



CAPITAL BANK

"Banking Outside the Box"

PRESS RELEASE

April 15, 2010

Capital Bank Reports 153% Growth in Deposits, 135% Growth in Loans & 104% Growth in Assets

San Juan Capistrano, CA –(BUSINESS WIRE) –Capital Bank (OTCBB:CBJC) today announced results of operations for the first quarter of 2010 marked by continued strong growth in loans, deposits and assets. Deposits expanded by over \$42 million or 153% from the same period last year to \$70.3 million, while loans swelled 135% to \$59.7 million by quarter end. Assets climbed 104% to \$80.8 million, a \$41.2 million increase. While the Bank reported a net loss of \$319,000, more than \$172,000 of this is attributable to non-cash charges for stock option expense and to maintain prudent loan loss reserves required by the outstanding loan growth the bank has experienced. The operating loss is solely attributable to planned initial operating costs as no operational or loan losses were incurred.

J.M. "Mike" Justice Jr., President & Chief Executive Officer stated "We are continuing our march towards profitability as evidenced by the significant decline in our net operating loss. Our exceptionally strong growth in loans, deposits and assets is rapidly driving us to the level of critical mass necessary to achieve ongoing profitability. I continue to be very pleased with our growth and success in executing our business plan. Breaking the \$80 million asset barrier in the short 2 years we have been open is a testament to the hard work and dedication of our staff, the loyalty of a growing customer base, and the ongoing support of a talented directorate." Mr. Justice stated further "While many banks continue to be paralyzed by the challenges of managing troubled loan portfolios and resultant deteriorating earnings, we have no such challenges and have money to lend to qualified borrowers as evidenced by our ongoing strong loan growth."

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, does not have a single past due or non-performing loan and maintains prudent loan loss reserves equal to 1.27% of outstanding loans at quarter's end. Total capital is exceptionally strong with total estimated risk based capital of over 16.5%, well in excess of the regulatory standard of 10% to be considered well capitalized. Mr. Justice stated "The strong growth of our quality balance sheet combined with our significant positive earnings trend, strong capital base and growing market share have been noted by the capital markets; we are very pleased with our stocks performance in these still uncertain times. "

In January of 2009 the bank opened its SBA Loan Department under the leadership of Senior Vice President Hector Hernandez and is currently ranked the 9th largest of 94 active SBA lenders in Orange County based on dollar volume of SBA loans funded. Rachel Baranick, Deputy District Director SBA, Santa Ana District Office commented; “Capital Bank joined the SBA lending family in 2008, and in less than a year, was awarded the highly coveted ‘Preferred Lender’ status. They have demonstrated tremendous commitment to the small business community, providing much needed access to capital, and the Santa Ana District Office is proud to recognize them as the *Rookie Lender of the Year.*”

John R. McGill, Executive Vice President & Chief Operating Officer stated “We are very pleased with our success in the SBA arena in such a short period of time and truly appreciate the support of our colleagues within the U.S. Small Business Administration. We are committed to expanding our presence in this arena and are confident it will continue to contribute positively to our Bank and the communities we serve for years to come.”

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, Hoeffler & 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	3/31/10	3/31/09	Change %
Total Assets	\$80,757	\$39,554	104%
Gross Loans	\$59,683	\$25,389	135%
Total Deposits	\$70,289	\$27,733	153%
Total Shareholders’ Equity	\$10,077	\$11,538	