



# CAPITAL BANK

*"Banking Outside the Box"*

**PRESS RELEASE**

**February 11, 2016**

## **2015 Brings Capital Bank Healthy Asset Growth, the Opening of a San Diego Regional Banking Center, and Stable Profitability**

**San Juan Capistrano, CA** –(BUSINESS WIRE) –Capital Bank (OTCQB:CBJC) announced the results of operations for the year ending December 31, 2015, which reflect healthy year-over-year asset growth and stable profitability, despite taking on significant additional costs associated with expansion into the San Diego market with the opening of a San Diego Regional Banking Center. At the end of 2015, gross loans totaled almost \$197 million, reflecting year-over-year net growth of nearly \$19 million or 11% from the \$178 million reported at the end of 2014. During the same period, total deposits increased \$25 million or 12% to \$235 million from \$210 million, and total assets grew \$34 million or 14% to \$287 million from \$252 million at the end of the previous year. Net income for 2015 totaled \$3.0 million, the same level as 2014 net income, despite the addition of significant expenses associated with opening the permanent San Diego Regional Banking Center, which is headed by Senior Vice President & San Diego Regional Manager, Joe Simmons, and Senior Vice President & Branch Manager, Mary Purviance.

J.M. "Mike" Justice Jr., President & Chief Executive Officer stated "We continue to be pleased with growth in both the Orange County market, as well as expansion into the San Diego area. Our strong balance sheet growth, coupled with our conservative underwriting standards have generated an expanded high quality earning asset base, which continues to yield improvement in net interest income. At the same time, we have been able to maintain a highly desirable efficiency ratio of about 57%, which has enabled us to provide an exceptional return on assets (ROA) of 1.19% and return on equity (ROE) of 12.04% to our loyal shareholders. The continued success of the Bank is a testament to the hard work and dedication of our entire team to our core value of providing exceptional customer service." Mr. Justice continued, "The prospects for further growth, expansion and profitability remain bright for Capital Bank. Our overall performance continues to garner industry accolades as indicated by once again being awarded the prestigious **Super Premier Performance Award** from the renowned Findley Reports on Financial Institutions as well as the **5 Star Rating of Excellence** by the national independent bank rating firm of Bauer Financial."

John R. McGill, Senior Executive Vice President & Chief Operating Officer stated “Our success in building a quality balance sheet, and achieving solid profitability though safely leveraging our strong capital base is attributable to the skill of our employees, as well as the continued engagement of committed directors, shareholders, and loyal customers and business partners. We are thankful for their ongoing confidence and support, and look forward to many more successful years ahead.”

Capital Bank is dedicated to being known as the Premier Business and Professional Bank in the markets we serve by providing innovative financial solutions tailored to the needs of our customers while exceeding expectations and producing superior shareholder value that become solutions recognized for...”***Banking Outside the Box***”.

For Additional Information visit our website at: [www.mycapitalbank.com](http://www.mycapitalbank.com)

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Stock Symbol: OTCQB:CBJC

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Raymond James & Associates

The Findley Reports: <http://www.findley-reports.com>

Bauer Financial: <http://www.bauerfinancial.com>

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 AUDITED FINANCIAL DATA**

(All figures in thousands) as of:

<b>Balance Sheet</b>	<b>12/31/15</b>	<b>12/31/14</b>	<b>Change %</b>
Total Assets	\$286,951	\$252,474	14%
Total Deposits	\$234,850	\$210,295	12%
Gross Loans	\$196,649	\$177,840	11%
Total Shareholders' Equity	\$26,508	\$23,381	13%