July 31, 2015

FOR IMMEDIATE RELEASE

1st Capital Bank Announces:
Second Quarter and Year to Date 2015 Financial Results;
Increased Quarterly and Year to Date Net Income;
Declaration of 5.00% Stock Dividend;
Change in Executive Officer

Monterey, California – July 31, 2015. **1st Capital Bank** (OTC Pink Marketplace: FISB) (the "Bank" or "we") today announced second quarter and year to date financial results through June 30, 2015. Earnings for the three and six month periods ended June 30, 2015 increased 32.1% and 50.9%, respectively, from the same periods during 2014.

Net income during the second quarter of 2015 was $601 thousand, equivalent to $0.15 per diluted common share. This compares to net income of $455 thousand, equivalent to $0.12 per diluted common share, during the second quarter of 2014. Net income for the first quarter of 2015 (the immediately preceding quarter) was $701 thousand, equivalent to $0.18 per diluted common share. The rise in net income from the second quarter of 2014 to the second quarter of 2015 primarily resulted from: (i) a larger average balance of interest earning assets; (ii) a special cash dividend of $74 thousand from the Federal Home Loan Bank of San Francisco ("FHLB-SF"); (iii) the absence of a provision for loan losses; and (iv) a favorable $29 thousand tax settlement with the California Franchise Tax Board ("FTB"). The reduction in net income from the first quarter of 2015 to the second quarter of 2015 primarily resulted from the first quarter's recognition of $249 thousand in tax-free Bank Owned Life Insurance ("BOLI") benefits.

Net income for the first six months of 2015 was $1.3 million, equivalent to $0.34 per diluted common share, compared to net income of $863 thousand, equivalent to $0.23 per diluted common share, for the first six months of 2014. The improved earnings during 2015 primarily resulted from an increase in net interest income plus the aforementioned BOLI death benefits and FTB tax settlement. These factors were partially offset by a rise in non-interest expense.

The Bank's Board of Directors has declared a 5.00% stock dividend on the Bank's common stock outstanding. The stock dividend is payable on September 30, 2015 to shareholders of record on September 9, 2015. The dividend will be issued in the form of additional shares of common stock. Cash will be issued in lieu of fractional shares. This is the Bank's third stock dividend, following a 2.00% stock dividend that was paid in April 2012 and a 5.00% stock dividend that was paid in June 2014.

Commenting on the second quarter of 2015 performance, Mark Andino, the Bank's President and Chief Executive Officer, stated: "The Bank enjoyed a number of key accomplishments during the second quarter of 2015, including maintaining excellent credit quality, purchasing a $11.4 million pool of seasoned California multifamily loans on a servicing released basis, opening the San Luis Obispo branch office with over $17.0 million in deposits in that County, increasing tangible book value per share to a record $11.25, commencing the installation of enhanced ATMs, and favorably settling a longstanding tax matter with the Franchise Tax Board." Mr. Andino then continued: "With the increase in the ratio of equity to total assets achieved during the second quarter of 2015, the Bank is now well positioned to more significantly transform its balance sheet in order to support enhanced shareholder value. In that regard, the Bank has committed to purchasing at least $28.0 million in seasoned, California, hybrid residential mortgages during the third quarter of 2015."

Mark Andino will transition into the position of Market President for San Luis Obispo County during August 2015. The Bank opened a new full-service branch office in the City of San Luis Obispo in June 2015. Mr. Andino has over a decade of local lending and business development experience in San Luis Obispo County, and was a key founder of a successful de novo community bank in the City of San Luis Obispo that opened in 2007.

The Board of Directors has appointed Thomas E. Meyer as the Bank's new President and Chief Executive Officer effective August 10, 2015. Mr. Meyer is a veteran California banker with over 35 years of industry experience, including previously serving as Chairman and Chief Executive Officer of Fullerton Community Bank, FSB. During his financial services career, Mr. Meyer has served in a wide variety of roles, including Chief Credit Officer, Chief Financial Officer, and Chief Operating Officer. Mr. Meyer earned his Bachelor of Science in Finance from the University of Illinois and his Master of Business Administration with an emphasis in Finance and Accounting from the University of Chicago. Mr. Meyer and his wife are currently in the process of relocating to Monterey County.

Commenting on the changes in executive staffing, Kurt Gollnick, the Bank's Chairman of the Board, stated: "We look forward to welcoming Tom Meyer to the 1st Capital team. Tom has a genuine passion for community banking, as exhibited by his many years of service to community groups and non-profit organizations, plus volunteering for a wide range of events and fundraisers aimed at improving the quality of life in the local communities served." Mr. Gollnick then added: "The Bank's recent decision to enter its first new market in seven years via the San Luis Obispo branch office was a significant strategic step in the Bank's evolution. We are fortunate to be able to leverage Mark's extensive knowledge of that market in launching the Bank's expansion to the south."

Mr. Gollnick then commented on the upcoming payment of the Bank's third stock dividend: "We are very pleased to provide another stock dividend to our shareholders. This dividend will increase the number of our common shares outstanding to over four million. We believe the stock dividends distributed by the Bank will, over time, enhance the liquidity in our shares." Mr. Gollnick then added: "We don't forecast the Bank's paying a cash dividend in the near future, as we continue to retain our earnings to support the planned growth of the Bank."

Performance Highlights

- Net interest income before provision for loan losses was 16.1% higher during the second quarter of 2015 than during the second quarter of 2014.

- Quarterly average loans outstanding were 19.4% greater during the second quarter of 2015 compared to the second quarter of 2014.

- Tangible book value per share rose to a record $11.25 as of June 30, 2015, as compared to $10.90 per share at December 31, 2014 and $10.60 per share at June 30, 2014.

- The Bank presented a high quality credit profile at June 30, 2015, with a nonperforming asset ratio of just 0.02%. The Bank recorded net recoveries of $24 thousand during the first six months of 2015. The Bank had no loans which were 30 days or more delinquent at June 30, 2015. Nonaccrual loans totaled $92 thousand at June 30, 2015, equivalent to 0.03% of loans outstanding. No new loans were transferred to nonaccrual status during the first six months of 2015.

- At June 30, 2015, the Bank maintained a regulatory Total Risk Based Capital Ratio of 14.82%, substantially in excess of the 10.00% threshold to be categorized in the highest regulatory capital classification of "well capitalized." Similarly, the Bank's June 30, 2015 Common Equity Tier One Risk Based Capital Ratio of 13.57% placed it substantially above the 6.50% threshold to be categorized as "well capitalized."

Financial Condition Analysis

Funds held at the Federal Reserve Bank of San Francisco decreased from $31.6 million at December 31, 2014 to $23.8 million at June 30, 2015. This reduction primarily resulted from the Bank's purchase of: (i) a $21.9 million pool of seasoned residential mortgages during late February 2015; and (ii) a $11.4 million pool of seasoned multifamily mortgages during late June 2015.

Time deposits at other financial institutions declined from $3.0 million at December 31, 2014 to $2.7 million at June 30, 2015, as funds from maturing time deposits were reinvested into other earning assets.

Securities categorized as available for sale increased from $96.8 million at December 31, 2014 to $98.7 million at June 30, 2015. Security purchases during the first quarter of 2015 were entirely composed of floating rate tranches of residential collateralized mortgage obligations ("CMO") issued by the Federal National Mortgage Association ("FNMA") or the Federal Home Loan Mortgage Corporation ("FHLMC"). The Bank purchased variable rate securities during the first quarter of 2015 in order to allocate most of its balance sheet duration to meeting client demand for primarily intermediate term fixed rate loans in the current interest rate environment. No securities were purchased or sold during the second quarter of 2015. The following table presents the Bank's security portfolio profile at June 30, 2015, March 31, 2015, and December 31, 2014, and highlights the purchases of additional Agency residential floating rate CMOs during the first quarter of 2015:

(Dollars in Thousands) Type of Security	June 30, 2015 Fair Value (Unaudited)	March 31, 2015 Fair Value (Unaudited)	December 31, 2014 Fair Value (Unaudited)
Municipal fixed rate securities	$ 468	$ 480	$ 476
Agency(1) variable rate residential MBS(2)	2,498	2,575	2,689
Agency fixed rate residential MBS	1,896	2,095	2,294
Agency variable rate commercial MBS	20,045	20,118	20,186
Agency variable rate residential CMO	72,387	76,848	68,766
Agency variable rate commercial CMO	1,378	1,663	2,396
Total	$ 98,672	$ 103,779	$ 96,807

(1) FNMA, FHLMC, or the Government National Mortgage Association ("GNMA")
(2) Mortgage backed security

The fair value of the Bank's $98.7 million in securities at June 30, 2015 exceeded its amortized cost basis by $447 thousand.

At June 30, 2015, the Bank maintained a strong liquidity profile, consisting of a significant volume of on-balance sheet assets (including cash & cash equivalents and securities available for sale) and significant off-balance sheet borrowing capacity. In order to improve earnings while still maintaining a more than adequate level of liquidity, the Bank is currently targeting a ratio of net loans to deposits of approximately 85.0% (compared to 78.3% at June 30, 2015).

Net loans held for investment rose from $321.2 million at December 31, 2014 to $341.7 million at June 30, 2015. The increase primarily resulted from the purchase of two loan pools as described below.

February 2015 residential mortgage pool

This pool was composed of $21.9 million in closed-end, residential mortgages. The loans in the mortgage pool were seasoned 5/1 or 7/1 hybrid mortgages that reprice annually based upon a margin over the one year LIBOR index following the conclusion of an initial fixed rate period. The Bank purchased this pool on a servicing retained basis. The loans in the residential mortgage pool met the Bank's standard underwriting criteria, were individually underwritten by the Bank, and are secured by first deeds of trust on homes located in several California counties. The Bank has experienced low payment delinquencies and no charge-offs on the residential mortgage pools it has purchased over the past two years.

June 2015 multifamily mortgage pool

This pool was composed of $11.4 million in closed-end, multifamily mortgages. The loans in the this pool were seasoned 5/1 hybrid mortgages that reprice semi-annually based upon a margin over the six month LIBOR index following the conclusion of an initial fixed rate period. All of the loans in this pool have prepayment penalties which would more than offset the accelerated purchase premium amortization upon early payoff. The Bank purchased these multifamily loans on a servicing released basis. The loans in this pool also met the Bank's standard underwriting criteria, were individually underwritten by the Bank, and are secured by first deeds of trust on apartment buildings located in two California counties.

The following table summarizes the Bank's purchases of loan pools during 2014 and through June 30, 2015:

Purchase Month	Pool Size	Loan Type
February 2014	$ 19.2 million	Residential 1 to 4 Unit
April 2014	13.2 million	Residential 1 to 4 Unit
September 2014	16.4 million	Residential 1 to 4 Unit
October 2014	8.6 million	Residential 1 to 4 Unit
February 2015	21.9 million	Residential 1 to 4 Unit
June 2015	11.4 million	Multifamily 5 or More Units
Total	$ 90.7 million	

Residential 1 to 4 unit loans increased from $97.1 million at December 31, 2014 to $114.7 million at March 31, 2015 in conjunction with the February 2015 mortgage pool purchase, and then declined to $107.8 million at June 30, 2015 due to amortization and payoffs. The Bank has now acquired a sufficiently large portfolio of seasoned residential mortgages that scheduled amortization and anticipated prepayments (i.e., due to home sale or refinance) are forecast to provide a recurring stream of cash flow for future reinvestment over the next several years. The Bank does not directly originate closed end, consumer, residential mortgages, but does extend loans secured by residential properties to various types of business entities.

Multifamily loans increased from $16.1 million at December 31, 2014 to $31.3 million at June 30, 2015 due to a combination of internal originations and the June 2015 multifamily loan pool purchase. The Bank has sought to originate more of this type of loan given the favorable trends in rents, vacancies, and real estate values in many of the market areas along the Central Coast.

Construction and land (including farmland) loans increased by $3.7 million during the first half of 2015 primarily due to: (i) the reclassification of certain loans for one client from the commercial & industrial category to secured by farmland in conjunction with the pledging of additional collateral; and (ii) disbursements on construction loans as projects advanced toward completion. By late July 2015, all of the Bank's construction (as differentiated from land) loans paid off in conjunction with the completion of the associated projects. However, the Bank continues to see client demand along the Central Coast for: (i) customized owner-occupant commercial construction or real estate improvements designed for a specific tenant; (ii) affordable housing; and (iii) renovations of commercial property in areas of comparatively strong tenant demand.

Commercial and industrial loans outstanding declined by $1.9 million during the first half of 2015 primarily due to the aforementioned reclassification of loans associated with one client.

Commenting on the Bank's lending activity, Jon Ditlevsen, the Bank's Chief Lending Officer, stated: "By late July, the Bank's loan pipeline had expanded from its recent level, benefiting from loan applications from San Luis Obispo County and areas further south, a rise in loan applications from Santa Cruz County, and some relatively large loan applications in Monterey County. In addition, we continue our efforts to increase our volume of SBA loan originations in order to take advantage of the attractive prices currently available in the secondary market."

The Bank's allowance for loan losses increased from $5.33 million, or 1.63% of total loans, at December 31, 2014 to $5.55 million, or 1.60% of total loans, at June 30, 2015. The allowance was increased during the first half of 2015 by $200 thousand in loan loss provision and $24 thousand in recoveries. The Bank did not record any charge-offs during the first half of 2015. The reduction in the ratio of allowance for loan losses to total loans during the first six months of 2015 was associated with the aforementioned shift in loan portfolio mix and an improvement in the loan portfolio aggregate credit profile.

Nonaccrual loans decreased $681 thousand from $773 thousand at December 31, 2014 to $92 thousand at June 30, 2015 due to principal payments received and the reclassification of two loans from non-accrual to accrual status. All of the Bank's non-accrual loans were current or less than 30 days delinquent in scheduled payments as of June 30, 2015. The Bank has never owned any foreclosed real estate.

Loans graded Substandard increased from \$9.6 million at December 31, 2014 to \$10.0 million at June 30, 2015. Changes in loans graded Substandard during the first six months of 2015 included:

- The Bank extended \$1.3 million in additional financing to one credit relationship graded Substandard in conjunction with a consolidation of debt and the Bank's receipt of additional real estate collateral.

- \$658 thousand in loans associated with one borrower that were graded Substandard at December 31, 2014 were upgraded to Special Mention following the receipt of updated financial information for the borrower and an extended period of timely payment performance.

- The Bank received a \$50 thousand principal pay-down on one loan graded Substandard secured by real estate in Monterey County.

- All of the loans graded Substandard at December 31, 2014 continued to make their scheduled payments during the first six months of 2015, resulting in lower principal balances outstanding at June 30, 2015.

Loans graded Special Mention increased from \$2.4 million at December 31, 2014 to \$3.1 million at June 30, 2015, primarily due to the aforementioned credit upgrade for one borrower from Substandard to Special Mention. Principal reductions on loans graded Special Mention during the first six months of 2015 were approximately offset by the downgrade of one \$250 thousand commercial credit relationship to Special Mention.

Loans graded Watch decreased from \$4.8 million at December 31, 2014 to \$3.2 million at June 30, 2015, primarily due to: (i) a \$750 thousand principal reduction and a subsequent credit upgrade to Pass for a \$1.4 million loan; and (ii) the upgrade to Pass of a \$91 thousand loan to a local professional following improved financial performance and an extended period of timely payments.

Because of the credit profile of the residential mortgage pool purchased during 2015 (including loan to value ratio, borrower credit score, and borrower debt to income ratio), the Bank assigns a lower general, formula reserve ratio to these loans versus, for example, commercial real estate mortgages and commercial and industrial business loans. Similarly, because of the credit profile of both the originated and purchased apartment loans, the Bank assigns a lower general, formula reserve ratio to multifamily loans than to most types of commercial real estate loans and commercial and industrial business loans. The change in loan mix during the first six months of 2015 therefore contributed to the reduction in the ratio of allowance for loan losses to loans outstanding from 1.63% at December 31, 2014 to 1.60% at June 30, 2015.

Premises and equipment, net of accumulated depreciation, increased from $1.4 million at December 31, 2014 to $1.7 million at June 30, 2015. This increase was primarily due to tenant improvements, equipment, and furniture for the new San Luis Obispo branch office. Fixed asset purchases planned by the Bank for the third quarter of 2015 include several new ATMs and a series of technology investments.

The Bank's investment in BOLI decreased from $2.5 million at December 31, 2014 to $2.3 million at June 30, 2015, as the effect of the repayment of two policies associated with a benefit claim exceeded the impact of dividends credited.

The Bank's investment in the capital stock of the Federal Home Loan Bank ("FHLB") increased from $2.0 million at December 31, 2014 to $2.6 million at June 30, 2015 due to the standard asset-based investment requirement applicable to FHLB members.

Total deposits increased 3.2% from $422.8 million at December 31, 2014 to a $436.4 million at June 30, 2015. Total deposits were, however, little changed during the second quarter of 2015 despite the opening of almost 200 new deposit accounts (including from the new San Luis Obispo branch office) due to: (i) client payments for property and income taxes; and (ii) the decision by certain large depositors to invest some of their liquidity into alternative asset classes. The weighted average interest rate paid on the Bank's deposits at June 30, 2015 was 0.16%.

Noninterest bearing demand deposits decreased from $181.9 million at December 31, 2014 to $159.9 million at June 30, 2015. This reduction was primarily associated with: (i) the outflow of seasonal and transitional deposit balances maintained by certain clients at December 31, 2014; and (ii) the transfer of certain non-interest bearing demand deposit funds into money market and / or savings deposits, as clients sought to earn interest on their excess liquidity.

Interest bearing checking accounts increased from $22.4 million at December 31, 2014 to $28.3 million at June 30, 2015. Given the historically low interest rate environment, the Bank has attracted these consumer, sole proprietor, and non-profit organization checking accounts by its focus on a concierge level of service rather than based upon interest rate.

Money market deposits increased from $103.8 million at December 31, 2014 to $120.4 million at June 30, 2015. Savings deposits rose from $83.7 million at December 31, 2014 to $98.3 million at June 30, 2015. Both money market and savings deposits have been an attractive alternative for liquid funds in the current historically low interest rate environment.

Time deposits decreased from $30.9 million at December 31, 2014 to $29.4 million at June 30, 2015, primarily due to transfers from certain maturing time deposits into transaction accounts and the Bank's moderating its time deposit pricing in response to its favorable liquidity position and the availability of alternative low cost funding. $14.0 million of the $29.4 million in time deposits at June 30, 2015 was composed of low cost State of California term funds. None of the Bank's deposits at June 30, 2015 or December 31, 2014 were brokered deposits or sourced from deposit listing services. While the Bank is a member of the CDARS® network, the Bank did not have any deposits under that service at either June 30, 2015 or December 31, 2014.

Commenting on the Bank's deposit performance, Irene Shippee, the Bank's Chief Banking Officer, stated: "The Bank enjoyed a favorable pace of opening new deposit accounts during the second quarter of 2015, as businesses and professionals in our local communities learn of the many benefits of banking with 1st Capital. We continue to enhance our already highly customizable online and mobile banking and cash management services. For example, we have recently implemented even more robust sweep and target balance capability, and are currently in the process of augmenting our transaction activity messaging service. In addition, later this year, we will be introducing EMV compatible debit cards with embedded chips. The combination of our advanced technology and responsive, knowledgeable bankers has been a quite successful marketing approach."

Shareholders' equity rose from $41.2 million at December 31, 2014 to a record $43.2 million at June 30, 2015. This increase resulted from: (i) 2015 year to date net income of $1.3 million; (ii) $255 thousand in equity compensation expense; (iii) $469 thousand from the exercise of vested stock options; (iv) $2 thousand in tax benefits associated with the vesting of restricted share awards; and (v) a $7 thousand increase in the accumulated other comprehensive income associated with changes in unrealized gains and losses on securities classified as available for sale. The Bank's Board of Directors continues to be compensated solely via restricted shares (i.e., no cash compensation).

At June 30, 2015, the Bank had approximately 143,000 stock options outstanding, all of which were then vested. Approximately 97,000 of these 143,000 stock options expire within two years, all of which were "in the money" at June 30, 2015. Therefore, absent a reduction in the Bank's stock price, the Bank anticipates additional capital inflows from the exercise of vested stock options during the forthcoming 24 months.

Operating Results Analysis

Net interest income before provision for loan losses rose from $3.2 million during the three months ended June 30, 2014 to $3.7 million during the three months ended June 30, 2015. This increase was primarily due to: (i) a larger average balance of gross loans outstanding, which rose from $289.1 million during the second quarter of 2014 to $345.0 million during the second quarter of 2015; and (ii) a $74 thousand special cash dividend paid by the FHLB-SF during the second quarter of 2015. Net interest income before provision for loan losses during the second quarter of 2015 increased $152 thousand from the first quarter of 2015 (the immediately preceding quarter) primarily due to the same two factors, plus there being one additional day during the second quarter of 2015.

Net interest income before provision for loan losses rose from $6.2 million during the six months ended June 30, 2014 to $7.2 million during the six months ended June 30, 2015. This increase was also driven by a higher average balance of gross loans and the greater dividend yield on FHLB stock, which more than offset the impact of a reduction in average yield on the loan portfolio.

The ratio of net interest income to average total assets increased from 2.98% during the second quarter of 2014 to 3.10% during the second quarter of 2015 primarily due to a combination of the effects of the increased loan portfolio size and the FHLB-SF special dividend. The same factors contributed to the ratio of net interest income to average total assets increasing from 3.02% during the six months ended June 30, 2014 to 3.07% during the six months ended June 30, 2015.

The yield on the gross loan portfolio declined from 4.32% during the second quarter of 2014 to 4.15% during the second quarter of 2015 primarily due to:

- The addition of the aforementioned purchased loan pools, which earn a lower yield than typically generated through the Bank's internal originations of construction, income property, and commercial and industrial business loans.

- Continued amortization and repayment of older loans with higher interest rates.

- Ongoing aggressive pricing competition from primarily large banks for high quality loans in the Bank's primary market area.

Note, however, that the purchased loans provide a significantly higher interest rate than similar duration Agency investment securities.

The Bank currently anticipates increased net interest income during the third quarter of 2015, absent the effect of the special FHLB-SF dividend, because: (i) the Bank will have a full quarter's benefit of the $11.4 million multifamily mortgage pool purchased in late June 2015; (ii) the Bank has agreed to purchase at least $28.0 million of seasoned 1 to 4 unit residential mortgages by the end of August 2015, subject to the Bank's approval of the loans following due diligence; and (iii) there is one more day in the third quarter versus the second quarter.

A key objective for the Bank is increasing the size of the loan portfolio while maintaining strong credit quality. The employment of additional Relationship Managers to spur increased local lending, the expansion into San Luis Obispo County, and the purchase of multiple loan pools have been key initiatives in support of that goal. At June 30, 2015, the Bank maintained a $72.4 million investment in Agency residential, floating rate, monthly adjusting CMOs yielding 0.56%. The planned reinvestment of cash flows from these securities into new loan originations and purchases during the second half of 2015 is a key strategy for supporting the Bank's net interest margin.

The Bank did not record a provision for loan losses during the second quarter of 2015 due to a combination of an almost constant size of loan portfolio, $12 thousand in net recoveries, and relatively little net change in the overall credit risk profile of the loan portfolio. The ratio of allowance for loan losses to total loans increased slightly from 1.59% at March 31, 2015 to 1.60% at June 30, 2015. The provision for loan losses was $155 thousand during the three months ended June 30, 2014 and $200 thousand during the three months ended March 31, 2015 (the immediately preceding quarter). At both March 31, 2015 and June 30, 2015, the Bank maintained a special qualitative reserve of $280 thousand associated with the potential impacts of the ongoing drought in California.

Factors affecting the level of loan loss provision during the three months ended June 30, 2014 included:

- The $23.3 million increase in the size of the gross loan portfolio.

- A $0.9 million increase in the balance of loans rated Watch.

Factors affecting the level of loan loss provision during the first quarter of 2015 (the immediately preceding quarter) included:

- The $21.9 million increase in the size of the gross loan portfolio.

- The Bank's setting aside an additional $100 thousand for its qualitative reserve associated with the ongoing California drought. While water supplies in the Bank's primary market area are more favorable than in certain other portions of the state, the Bank considered it prudent to set aside additional loan loss reserves to address currently unspecified potential losses that could arise from drought conditions.

- The above factors more than offset the impact of a $235 thousand reduction in specific reserves on impaired loans stemming from continued principal repayments and the aforementioned credit upgrade of two loans and their no longer being classified as Substandard and impaired.

The provision for loan losses decreased from $275 thousand during the six months ended June 30, 2014 to $200 thousand during the six months ended June 30, 2015. Factors contributing to the provision for loan losses during the first quarter of 2014 (i.e., in addition to those specified above in regard to the second quarter of 2014) included:

- The $21.1 million increase in the size of the gross loan portfolio.

- A $1.0 million increase in the balance of loans rated Special Mention.

- A $2.5 million increase in the balance of loans rated Watch, of which $1.7 million was associated with one credit relationship.

In summary, the slower growth in the loan portfolio during the first half of 2015 versus the first half of 2014 was a key factor leading to the decline in loan loss provision.

Noninterest income decreased from $124 thousand during the three months ended June 30, 2014 to $112 thousand during the three months ended June 30, 2015.

BOLI dividend income fell from $21 thousand during the second quarter of 2014 to $14 thousand during the second quarter of 2015 due to:

- The Bank's voluntary surrender of $1.2 million in underperforming BOLI separate account policies during the third quarter of 2014.

- The repayment of two BOLI policies during 2015 in conjunction with a benefit claim.

The Bank realized a $46 thousand pre-tax gain on sale of securities during the second quarter of 2014 in conjunction with the sale of its entire position in fixed rate SBA loan pools and approximately one-half its position in Agency fixed rate MBS. The Bank did not sell any securities during the second quarter of 2015.

The Bank realized a $51 thousand pre-tax gain on the sale of the guaranteed portion of SBA 7(a) Program loans during the second quarter of 2015. The Bank did not sell any loans during the second quarter of 2014. The Bank is currently forecasting the sale of additional SBA 7(a) Program loan originations during the third quarter of 2015 in order to take advantage of attractive secondary market prices.

Non-interest income increased from $197 thousand during the six months ended June 30, 2014 to $429 thousand during the six months ended June 30, 2015 primarily due to $249 thousand in tax-free BOLI benefits recognized during the first quarter of 2015.

Noninterest expense increased from $2.38 million during the three months ended June 30, 2014 and $2.66 million during the three months ended March 31, 2015 (the immediately preceding quarter) to $2.82 million during the three months ended June 30, 2015. Non-interest expense also increased from $4.71 million during the six months ended June 30, 2014 to $5.48 million during the six months ended June 30, 2015. The Bank maintained 70 full-time equivalent employees at June 30, 2015 versus 66 at March 31, 2015 and 61 at June 30, 2014.

Salaries and benefits expense rose from $1.44 million during the three months ended June 30, 2014 and $1.63 million during the three months ended March 31, 2015 (the immediately preceding quarter) to $1.74 million during the three months ended June 30, 2015. Salaries and benefits expense increased from $2.88 million during the six months ended June 30, 2014 to $3.37 million during the six months ended June 30, 2015. During the first quarter of 2015, the Bank added personnel in the following positions:

- Senior Relationship Manager in Salinas
- San Luis Obispo Branch Manager
- Deposit Services Manager

During the second quarter of 2015, the Bank added personnel in the following positions:

- Bank Secrecy Act Analyst
- Relationship Manager in San Luis Obispo
- Branch staff (3) in San Luis Obispo

The Deposit Services Manager and the Bank Secrecy Act Analyst were added primarily in response to the increasing regulatory compliance requirements applicable to insured depository institutions. The Bank also employs a full-time Compliance Officer.

Other factors contributing to the increase in salary and benefits expense from the three and six months ended June 30, 2014 to the three and six months ended June 30, 2015 included:

- Periodic base salary increases for employees other than executive officers.

- Recruiting more experienced and higher cost bankers to fill certain open positions.

- A $27 thousand and $76 thousand increase in the accrual for incentive compensation for the three and six months ended June 30, 2015, respectively. The Bank paid a relatively low level of incentive compensation during 2013 and 2014. In light of the stronger economy and increasing competition for high caliber bankers, the Bank believes that it will need to provide a higher level of potential incentive compensation during 2015 in order to continue attracting and retaining well qualified employees.

- Greater benefits costs (e.g., payroll taxes and 401(k) matching contributions) arising from the increased aggregate base salary level.

- A $50 thousand reduction in capitalized loan origination costs for the three months ended June 30, 2015 stemming from the change in volume and mix of internal loan originations. For the six months ended June 30, 2015, capitalized loan origination costs were $35 thousand lower than for the same period during the prior year. Consistent with accounting principles generally accepted in the United States, the Bank does not capitalize loan origination costs for purchased loans.

Occupancy expenses increased from $188 thousand and $370 thousand for the three and six months ended June 30, 2014 to $198 thousand and $398 thousand for the three and six months ended June 30, 2015. These increases were primarily due to costs associated with the new San Luis Obispo branch office. The Bank has entered the San Luis Obispo market with relatively low facility costs, as the branch office is approximately 2,500 square feet, with a lease payment of less than $4 thousand per month. In addition, the Bank leased additional space in its administration building commencing during the fourth quarter of 2014. Occupancy expense is forecast to rise during the third quarter of 2015, which will be the first full quarter of tenant improvement depreciation associated with the San Luis Obispo branch office.

Data and item processing expenses increased from $133 thousand and $260 thousand during the three and six months ended June 30, 2014 to $144 thousand and $286 thousand during the three and six months ended June 30, 2015. These increases arose from:

- A wider use of technology by the Bank, including our now having added front counter check capture to all branch offices and enhanced back counter check capture as a means of speeding client deposit processing.

- The higher level of costs associated with processing a greater number of client accounts and transactions.

- Data and item processing expenses associated with the San Luis Obispo branch office.

We expect this trend to continue in the near term, as the Bank has multiple technology related initiatives planned for completion during the second half 2015, including the installation of the remaining new ATMs, the introduction of debit cards with embedded chips, various software / application upgrades, and further enhancements to the Bank’s network technology. In addition, the Bank implemented a significant enhancement to its mobile banking platform in early July 2015. This enhancement included expanded funds transfer capabilities for both internal and external accounts.

The Bank is currently in negotiations with its primary provider of data processing services to renew its contract, including seeking new and enhanced technologies and improvement in the cost effectiveness of its technology expenditures. Similar to the financial services industry in general, the Bank is experiencing a shift in client transaction and account management activity toward various electronic channels. The forecasted continuation of this trend is anticipated to impact the Bank's mix of operating costs over time.

Professional services expenses increased from $118 thousand and $257 thousand during the three and six months ended June 30, 2014 to $151 thousand and $263 thousand during the three and six months ended June 30, 2015. Professional services expenses during the three months ended March 31, 2015 (the immediately preceding quarter) were $112 thousand. The Bank incurred $56 thousand in executive recruitment expense during the second quarter of 2015 in conjunction with sourcing the new President and Chief Executive Officer. The Bank had $41 thousand in executive recruitment expense during the first quarter of 2014 associated with the hiring of a new Chief Financial Officer. The Bank forecasts additional recruiting expense of approximately $27 thousand for the President and Chief Executive Officer position during the third quarter of 2015 in conjunction with that individual's commencement of employment with the Bank. Professional services expenses were also increased during the 2015 periods by the Bank's decision to engage a new internal audit firm under a more robust internal audit program for 2015.

Furniture and equipment expense increased from $76 thousand and $148 thousand during the three and six months ended June 30, 2014 to $107 thousand and $205 thousand during the three and six months ended June 30, 2015. Furniture and equipment expense during the three months ended March 31, 2015 (the immediately preceding quarter) were $98 thousand. The primary factors contributing to these increases were:

- Higher costs for employee travel in conjunction with the Bank's serving more clients in areas outside of Monterey County; in particular Santa Cruz County and San Luis Obispo County.

- Greater depreciation and other expenses associated with new technology purchases.

- The commencement of furniture and equipment costs for the San Luis Obispo branch office.

The provision for unfunded loan commitments increased from $7 thousand during the second quarter of 2014 to $10 thousand during the second quarter of 2015. The provision for unfunded loan commitments shifted from a $7 thousand credit to (reduction in) expense during the six months ended June 30, 2014 to an $18 thousand debit to (increase in) expense during the six months ended June 30, 2015 (thereby generating a $25 thousand increase in non-interest expense). The Bank maintained $66.8 million in undisbursed credit commitments at June 30, 2015 compared to $55.4 million at June 30, 2014.

Other noninterest expense increased from $419 thousand and $808 thousand during the three and six months ended June 30, 2014 to $470 thousand and $941 thousand during the three and six months ended June 30, 2015. Other non-interest expense during the first quarter of 2015 (the immediately preceding quarter) was $471 thousand. Factors contributing to the rise in other non-interest expense included:

- Higher costs for regulatory assessments, FDIC deposit insurance, and various types of liability insurance stemming from the increased size of the Bank.

- Increased marketing and promotion costs, primarily associated with the Bank's six new videos introduced during the first quarter of 2015.

- Various operating costs associated with the opening and operation of the San Luis Obispo branch office.

- Greater expenses for education / conferences and related travel.

The Bank's efficiency ratio (operating costs compared to income from operations) increased from 71.92% during the three months ended June 30, 2014 to 74.08% during the three months ended June 30, 2015. This less favorable comparison primarily resulted from the aforementioned expansion in the Bank's operating costs, which more than offset the beneficial impact of revenue totaling considerably higher during the second quarter of 2015 than during the second quarter of 2014. The Bank's efficiency ratio improved from 73.22% during the six months ended June 30, 2014 to 71.41% during the six months ended June 30, 2015 primarily due to the BOLI benefits. Commenting on the Bank's efficiency ratio, Michael Winiarski, the Bank's Chief Financial Officer, stated: "We recognize the importance of improving the efficiency ratio to the 65.0% range in order to deliver a more competitive return on equity to our shareholders. The Bank's executive team is actively engaged with the Board of Directors to identify and then pursue alternatives to achieve that objective on a run rate basis in the coming quarters."

The Bank's effective book tax rate decreased from 41.3% during the three months ended June 30, 2014 to 39.2% during the three months ended June 30, 2015. This reduction was primarily due to the Bank's reaching a settlement with the FTB for certain deductions taken in 2009 and 2010. The settlement provides for the Bank to receive a $29 thousand payment from the FTB. The financial benefit to the Bank, net of the associated federal tax offset, will be $19 thousand.

The Bank's effective book tax rate decreased from 40.4% during the six months ended June 30, 2014 to 34.7% during the six months ended June 30, 2015. This reduction was primarily due to impacts of the aforementioned settlement with the FTB and $249 thousand in tax-free BOLI benefits recorded during the first quarter of 2015, only partially offset by a lower level of tax-free BOLI dividend income during 2015.

About 1st Capital Bank

The Bank's primary target markets are commercial enterprises, professionals, real estate investors, family business entities, and residents along the Central Coast Region of California. The Bank provides a wide range of credit products, including loans under various government programs such as those provided through the U.S. Small Business Administration ("SBA") and the U.S. Department of Agriculture ("USDA"). A full suite of deposit accounts is also furnished, complemented by robust cash management services. The Bank operates full service branch offices in Monterey, Salinas, King City, and San Luis Obispo. The Bank's corporate offices are located at 5 Harris Court, Building N, Monterey, California 93940. The Bank's website is www.1stCapitalBank.com. The main telephone number is 831.264.4000. The primary facsimile number is 831.264.4001.

Member FDIC / Equal Opportunity Lender / SBA Preferred Lender

Forward-Looking Statements

Certain of the statements contained herein that are not historical facts are "forward-looking statements" within the meaning of and subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may contain words or phrases including, but not limited, to: "believe," "expect," "anticipate," "intend," "estimate," "target," "plans," "may increase," "may fluctuate," "may result in," "are projected," and variations of those words and similar expressions. All such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Factors that might cause such a difference include, among other matters, changes in interest rates; economic conditions including inflation and real estate values in California and the Bank's market areas; governmental regulation and legislation; credit quality; competition affecting the Bank's businesses generally; the risk of natural disasters and future catastrophic events including terrorist related incidents and other factors beyond the Bank's control; and other factors. The Bank does not undertake, and specifically disclaims any obligation, to update or revise any forward-looking statements, whether to reflect new information, future events, or otherwise, except as required by law.

This news release is available at the www.1stCapitalBank.com Internet site for no charge.

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--- *financial data follow* ---

1ST CAPITAL BANK
CONDENSED FINANCIAL DATA
(Unaudited)
(Dollars in thousands, except share and per share data)

Financial Condition Data[1]	June 30, 2015	March 31, 2015	December 31, 2014	June 30, 2014
Assets				
Cash and due from banks	$ 3,261	$ 2,384	$ 2,654	$ 2,841
Funds held at the Federal Reserve Bank[2]	23,759	18,857	31,598	33,790
Time deposits at other financial institutions	2,739	2,739	2,988	4,333
Available-for-sale securities, at fair value	98,672	103,779	96,807	106,673
Loans held for sale	--	1,136	--	--
Loans receivable held for investment:				
Construction / land (including farmland)	20,274	21,585	16,600	15,862
Residential 1 to 4 units	107,792	114,688	97,142	78,359
Home equity lines of credit	7,515	8,352	8,327	11,779
Multifamily	31,290	18,148	16,118	10,222
Owner occupied commercial real estate	53,848	59,931	60,064	53,171
Investor commercial real estate	75,210	74,240	73,095	70,766
Commercial and industrial	45,038	43,715	46,922	54,340
Other loans	6,264	6,565	8,233	5,484
Total loans	347,231	347,224	326,501	299,983
Allowance for loan losses	(5,549)	(5,537)	(5,325)	(5,001)
Net loans	341,682	341,687	321,176	294,982
Premises and equipment, net	1,689	1,529	1,423	1,478
Bank owned life insurance	2,321	2,441	2,549	3,691
Investment in FHLB[3] stock, at cost	2,593	2,007	2,007	2,007
Accrued interest receivable and other assets	3,950	3,891	3,661	3,966
Total assets	$ 480,666	$ 480,450	$ 464,863	$ 453,761
Liabilities and shareholders' equity				
Deposits:				
Noninterest bearing demand deposits	$ 159,920	$ 160,688	$ 181,939	$ 156,704
Interest bearing checking accounts	28,329	25,638	22,447	22,230
Money market deposits	120,449	125,739	103,804	119,040
Savings deposits	98,262	94,603	83,689	83,287
Time deposits	29,434	30,307	30,874	32,272
Total deposits	436,394	436,975	422,753	413,533
Borrowings	--	--	--	--
Accrued interest payable and other liabilities	1,056	975	929	809
Shareholders' equity	43,216	42,500	41,181	39,419
Total liabilities and shareholders' equity	$ 480,666	$ 480,450	$ 464,863	$ 453,761
Shares outstanding	3,842,905	3,835,593	3,779,039	3,718,364
Nominal and tangible book value per share	$ 11.25	$ 11.08	$ 10.90	$ 10.60
Ratio of net loans held for investment to total deposits	78.30%	78.19%	75.97%	71.33%

1 = Loans held for investment are presented according to definitions applicable to the regulatory Call Report.
2 = Includes cash letters in the process of collection settled through the Federal Reserve Bank.
3 = Federal Home Loan Bank

1ST CAPITAL BANK
CONDENSED FINANCIAL DATA
(Unaudited)
(Dollars in thousands, except share and per share data)

	Three Months Ended			
Operating Results Data[1]	June 30, 2015	March 31, 2015	December 31, 2014	June 30, 2014
Interest and dividend income				
Loans	$ 3,571	$ 3,505	$ 3,566	$ 3,113
Investment securities	155	153	148	180
Federal Home Loan Bank stock	127	33	37	33
Other	18	22	17	21
Total interest and dividend income	3,871	3,713	3,768	3,347
Interest expense				
Interest bearing checking accounts	2	3	6	8
Money market deposits	88	82	73	76
Savings deposits	68	67	61	61
Time deposits	12	13	14	14
Total interest expense on deposits	170	165	154	159
Interest expense on borrowings	1	--	1	--
Total interest expense	171	165	155	159
Net interest income	3,700	3,548	3,613	3,188
Provision for loan losses	--	200	50	155
Net interest income after provision for loan losses	3,700	3,348	3,563	3,033
Noninterest income				
Service charges on deposits	29	31	30	34
BOLI dividend income	14	16	17	21
BOLI benefits	--	249	--	--
Gain on sale of loans	51	--	19	--
Gain on sale of securities	--	--	--	46
Other	18	21	19	23
Total noninterest income	112	317	85	124

1ST CAPITAL BANK
CONDENSED FINANCIAL DATA, continued
(Unaudited)
(Dollars in thousands, except share and per share data)

	Three Months Ended			
	June 30, 2015	March 31, 2015	December 31, 2014	June 30, 2014
Noninterest expenses				
Salaries and benefits	1,744	1,627	1,536	1,441
Occupancy	198	200	206	188
Data and item processing	144	142	138	133
Professional services	151	112	130	118
Furniture and equipment	107	98	97	76
Provision for unfunded loan commitments	10	8	(8)	7
Other	470	471	485	419
Total noninterest expenses	2,824	2,658	2,584	2,382
Income before provision for income taxes	988	1,007	1,064	775
Provision for income taxes	387	306	437	320
Net income	$ 601	$ 701	$ 627	$ 455
Common Share Data				
Earnings per share				
Basic	$ 0.16	$ 0.18	$ 0.17	$ 0.12
Diluted	$ 0.15	$ 0.18	$ 0.16	$ 0.12
Weighted average shares outstanding				
Basic	3,836,994	3,794,906	3,762,235	3,699,361
Diluted	3,890,867	3,844,096	3,824,482	3,742,457

1 = Certain reclassifications have been made to prior period financial statements to conform them to the current period presentation.

1ST CAPITAL BANK
CONDENSED FINANCIAL DATA
(Unaudited)
(Dollars in thousands, except share and per share data)

Operating Results Data[1]	6 Months Ended June 30, 2015	6 Months Ended June 30, 2014
Interest and dividend income		
Loans	$ 7,076	$ 6,064
Investment securities	308	381
Federal Home Loan Bank stock	160	61
Other	40	43
Total interest and dividend income	7,584	6,549
Interest expense		
Interest bearing checking accounts	5	15
Money market deposits	170	142
Savings deposits	135	121
Time deposits	25	30
Total interest expense in deposits	335	308
Interest expense on borrowings	1	--
Total interest expense	336	308
Net interest income	7,248	6,241
Provision for loan losses	200	275
Net interest income after provision for loan losses	7,048	5,966
Noninterest income		
Service charges on deposits	60	64
BOLI dividend income	30	42
BOLI benefits	249	--
Gain on sale of loans	51	--
Gain on sale of securities	--	46
Other	39	45
Total noninterest income	429	197

1ST CAPITAL BANK
CONDENSED FINANCIAL DATA
(Unaudited)
(Dollars in thousands, except share and per share data)

	6 Months Ended	
	June 30, 2015	June 30, 2014
Noninterest expenses		
Salaries and benefits	3,371	2,878
Occupancy	398	370
Data and item processing	286	260
Professional services	263	257
Furniture and equipment	205	148
Provision for unfunded loan commitments	18	(7)
Other	941	808
Total noninterest expenses	5,482	4,714
Income before provision for income taxes	1,995	1,449
Provision for income taxes	693	586
Net income	$ 1,302	$ 863
Common Share Data		
Earnings per share		
Basic	$ 0.34	$ 0.23
Diluted	$ 0.34	$ 0.23
Weighted average shares outstanding		
Basic	3,816,066	3,688,370
Diluted	3,867,610	3,734,665

1 = Certain reclassifications have been made to prior period financial statements to conform them to the current period presentation.

1ST CAPITAL BANK
CONDENSED FINANCIAL DATA
(Unaudited)
(Dollars in thousands)

Asset Quality	June 30, 2015	March 31, 2015	December 31, 2014	June 30, 2014
Loans past due 90 days or more and accruing interest	$ --	$ --	$ --	$ --
Nonaccrual restructured loans	--	--	222	226
Other nonaccrual loans	92	100	551	575
Other real estate owned	--	--	--	--
	$ 92	$ 100	$ 773	$ 801
Allowance for loan losses to total loans	1.60%	1.59%	1.63%	1.67%
Allowance for loan losses to nonperforming loans	6,031.52%	5,537.00%	688.87%	624.34%
Nonaccrual loans to total loans	0.03%	0.03%	0.24%	0.27%
Nonperforming assets to total assets	0.02%	0.02%	0.17%	0.18%
Regulatory Capital and Ratios				
Common equity tier 1 capital	$ 42,941	$ 42,211	NA	NA
Tier 1 regulatory capital	$ 42,941	$ 42,211	$ 40,924	$ 39,210
Total regulatory capital	$ 46,919	$ 46,195	$ 44,692	$ 42,877
Tier 1 leverage ratio	8.97%	8.91%	9.01%	9.14%
Common equity tier 1 risk based capital ratio	13.57%	13.31%	NA	NA
Tier 1 risk based capital ratio	13.57%	13.31%	13.66%	13.43%
Total risk based capital ratio	14.82%	14.57%	14.91%	14.69%

	Three Months Ended			
Selected Financial Ratios[1]	June 30, 2015	March 31, 2015	December 31, 2014	June 30, 2014
Return on average total assets	0.50%	0.60%	0.55%	0.43%
Return on average shareholders' equity	5.60%	6.79%	6.09%	4.68%
Net interest margin	3.13%	3.07%	3.19%	3.03%
Net interest income to average total assets	3.10%	3.04%	3.15%	2.98%
Efficiency ratio	74.08%	68.77%	69.88%	71.92%

1 = All Selected Financial Ratios are annualized other than the Efficiency Ratio.

	Three Months Ended			
Selected Average Balances	June 30, 2015	March 31, 2015	December 31, 2014	June 30, 2014
Gross loans	$ 345,008	$ 333,450	$ 326,795	$ 289,061
Investment securities	101,475	101,339	99,588	102,791
Federal Home Loan Bank stock	2,445	2,007	2,007	1,872
Other interest earning assets	25,233	31,412	20,605	27,784
Total interest earning assets	$ 474,161	$ 468,208	$ 448,995	$ 421,508
Total assets	$ 479,363	$ 474,026	$ 454,480	$ 429,255
Interest bearing checking accounts	$ 26,132	$ 23,030	$ 22,480	$ 23,001
Money market deposits	125,098	120,559	110,179	107,349
Savings deposits	91,735	90,414	82,982	81,581
Time deposits	29,775	30,591	30,701	30,985
Total interest bearing deposits	272,740	264,594	246,342	242,916
Noninterest bearing demand deposits	160,349	166,608	161,797	145,423
Total deposits	$ 433,089	$ 431,202	$ 408,139	$ 388,339
Borrowings	$ 2,154	$ --	$ 4,435	$ 1,051
Shareholders' equity	$ 43,013	$ 41,845	$ 40,857	$ 38,969

1ST CAPITAL BANK
CONDENSED FINANCIAL DATA
(Unaudited)
(Dollars in thousands)

	6 Months Ended	
Selected Financial Ratios[1]	June 30, 2015	June 30, 2014
Return on average total assets	0.55%	0.42%
Return on average shareholders' equity	6.19%	4.51%
Net interest margin	3.10%	3.07%
Net interest income to average total assets	3.07%	3.02%
Efficiency ratio	71.41%	73.22%

1 = All Selected Financial Ratios are annualized other than the Efficiency Ratio.

	6 Months Ended	
Selected Average Balances[1]	June 30, 2015	June 30, 2014
Gross loans	$ 339,261	$ 276,049
Investment securities	101,407	103,369
Federal Home Loan Bank stock	2,227	1,684
Other interest earning assets	28,306	28,510
Total interest earning assets	$ 471,201	$ 409,612
Total assets	$ 476,709	$ 416,808
Interest bearing checking accounts	$ 24,590	$ 22,310
Money market deposits	122,841	102,517
Savings deposits	91,078	80,633
Time deposits	30,181	28,928
Total interest bearing deposits	268,690	234,388
Noninterest bearing demand deposits	163,461	142,427
Total deposits	$ 432,151	$ 376,815
Borrowings	$ 1,083	$ 528
Shareholders' equity	$ 42,432	$ 38,573

1 = Certain reclassifications have been made to prior period financial statements to conform them to the current period presentation.