAP measure is net income.
- "Adjusted earnings per share-diluted" is a non-GAAP measure defined as net income, plus additional income tax expense as noted above, divided by weighted average outstanding shares (diluted). The most directly comparable GAAP measure is earnings per share.
- "Adjusted return on average assets" is a non-GAAP measure defined as net income, plus additional income tax expense as noted above, divided by average assets. The most directly comparable GAAP measure is return on average assets.
- "Adjusted return on average shareholders' equity" is a non-GAAP measure defined as net income, plus additional income tax expense as noted above, divided by average shareholders' equity. The most directly comparable GAAP measure is return on average shareholders' equity.

(Dollars in thousands, except share and per share data)	As of or for the Year Ended, December 31, 2017
Adjusted net income:	
Net income	$ 5,436
Plus: additional income tax expense	1,295
Adjusted net income	$ 6,731
Adjusted earnings per share – diluted	
Net income	$ 5,436
Plus: additional income tax expense for deferred tax asset revaluation	1,295
Adjusted net income	$ 6,731
Weighted average common shares outstanding– diluted [(1)]	9,237,629
Adjusted earnings per share – diluted [(1)]	$ 0.73
Adjusted return on average assets	
Net income	$ 5,436
Plus: additional income tax expense for deferred tax asset revaluation	1,295
Adjusted net income	$ 6,731
Average assets	$ 748,940
Adjusted return on average assets	0.90%
Adjusted return on average shareholders' equity	
Net income	$ 5,436
Plus: additional income tax expense for deferred tax asset revaluation	1,295
Adjusted net income	$ 6,731
Average shareholders' equity	$ 65,720
Adjusted return on average shareholders' equity	10.24%

(1) Share and per share amounts are based on total common shares outstanding, which includes common stock and nonvoting common stock. These amounts have been adjusted to give effect to a one-for-five reverse stock split of common shares completed effective May 4, 2018.