



CAPITAL BANK

"Banking Outside the Box"

PRESS RELEASE

July 20, 2009

Capital Bank Reports 456% Growth in Deposits & 241% Growth in Loans

San Juan Capistrano, CA –(BUSINESS WIRE) –Capital Bank (OTCBB:CBJC) today announced results of operations for the second quarter of 2009 marked by exceptionally strong deposit and loan growth. Deposits surged 456% or \$25.9 million to \$31.6 million compared to the same period last year while loans swelled 241% or \$22.8 million to over \$32.3 million during the same period. Assets climbed to \$43 million compared to 2008 second quarter end totals of \$18.6 million. While the Bank reported a year to date net loss \$1,046,000, the Bank continues to be on plan from a bottom line perspective since opening for business fifteen 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 "Despite the ongoing challenges in the financial markets marked by multiple Bank failures nationwide and in our market, we continue to be successful in the execution of our business plan. Our customers can take solace in the strength of our balance sheet and the impeccable quality of our loan portfolio." The Bank has never engaged in sub-prime lending, holds no foreclosed property, has no past due or non-performing loans and maintains prudent loan loss reserves equal to 1.25% of outstanding loans. Total capital is exceptionally strong with total estimated risk based capital of 32%, over 3 times the regulatory standard of 10% to be considered well capitalized. Mr. Justice stated "We continue to be focused on building long term, mutually rewarding customer relationships based on the exceptional level of service provided by our dedicated and skilled team of banking professionals. Other banks may choose to "Buy Your Business" through aggressive deposit or loan rates, while we choose to focus on the long term health and well-being of our Bank and customers. Many of the banks who chose to "Buy the Business" are no longer around to service their now former clients, while we are here for our clients today, and will be tomorrow".

John R. McGill, Executive Vice President & Chief Operating Officer stated "2009 has been an exciting year so far marked by strong balance sheet growth and an expanding customer base. Earlier this year we opened our SBA Loan Department with the addition of Senior Vice President Hector Hernandez, supported by Senior Vice President, Teri Hudson. The depth of experience of this team, supported by an already strong credit administration, resulted in our Bank being awarded "Preferred Lender" status by the U.S. Small Business

Administration during the second quarter. This is an exceptional accomplishment in a very short period of time as achievement of this status can take up to two years for many banks. We are confident that this team will contribute significantly to the ongoing growth of our bank and provide a positive impact to our bottom line.”

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

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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.