



CAPITAL BANK

"Banking Outside the Box"

PRESS RELEASE

February 12, 2010

Capital Bank Reports 165% Growth in Deposits, 128% Growth in Loans & 94% Growth in Assets

San Juan Capistrano, CA –(BUSINESS WIRE) –Capital Bank (OTCBB:CBJC) today announced results of its first full calendar year of operations ending December 31, 2009. Assets climbed 94% or \$28.4 million to \$58.7 million fueled by exceptionally strong deposit growth of 165% or \$30 million to \$48 million from year-end 2008 levels, while loans swelled 128% or \$26.8 million to \$47.7 million during the same period. While the Bank reported a year to date net loss of \$1.8 million, the Bank is marching steadily towards profitability since opening for business twenty-one months ago on March 26, 2008. The operating loss is solely attributable to planned initial operating costs as no loan losses were incurred.

J.M. "Mike" Justice Jr., President & Chief Executive Officer stated "We continue to be pleased with our performance during the short period of time our bank has been open. Loan and deposit growth has been consistently strong and we have a significant backlog of business in the pipeline that will continue to drive our Bank towards profitability in the near future. The volatility and uncertainties of this past year marked by the failure of numerous banks in California and 140 banks nationwide, combined with surging unemployment, has left many banks reluctant to lend as they struggle with their existing troubled loan portfolios. Fortunately, we have no such challenges and have money to lend to qualified borrowers as evidenced by our strong loan growth this past year." While loan growth has been strong, the bank has not sacrificed quality simply for the sake of growth. Capital Bank has never engaged in sub-prime lending, holds no foreclosed property, has not one single past due or non-performing loan and maintains prudent loan loss reserves equal to 1.30% of outstanding loans at year end. Total capital is exceptionally strong with total risk based capital of 26.2%, over two and a half times the regulatory standard of 10% to be considered well capitalized. Mr. Justice stated "The strength of our capital base combined with the quality of our balance sheet and growing market share has been noted by the capital markets and we are pleased with our stocks performance despite these uncertain times."

In January of 2009 the bank opened an SBA Loan Department under the leadership of Senior Vice President Hector Hernandez. During this past year the SBA Department has become the 7th largest of 76 active SBA lenders in Orange County based on dollar volume of loans funded as reported by the U.S. Small Business Administration.

John R. McGill, Executive Vice President & Chief Operating Officer stated “We are very pleased with our success in becoming recognized as such a highly ranked SBA Lender in the short period of time this department has been open. We are confident that under Hector’s leadership, this department will continue to thrive and contribute positively to our bank in our march towards profitability.” McGill commented further that “Our overall success in significantly growing our balance sheet this past year is attributable to the hard work and dedication of our employees, the support of our committed directors and shareholders, and growing base of customers eager to refer family, friends and colleagues. We are grateful for their faith, confidence and ongoing support of our organization.”

Dedicated to becoming recognized as the Premier Business and Professional Bank of south Orange County, by providing innovative financial solutions tailored to the needs of our customers, which exceed their expectations, producing superior shareholder value that become solutions recognized for.....”**Banking Outside the Box**”.

For Additional Information visit our website at: www.mycapitalbank.com

Contact:

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Stock Symbol: OTCBB:CBJC

Market Makers:

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Howe, Barnes, Hoefffer & Arnett

Information contained herein may contain certain forward-looking statements that are based on management’s current expectations regarding economic, legislative, and regulatory issues that may impact the Bank’s earnings in future periods. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words “believe,” “expect,” “intend,” “estimate” or words of similar meaning, or future or conditional verbs such as “will,” “would,” “should,” “could” or “may.” Factors that could cause future results to vary materially from current management expectations include, but are not limited to, general economic conditions, changes in interest rates, deposit flows, real estate values, and competition; changes in accounting principles, policies or guidelines; changes in legislation or regulation; and other economic, competitive, governmental, regulatory and technological factors affecting the Bank’s operations, pricing, products and services. The Bank undertakes no obligation to release publicly the result of any

revisions to these forward-looking statements that may be made to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

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SELECTED FINANCIAL DATA -UNAUDITED

(All figures in thousands) as of:

Balance Sheet	12/31/09	12/31/08	Change %
Total Assets	\$58,748	\$30,301	94%
Gross Loans	\$47,671	\$20,867	128%
Total Deposits	\$48,064	\$18,115	165%
Total Shareholders' Equity	\$10,361	\$11,947	