FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON D.C. 20549

SCHEDULE 14A
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934 (AMENDMENT NO. _____)

Filed by the Registrant [X]

Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement
[ ] Confidential, for Use of the Commission Only
(as permitted by Rule 14a-6(e) (2))
[X] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Under 240.14a-12

1st CAPITAL BANK
(Name of Registrant as Specified in Its Charter)

_____
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

[ ] Fee computed on table below per exchange Act Rules 14a-6 (i) 4 and 0-11.
(1) Title of each class of securities to which transaction applies:
(2) Aggregate number of securities to which transaction applies:
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4) Proposed maximum aggregate value of transaction:
(5) Total fee paid:

[ ] Fee paid previously by written preliminary materials:

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11 (a) (2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid :
(2) Form, Schedule or Registration Statement No. :
(3) Filing Party:
(4) Date Filed:

April 26, 2013

Dear Shareholder:

Enclosed you will find our 2013 Notice of Annual Meeting, Proxy Statement, and form of Proxy.

You are cordially invited to attend the 2013 Annual Meeting of Shareholders which will be held at 5:30 p.m. on Wednesday, June 12, 2013, at the Corral de Tierra Country Club located at 81 Corral De Tierra Road, Salinas California.

The accompanying Notice of Annual Meeting and Proxy Statement provide information pertaining to the matters to be considered and acted upon at the Annual Meeting.

Your continuing support of 1st Capital Bank is appreciated and we hope you will attend the Annual Meeting. Whether or not you attend the Annual Meeting, it is very important that your shares be represented at the Annual Meeting. Accordingly, please date, sign, and mail the enclosed Proxy promptly.

If you wish to vote in accordance with the Board of Directors' recommendations, it is not necessary to specify your vote on the proposals listed on the enclosed Proxy. You may simply date, sign, and return the enclosed Proxy in the enclosed postage-paid envelope.

Sincerely,

Kurt J. Gollnick
Chairman of the Board

Mark Andino
President and Chief Executive Officer

5 Harris Ct., Building N, Suite 3, Monterey, California 93940 • Telephone (831) 264-4000

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1ST CAPITAL BANK

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders of 1st Capital Bank (the "Bank") will be held at the Corral de Tierra Country Club located at 81 Corral De Tierra Road, Salinas, California on Wednesday, June 12, 2013, at 5:30 p.m. and at any and all adjournments or postponements thereof, for the following purposes:

1. Election of the following incumbent director-nominees to serve as directors of the Bank until the next Annual Meeting of Shareholders and until their successors are elected and qualified:

William G. Dorey	Frances H. Rianda
Susan C. Freeland	Henry P. Ruhnke, Jr.
Kurt J. Gollnick	Gregory T. Thelen
Daniel R. Hightower, M.D.	F. Warren Wayland

2. Ratification of the selection of Crowe Horwath LLP, independent registered public accountants, to serve as the Bank's independent registered public accountants for the fiscal year ending December 31, 2013.

3. Advisory (non-binding) vote on the named executive officer compensation.

4. Advisory (non-binding) vote on the frequency of future say-on-pay votes.

5. Transaction of such other business as may properly come before the Annual Meeting and at any and all adjournments or postponements of the Annual Meeting.

Shareholders of record at the close of business on April 16, 2013 are entitled to notice of and to vote at the Annual Meeting.

Article II, Section 7 of the Bank's Bylaws governs nominations for election of members of the Board of Directors as follows: "Section 7. Nominations for Election to Board of Directors. Nominations for election to the Board of Directors may be made by the Board of Directors or by any shareholder entitled to vote for the election of directors. Nominations, other than those made by the Board of Directors, shall be made in writing and shall be delivered or mailed, with first-class United States mail postage prepaid, to the President by the later of: (a) the close of business twenty-one (21) days prior to any meeting of shareholders called for the election of directors; or (b) seven (7) days after the date of mailing of notice of the meeting of shareholders. Shareholder nominations shall contain the following information: (a) the name, age, business address and, if known, residence address of each proposed nominee; (b) the principal occupation or employment of each proposed nominee; (c) the total number of shares of capital stock of the Bank that are beneficially owned by each proposed nominee and by the nominating shareholder; (d) the name and residence address of the notifying shareholder; and (e) any other information the Bank must disclose regarding director nominees in the Bank's proxy solicitation. Shareholder nominations shall be signed by the nominating shareholder and by each nominee, and shall be accompanied by a written consent to be named as a nominee for election as a director from each proposed nominee. Nominations not made in accordance with this Section may be disregarded by the Chairman of the meeting, and if the Chairman so instructs, the inspectors of election may disregard all votes cast for each such nominee."

April 26, 2013
Monterey, California

BY ORDER OF THE BOARD OF DIRECTORS

Jayme C. Fields, Corporate Secretary

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING,
PLEASE DATE, SIGN AND RETURN THE ENCLOSED PROXY
AS PROMPTLY AS POSSIBLE IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

PROXY STATEMENT
FOR
THE ANNUAL MEETING OF SHAREHOLDERS
OF
1ST CAPITAL BANK

JUNE 12, 2013

INTRODUCTION

This Proxy Statement is being furnished to the shareholders of 1st Capital Bank (the "Bank") in connection with the solicitation of proxies by the Board of Directors of the Bank for use at the Annual Meeting of Shareholders to be held at the Corral de Tierra Country Club located at 81 Corral De Tierra Road, Salinas California, on Wednesday, June 12, 2013, at 5:30 p.m., and at any and all adjournments or postponements thereof (the "Annual Meeting"). This Proxy Statement and the accompanying Notice of Annual Meeting and form of Proxy are being mailed to shareholders on or about April 26, 2013.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on June 12, 2013. The 1st Capital Bank Proxy Statement for the Annual Meeting and the Annual Report to Shareholders for the year ended December 31, 2012 are available on the Internet at the Bank's website www.1stcapitalbank.com.

Any shareholder who returns the form of Proxy accompanying this Proxy Statement has the power to revoke that Proxy prior to its exercise. The Proxy may be revoked prior to the Annual Meeting by delivering to the Secretary of the Bank either a written instrument revoking the Proxy or a duly executed proxy bearing a later date. The Proxy may also be revoked by the shareholder by attending and voting at the Annual Meeting. The Proxy will be voted as directed by the shareholder and if no directions are given on the Proxy, it will be voted "FOR" the nominees of the Board of Directors as described in this Proxy Statement, "FOR" the ratification of the selection of Crowe Horwath LLP as independent registered public accountants for the fiscal year ending December 31, 2013, "FOR" approval of the advisory (non-binding) vote on the named executive officer compensation, "FOR" approval of the advisory (non-binding) vote on the frequency of future say-on-pay votes, and, at the proxy holders' discretion, on such other matters, if any, which may come before the Annual Meeting and any and all adjournments or postponements of the Annual Meeting.

Solicitation of Proxies

The solicitation of proxies is being made by the Board of Directors of the Bank. The expense of preparing, assembling, printing, and mailing this Proxy Statement and the materials used in the solicitation of proxies for the Annual Meeting will be borne by the Bank. It is contemplated that proxies will be solicited principally through the use of the mail, but officers, directors, and employees of the Bank may solicit proxies personally or by telephone, without receiving special compensation therefor. The Bank will reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses in forwarding the Proxy Statement to shareholders whose stock in the Bank is held of record by such entities. In addition, the Bank may use the services of individuals or companies it does not regularly employ in connection with this solicitation of proxies, if the Board of Directors and management determine it to be advisable.

Voting Securities; Record Date; Cumulative Voting

There were issued and outstanding 3,310,503 shares of the Bank's common stock on April 16, 2013 (the "Record Date"), which has been fixed as the Record Date for the purpose of determining shareholders entitled to notice of, and to

vote at, the Annual Meeting. On any matter submitted to the vote of the shareholders, each holder of Bank common stock will be entitled to one vote, in person or by proxy, for each share of common stock he or she held of record on the books of the Bank as of the Record Date. Votes cast will be counted by the Inspector of Election for the Annual Meeting. The Inspector will treat abstentions and "broker non-votes" as shares that are present and entitled to vote for purposes of determining the presence of a quorum, but they are not treated as shares voted on any proposal and therefore will have no effect upon the outcome of any proposal. Broker non-votes are shares held by brokers or nominees as to which instructions have not been received from the beneficial owners or persons entitled to vote and the broker or nominee does not have discretionary voting power under applicable rules of the stock exchange or other self-regulatory organization of which the broker or nominee is a member. In the election of directors, the nominees receiving the highest number of votes will be elected. Approval of any proposal (other than the election of directors) requires the affirmative vote of a majority of the shares represented and voting at the Annual Meeting (unless a greater number is required as described in a proposal).

In connection with the election of directors, shares may be voted cumulatively if a shareholder present at the Annual Meeting gives notice to the Chairman at the Annual Meeting, prior to the voting for election of directors, of his or her intention to vote cumulatively. If any shareholder of the Bank gives such notice, then all shareholders eligible to vote will be entitled to cumulate their shares in voting for the election of directors. In such event, the proxy holders will have discretionary authority to cumulate votes represented by proxies delivered pursuant to this Proxy Statement, in accordance with the recommendations of the Board of Directors. Cumulative voting allows a shareholder to cast a number of votes equal to the shares held in his or her name as of the Record Date multiplied by the number of directors to be elected. These votes may be cast for any one nominee, or may be distributed among as many nominees as the shareholder sees fit.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

The Bank's Bylaws provide that the number of directors of the Bank shall not be less than seven (7) nor more than thirteen (13) until changed by an amendment to the Bylaws adopted by the Bank's shareholders. The Bylaws further provide that the exact number of directors may be set by resolution of the Board of Directors or shareholders. The Board of Directors has set the exact number of directors at eight (8).

The persons named below, all of whom are incumbent directors, are nominated for election as directors at the Annual Meeting to serve until the 2014 Annual Meeting of Shareholders and until their successors are elected and qualified. Unless otherwise directed, votes will be cast by the proxy holders in such a way to effect, if possible, the election of the eight (8) incumbent director-nominees named below including, in the event of cumulative voting, the authority of the proxy holders to cumulate votes represented by the shares covered by proxies in the election of directors. The eight (8) nominees for director receiving the most votes will be elected as directors. In the event that any of the nominees should be unable to serve as a director, it is intended that the proxies received will be voted by the proxy holders for the election of such substitute nominee, if any, as shall be designated by the Board of Directors. The Board of Directors has no reason to believe that any of the nominees named below will be unable to serve if elected.

The following table sets forth the names of and certain information, as of the Record Date, concerning the persons nominated by the Board of Directors for election as directors of the Bank.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE ELECTION AS DIRECTORS OF THE NOMINEES WHOSE NAMES APPEAR IN THE TABLE BELOW.

Information with Respect to Nominees and Continuing Directors

The information presented below includes information each director-nominee has given the Bank regarding age, current positions held, principal occupation and business experience for the past five years, and the names of other publicly-held companies for which the director currently serves as a director or has served as a director during the past five years. In addition to the information presented regarding each nominee's specific experience, qualifications, attributes and skills that led the Corporate Governance and Nominating Committee to recommend that the Board of Directors nominate

these individuals to serve as directors of 1st Capital Bank, all of the nominees have a reputation for honesty, integrity and adherence to high ethical standards. The Committee also believes that the nominees possess the willingness to engage management and each other in a positive and collaborative fashion, and are prepared to make the significant commitment of time and energy to serve on our Board of Directors and its committees.

Name and Position	Age	Director Since	Principal Occupation and Business Experience During Past Five Years
William G. Dorey	68	2012	Mr. Dorey is the former C.E.O. of Granite Construction Incorporated and remains a Director on the Board of Granite Construction Incorporated. He is Founding Chairman of the Construction Industry Ethics Compliance Initiative (CIECI) Steering Committee. He is a Trustee of the Mineta Transportation Institute. Mr. Dorey is a Director of the California Chamber of Commerce and the California Business Roundtable and serves on the Board of Astec Industries. He is President of the White Rock Club. He was a member of the Construction Industry Round Table (CIRT), Cal Poly Dean's Advisory Council, and the Caltrans / AGC Liaison Committee. He is a Past Director of TIC, Wilder Construction and Carmel Youth Baseball. Mr. Dorey was honored for his work in the community by the Junior Achievement of Silicon Valley and Monterey Bay in 2009. The Board of Directors believes that Mr. Dorey's experience with a publicly traded company and the construction industry and his leadership skills make him an excellent candidate for Director of the Bank.
Susan C. Freeland, Director	68	2006	Ms. Freeland is a Broker Associate with Carmel Realty Company in Carmel, California. During her varied career, Ms. Freeland has experience in commercial banking as a Marketing Officer for Colorado Exchange National Bank in Colorado Springs and as Vice President and Manager for trust and investment services in the Monterey offices of Bank of America and 1st National Bank from 1996 to 2004. Ms. Freeland obtained a Juris Doctor from The Monterey College of Law, where she graduated at the top of her class. She earned a Bachelor of Arts degree from The Colorado College. Ms. Freeland is a member of the California and Monterey County Bar Associations. She is a Past President of the Rotary Club of Monterey and Past Chair of the Planned Giving Council for California State University, Monterey Bay. She is the Past President of the Monterey History and Art Association. She has served on the boards of the Monterey County Symphony Association, Action Council for Monterey County and the York School board of trustees. The Board of Directors believes that Ms. Freeland's experience in real estate and commercial bank marketing and trust services makes her an excellent candidate for Director of the Bank.

Name and Position	Age	Director Since	Principal Occupation and Business Experience During Past Five Years
Kurt J. Gollnick, Chairman of the Board	54	2006	Mr. Gollnick is the Senior Vice President and Chief Operating Officer of Scheid Vineyards Inc. Scheid Vineyards is one of the country's largest independent growers of premium grapes. Mr. Gollnick completed his undergraduate studies in Agricultural Business at California Polytechnic University, San Luis Obispo. Mr. Gollnick is the 2006 recipient of the National Steinbeck Center's Emerging Agricultural Leader Award. Scheid Vineyards Inc. is a publicly traded company. Mr. Gollnick has served on various non-profit boards, also holding the titles of President or Chairman. The Board of Directors believes that Mr. Gollnick's experience in a leadership role with a publicly traded company and in agricultural management and marketing makes him an excellent candidate for Director of the Bank.
Daniel R. Hightower, M.D., Vice Chairman of the Board	58	2006	Dr. Hightower is the former Chief of Staff of Community Hospital of the Monterey Peninsula and currently on the medical staff in the Department of Radiology. Dr. Hightower obtained a Bachelor of Science degree in Biological Sciences from the University of Southern California. He earned a M.D. degree from the University of California, San Francisco, School of Medicine. Dr. Hightower is a Past President and former trustee of the Carmel Unified School District Board of Education and a former trustee of the Community Hospital of the Monterey Peninsula. The Board of Directors believes that Dr. Hightower's experience and leadership in the medical services community makes him an excellent candidate for Director of the Bank.
Frances H. Rianda, Director	80	2006	Mr. Rianda is President and owner of Coastal Tractor dealerships with outlets in Salinas, King City and Paso Robles, California and a partner in an irrigation design, repair and installation company that operates as Gonzales Irrigation System with outlets in Gonzales and King City. Mr. Rianda is a 50-year member of the Gonzales American Legion, serving as the finance officer since 1968. He is an elected member of the rural fire board, which contracts with the City of Gonzales for fire protection. Mr. Rianda is active with the Gonzales Young Farmers Organization. Mr. Rianda is a former board president of the local school board and was appointed by the Governor to the Monterey Fair Board. He has remained active with the Friends of the Monterey Fair, a non-profit organization which promotes and raises funds for the Monterey Fair. He is a member of the Salinas Valley Fair Heritage Foundation in King City. Mr. Rianda was a Founder of Cypress Coast Bank in Seaside, California. The Board of Directors believes that Mr. Rianda's experience in business, finance and agriculture makes him an excellent candidate for Director of the Bank.

Name and Position	Age	Director Since	Principal Occupation and Business Experience During Past Five Years
Henry P. Ruhnke, Jr.	50	2010	Mr. Ruhnke is a registered architect and a principal of Wald, Ruhnke & Dost Architects, LLP, founded in 1990. He has served on the Monterey Planning Commission, and the Monterey Architectural Review Committee. He is a former Board Member of the American Institute of Architects Monterey Bay, graduate of Leadership Monterey and is Director of Monterey County Hospitality Association, a member of the Rotary Club of Monterey, Monterey Commercial Property Association and the Monterey Chamber of Commerce. The Board of Directors believes that Mr. Ruhnke's experience in commercial and residential real estate and in project management makes him an excellent candidate for Director of the Bank.
Gregory T. Thelen, Director	58	2006	Mr. Thelen is a certified public accountant and a long time resident of Monterey County. Mr. Thelen worked for Deloitte and Touche from 1978 to 1998 before opening his own accounting practice in Salinas and Carmel. In 2003, he formed the accounting firm of Thelen, Chang, Nguyen and VanRuler, LLP. The Board of Directors believes that Mr. Thelen's experience in business and accounting makes him an excellent candidate for Director of the Bank.
F. Warren Wayland, Director	68	2009	Mr. Wayland is a certified public accountant and retired managing partner of Hayashi & Wayland Accounting & Consulting. Mr. Wayland is a Past Treasurer of The Community Foundation for Monterey County. He is a Past President of the California Rodeo Association, the Monterey County Cattleman's Association and the California Cattleman's Association and Past Treasurer of the Salinas Valley Memorial Hospital Foundation. He has also served as Project Chairman of the Salinas Sports Complex, on the National Cattlemen's Association Taxation and Finance Committees and Secretary of The Boys & Girls Club of Monterey County and is currently serving as President or Chairman of three non-profit recreational organizations. In 1998, Mr. Wayland was recognized as the Salinas Chamber of Commerce Citizen of the Year and as Cattleman of the Year by the Monterey County Cattlemen's Association. In 2004 and 2005, Mr. Wayland served as a director for the publicly traded company, Central Coast Bancorp, Salinas, California. The Board of Directors believes that Mr. Wayland's experience in business and accounting, and his previous service as a bank director, make him an excellent candidate for Director of the Bank.

None of the directors were selected pursuant to any arrangement or understanding other than with the directors and officers of the Bank acting within their capacities as such. There are no family relationships between any two or more of the directors, officers or persons nominated or chosen by the Board of Directors to become a director or officer.

Except as disclosed in the table above, no director or officer of the Bank currently serves, or within the last five years has served, as a director of any public company, including any company which has a class of securities registered under, or which is subject to the periodic reporting requirements of, the Securities Exchange Act of 1934, or of any company registered as an investment company under the Investment Company Act of 1940. None of the nominees were subject to any legal, judicial or administrative proceedings involving or based on violations of federal or state securities, commodities, banking or insurance laws and regulations or settlements thereof, involvement in mail or wire fraud or fraud in connection with any business entity, any disciplinary sanctions or orders imposed by a stock, commodities or

derivatives exchange or other self-regulatory organization, convictions in a criminal proceeding (excluding traffic violations and minor offenses) or had a petition under bankruptcy laws filed against themselves or an affiliate, in each case within the last ten years.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Management of the Bank knows of no person who owns, beneficially or of record, either individually or together with associates, 5 percent or more of the outstanding shares of Bank common stock, except as set forth in the table below. The following table sets forth, as of the Record Date, the number and percentage of shares of Bank common stock beneficially owned, directly or indirectly, by each of the Bank's directors, principal shareholders, the executive officers[1] named in the Summary Compensation Table, and all of the individuals named in the table as a group. Beneficial ownership generally includes shares over which a person named below has sole or shared voting or investment power and shares which such person has the right to acquire within 60 days of the Record Date. Unless otherwise indicated in the notes to the table, each person listed below possesses sole voting and sole investment power, or shared voting and investment power with a spouse, for the shares of the Bank's common stock listed below.

Name and Address of Beneficial Owner[2]	Amount and Nature of Beneficial Ownership	Percent of Class
DIRECTORS:		
William G. Dorey	26,670 [3]	0.8%
Susan C. Freeland	55,040 [4]	1.7%
Kurt J. Gollnick	61,650 [5]	1.9%
Daniel R. Hightower, M.D.	100,341 [6]	3.0%
Francis H. Rianda	69,024 [7]	2.1%
Henry P. Ruhnke, Jr	16,739 [8]	0.5%
Gregory T. Thelen	58,640 [9]	1.8%
F. Warren Wayland	26,670 [10]	0.8%
NON-DIRECTOR EXECUTIVE OFFICERS:		
Mark R. Andino	46,120 [11]	1.4%
Dale R. Diederick	1,700 [12]	0.1%
Jayme C. Fields	62,809 [13]	1.9%
Marilyn P. Goode	15,300 [14]	0.5%
All named individuals as a group (12 persons)	540,703 [15]	16.3%

(1) As used in this document, the term "executive officer" includes the President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, Executive Vice President and Chief Credit Officer, Executive Vice President and Chief Lending Officer, and Executive Vice President and Chief Administrative Officer.
(2) The address for beneficial owners is c/o 1st Capital Bank, 5 Harris Ct., Building N, Suite 3, Monterey, California 93940.
(3) Mr. Dorey's shares include 1,500 restricted shares, subject to lapse of restrictions, and no shares subject to stock options exercisable within 60 days of the Record Date.
(4) Ms. Freeland's shares include 2,000 restricted shares, subject to lapse of restrictions, and 25,500 shares subject to stock options exercisable within 60 days of the Record Date.
(5) Mr. Gollnick's shares include 3,000 restricted shares, subject to lapse of restrictions, and 25,500 shares subject to stock options exercisable within 60 days of the Record Date.
(6) Dr. Hightower's shares include 2,000 restricted shares, subject to lapse of restrictions, and 20,400 shares subject to stock options exercisable within 60 days of the Record Date.
(7) Mr. Rianda's shares include 1,500 restricted shares, subject to lapse of restrictions, and 25,500 shares subject to stock options exercisable within 60 days of the Record Date.
(8) Mr. Ruhnke's shares include 14,739 shares held in a limited liability corporation, 2,000 restricted shares, subject to lapse of restrictions, and no shares subject to stock options exercisable within 60 days of the Record Date.
(9) Mr. Thelen's shares include 500 restricted shares, subject to lapse of restrictions, and 25,500 shares subject to stock options exercisable within 60 days of the Record Date.

(10) Mr. Wayland's shares include 2,000 restricted shares, subject to lapse of restrictions, and 2,550 shares subject to stock options exercisable within 60 days of the Record Date.
(11) Mr. Andino's shares include 45,000 restricted shares, subject to lapse of restrictions, and no shares subject to stock options exercisable within 60 days of the Record Date.
(12) Mr. Diederick's shares include no restricted shares, subject to lapse of restrictions, and 1,700 shares subject to stock options exercisable within 60 days of the Record Date.
(13) Ms. Fields's shares include no restricted shares, subject to lapse of restrictions, and 37,309 shares subject to stock options exercisable within 60 days of the Record Date.

(14) Ms. Goode's shares include no restricted shares, subject to lapse of restrictions, and 15,300 shares subject to stock options exercisable within 60 days of the Record Date.

(15) Includes 14,500 restricted shares, subject to lapse of restrictions, and 124,950 shares subject to stock options exercisable within 60 days of the Record Date.

CORPORATE GOVERNANCE

Code of Ethics

The Board of Directors has adopted a "code of ethics" that requires the Bank's directors, officers (including the principal executive, financial and accounting officers, or controller and persons performing similar functions) and employees to conduct business in accordance with the highest ethical standards and in compliance with all laws, rules and regulations applicable to the Bank. The code of ethics may be obtained by any shareholder, without charge for one copy, by writing to 1st Capital Bank, 5 Harris Ct., Building N, Suite 3, Monterey, California 93940, Attention: Jayme C. Fields, Corporate Secretary.

Director Independence

The Bank has adopted the NASDAQ "independence" definition in NASDAQ Listing Rule 5605(a)(2) to determine the independence of its directors and nominees for election as directors. Each member of the Board of Directors and nominee for election as a director is qualified as "independent" under such NASDAQ definition.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Bank's directors, executive officers and ten percent or more shareholders of the Bank's equity securities, to file with the Federal Deposit Insurance Corporation initial reports of ownership and reports of changes of ownership of the Bank's equity securities. Officers, directors and ten percent or more shareholders are required by SEC regulation to furnish the Bank with copies of all Section 16(a) forms they file. To the Bank's knowledge, based solely on review of the copies of such reports furnished to the Bank and written representations that no other reports were required, during the fiscal year ended December 31, 2012, all Section 16(a) filing requirements applicable to its executive officers, directors and beneficial owners of ten percent or more of the Bank's equity securities appear to have been met, except one report on Form 4 that was filed late by each Director.

Leadership Structure of the Board

The Board believes that the Bank and its shareholders are best served by having an independent Board Chairman whose duties are separate from those of the Chief Executive Officer. In accordance with the Bank's bylaws, the Board of Directors hires the Chief Executive Officer and elects the Board Chairman. The Chairman is selected from the independent directors. The Board of Directors believes that the current structure of the Board of Directors is appropriate to effectively manage the affairs of the Bank and is in the best interests of the Bank's shareholders.

Board's Role in Risk Oversight

The Board of Directors is actively involved in oversight of risks that could affect the Bank. This oversight is conducted primarily through committees of the Board of Directors, as disclosed in the descriptions of each of the committees below, but the full Board has retained responsibility for general oversight of risks. The Board satisfies this responsibility through full reports by each committee chair regarding the committee's considerations and actions, as well

as through regular reports directly from officers responsible for oversight of particular risks within the Bank.

Board Committees and Attendance

The Bank's Board of Directors met seventeen times for regularly scheduled and special meetings during 2012. Each director attended at least 75% of the aggregate of: (i) the total number of meetings of the Board of Directors; and (ii) the total number of meetings of committees on which each director served. Average director attendance at the combination of Board and committee meetings was 85%.

Asset Liability and Investment Committee. The Asset Liability and Investment Committee reviews, approves and monitors the policies and procedures governing investments and asset/liability management. The members of the Committee are Directors Freeland (Chair), Dorey, Ruhnke, and Wayland. The Committee met ten times during 2012.

Audit and Compliance Committee. The Audit and Compliance Committee reviews all reports of examination of the Bank made by regulatory authorities and conducts, in accordance with an Audit and Compliance Committee Charter and procedures approved by the Board of Directors, analysis of regulatory compliance matters and third party examinations and audits of the Bank. The Bank's auditors report directly to the Committee. The Committee regularly reports to the Board its findings, conclusions and recommendations, if any, relating to the adequacy of internal controls and procedures in accordance with applicable laws, regulations and sound financial accounting principles. The members of the Committee are Directors Thelen (Chair), Freeland, Gollnick, and Wayland. Each Committee member is deemed "independent" under NASDAQ Listing Rule 5605(a)(2), financially sophisticated and qualified to review the Bank's financial statements. Director Thelen has been designated as the "Audit Committee Financial Expert" for the Committee. The Committee met twelve times during 2012.

Audit and Compliance Committee Report

NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN ANY OF THE BANK'S PREVIOUS OR FUTURE FILINGS UNDER THE SECURITIES EXCHANGE ACT OF 1934 THAT MIGHT INCORPORATE THIS PROXY STATEMENT OR FUTURE FILINGS WITH THE FEDERAL DEPOSIT INSURANCE CORPORATION, IN WHOLE OR IN PART, THE FOLLOWING REPORT SHALL NOT BE DEEMED TO BE INCORPORATED BY REFERENCE INTO ANY SUCH FILING.

The following Audit and Compliance Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other filing made by the Bank under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent the Bank specifically incorporates such Report by reference therein.

The Audit and Compliance Committee has reviewed and discussed the audited financial statements of the Bank for the fiscal year ended December 31, 2012 with management and Crowe Horwath LLP, the Bank's independent registered public accountants. The Committee has also discussed with Crowe Horwath LLP, the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees) as may be modified or supplemented. The Committee has also received the written disclosures and the letter from Crowe Horwath LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent public accountants' communications with the Committee concerning independence and the Committee has discussed the independence of Crowe Horwath LLP with that firm.

Based on the Committee's review and discussions noted above, the Committee recommended to the Board of Directors that the Bank's audited financial statements be included in the Bank's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 for filing with the Federal Deposit Insurance Corporation.

Submitted by: /s/Gregory T. Thelen /s/Susan C. Freeland /s/Kurt J. Gollnick /s/F. Warren Wayland

Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee is responsible for the review and recommendation of corporate governance standards for the Bank and the evaluation and

recommendation to the Board of Directors of candidates for nomination as directors of the Bank. The members of the Committee are Directors Hightower (Chair), Freeland, Gollnick, and Dorey. The Committee met two times during 2012.

Candidates for nomination as directors are selected by a majority of directors who are "independent" as defined under the NASDAQ Listing Rule 5605(a)(2),. The Committee operates in accordance with a Corporate Governance and Nominating Committee Charter and policies established by the Board of Directors. Any recommendations by shareholders will be evaluated by the Committee and the Board of Directors in the same manner as any other recommendation. Shareholders that desire to recommend candidates for consideration by the Bank's Board of Directors must mail or deliver written recommendations to the Bank addressed as follows: Board of Directors, 1st Capital Bank, 5 Harris Ct., Building N, Suite 3, Monterey, California 93940.

Any recommendation must include biographical information indicating the background and experience of the candidate that qualifies the candidate for consideration as a director for evaluation by the Committee and the Board of Directors. In addition to minimum standards of "independence" for non-employee directors and financial literacy, the Committee and the Board of Directors considers various other criteria including the candidate's experience and expertise, financial resources, ability to devote the time and effort necessary to fulfill the responsibilities of a director and involvement in community activities in the market areas served by the Bank that may enhance the reputation of the Bank. It is the policy of the Committee to select individuals as director-nominees with the goal of creating a balance of knowledge, experience and skills on the Board. The Committee also evaluates candidates for their character, judgment, business experience and acumen. The Committee believes that a director candidate must possess personal and professional integrity and sound judgment. These considerations are manifested in various criteria for consideration when reviewing a potential director candidate, which may include the following:

- The extent of the director candidate's educational, business, non-profit or professional acumen and experience;
- The extent of the director candidate's contributions to the community;
- The extent of the director candidate's leadership experience;
- Whether the director candidate assists in achieving a mix of Board members that represents a diversity of background, perspective and experience;
- Whether the director candidate meets the independence requirements of the listing standards of the NASDAQ Listing Rule 5605(a)(2);
- Whether the director has the ability and intent to maintain ownership of the Bank's common stock;
- Whether the director candidate has the financial acumen or other professional, educational or business experience relevant to an understanding of the Bank's business; and
- Whether the director candidate possesses the ability to work as part of a team in an environment of trust.

The Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective director candidates. Diversity is one of the factors that the Committee considers in identifying nominees for director. In selecting director-nominees the Committee considers, among other factors, (1) the competencies and skills that the candidate possesses and the candidate's areas of qualification and expertise that would enhance the composition of the Board, and (2) how the candidate would contribute to the Board's overall balance of expertise, perspectives, backgrounds and experiences in substantive matters pertaining to the Bank's business. The Committee has not adopted a formal diversity policy with regard to the selection of director-nominees. For a discussion of the specific backgrounds and qualifications of our current directors and director-nominees, see "Proposal 1 – Election of Directors – Information with Respect to Nominees and Continuing Directors."

The Bank operates in a highly regulated industry and is subject to the supervision, regulation and periodic examination by state and federal banking regulatory authorities including the California Commissioner of Financial Institutions and Federal Deposit Insurance Corporation. Directors of the Bank are subject to certain rules and regulations and potential liabilities not otherwise applicable to directors of non-banking organizations. Consequently, evaluation of candidates by the Committee and the Bank's Board of Directors may include more extensive inquiries into personal background information including confirmation of the accuracy and completeness of background information by such means as (a) requiring candidates to complete questionnaires to elicit information of the type required to be disclosed by

the Bank in reports filed with such state and federal banking regulatory authorities, (b) conducting background investigations by qualified independent organizations experienced in conducting criminal and civil investigatory reviews, and (c) such other personal and financial reviews and analyses as the Committee and the Board of Directors may deem appropriate in connection with the consideration of candidates. Shareholders who wish to nominate a candidate for election to the Bank's Board of Directors, as opposed to recommending a potential nominee for consideration by the Committee and the Board of Directors, are required to comply with the advance notice and any other requirements of the Bank's Bylaws, applicable laws and regulations.

The Bank has not paid a fee to any third party to identify or evaluate director candidates. The Committee and the Board of Directors may, however, elect to use third parties in the future to identify or evaluate candidates for consideration as directors.

Human Resource and Compensation Committee. The Human Resource and Compensation Committee is responsible for overseeing the Bank's compensation structure, policies and programs. The Committee makes recommendations to the Board of Directors regarding the compensation and benefit plans and employee programs. The members of the Committee are each "independent" as defined under NASDAQ Listing Rule 5605(a)(2). The committee engaged the services of McLagan Partners Inc. to provide advice regarding compensation and benefits during 2012. McLagan Partners Inc. was engaged by the committee to advise on employment contract matters. The members of the Committee are Directors Ruhnke (Chair), Hightower, Dorey, Rianda, and Thelen. The Committee met two times during 2012.

Human Resource and Compensation Committee Report

NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN ANY OF THE BANK'S PREVIOUS OR FUTURE FILINGS UNDER THE SECURITIES EXCHANGE ACT OF 1934 THAT MIGHT INCORPORATE THIS PROXY STATEMENT OR FUTURE FILINGS WITH THE FEDERAL DEPOSIT INSURANCE CORPORATION, IN WHOLE OR IN PART, THE FOLLOWING REPORT SHALL NOT BE DEEMED TO BE INCORPORATED BY REFERENCE INTO ANY SUCH FILING.

The following Human Resource and Compensation Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other filing made by the Bank under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent the Bank specifically incorporates such Report by reference therein.

The Human Resource and Compensation Committee reviewed and discussed the Compensation Discussion and Analysis included in this Proxy Statement with management. Based on such review and discussion, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Bank's Annual Report on Form 10-K and in this Proxy Statement. The Committee reviewed and evaluated the potential for any adverse risk to the Bank as a result of the compensation policies and practices.

Submitted by: /s/ Henry P. Ruhnke, Jr. /s/William G. Dorey /s/Daniel R. Hightower, M.D. /s/Francis H. Rianda
/s/Gregory T. Thelen

Loan Committee. The Loan Committee is responsible for establishing loan policies and procedures and reviewing the Bank's loan portfolio. The Committee also has general oversight responsibility for the Bank's policy and performance under the Community Reinvestment Act. The members of the Committee are Directors Wayland (Chair), Freeland, Gollnick, Rianda, Ruhnke, and Thelen. The Committee met twenty seven times during 2012.

Information Systems Steering Committee. The Information Systems Steering Committee reviews technology plans and policies. The members of the Committee are Directors Hightower (Chair), Freeland, and Ruhnke. The Committee met two times during 2012.

Availability of Committee Charters

Each of the Audit and Compliance Committee, Corporate Governance and Nominating Committee, and Human Resources and Compensation Committee operate pursuant to a separate written charter adopted by the Board of Directors. Each Committee reviews its charter at least annually. All of the Committee charters can be viewed at the "Shareholder-Information" link under "About Us" on our website www.1stCapitalBank.com. Each charter is also available in print form upon request by any shareholder to Jayme C. Fields, Corporate Secretary, 1st Capital Bank, 5 Harris Ct., Building N, Suite 3, Monterey, California 93940.

DIRECTOR COMPENSATION

Directors are entitled to receive compensation in the form of fees for attendance at meetings of the Board of Directors and committees of the Board on which they serve and awards of stock options and restricted shares under the Bank's 2007 Equity Incentive Plan (the "2007 Plan").[(1)] The 2007 Plan set aside 966,255 shares of the Bank's no par value common stock to be reserved for issuance under the 2007 Plan for the award of incentive and nonstatutory stock options and restricted shares to non-employee directors, officers, employees and consultants of the Bank and a one-time award of nonstatutory stock options to organizers of the Bank. Only nonstatutory options may be granted to non-employee directors and consultants under the 2007 Plan. As of the Record Date, there were 144,950 shares reserved for issuance underlying nonstatutory stock options (of which all shares underlying stock options were exercisable within 60 days of the Record Date), and 14,500 shares subject to lapse of restrictions, held by all non-employee directors and other organizers as a group.

The following table reflects the compensation earned and paid to the Bank's non-employee directors during the fiscal year 2012.

Director Compensation Table

Name	Fees Earned or Paid in Cash	Stock Awards[(2)] ($)	Option Awards [(3)] ($)	All Other Compensation	Total
William G. Dorey	$ 1,483	$ 16,500	-	-	$ 17,983
Susan C. Freeland	$ 6,013	$ 22,000	-	-	$ 28,013
Kurt J. Gollnick	$ 7,275	$ 33,000	-	-	$ 40,275
Daniel R. Hightower, M.D.	$ 2,317	$ 22,000	-	-	$ 24,317
McKenzie Moss[(4)]	$ 1,417	-	-	-	$ 1,417
Frances H. Rianda	$ 3,100	$ 16,500	-	-	$ 19,600
Henry P. Ruhnke, Jr	$ 4,875	$ 22,000	-	-	$ 26,785
Gregory T. Thelen	$ 7,175	$ 5,500	-	-	$ 12,675
F. Warren Wayland	$ 8,875	$ 22,000	-	-	$ 30,875

(1) This column shows the grant date fair value of awards in accordance with stock-based compensation accounting rules (FASB ASC Topic 718) for 2012. For more information concerning the assumptions used for these calculations, please refer to Note 9 in the Bank's audited financial statements included in the Bank's Annual Report to Shareholders for the year ended December 31, 2012. The Bank has a 2007 Equity Incentive Plan (the "2007 Plan") which permits awards of restricted shares in addition to stock options to non-employee directors, organizers, officers, employees and consultants of the Bank. See the description of the 2007 Plan under "Long-Term Incentives – 2007 Equity Incentive Plan" in this Proxy Statement.

(2) As of December 31, 2012, the aggregate number of stock awards, for which restrictions have not lapsed, held by each director is as follows: Mr. Dorey, 1,500; Ms. Freeland, 2,000; Mr. Gollnick, 3,000; Dr. Hightower, 2,000;Mr. Rianda, 1,500; Mr. Thelen, 500 and Mr. Wayland, 2,000.

(3) As of December 31, 2012, the aggregate number of unexercised stock options (vested and unvested) held by each director is as follows: Ms. Freeland, 25,500; Mr. Gollnick, 25,500; Dr. Hightower, 20,400; Mr. Rianda, 25,500; Mr. Thelen, 25,500, and Mr. Wayland, 2,550.

(4) Mr. Moss resigned from the Board of Directors, effective as of August 31, 2012.

EXECUTIVE OFFICERS

The following table sets forth the names of and certain information, as of the Record Date, concerning the Bank's executive officers.

Name and Position	Age	Officer Since	Principal Occupation and Business Experience During Past Five Years
Mark R. Andino	53	2012	Mr. Andino has served as President and Chief Executive Officer of the Bank since February 28, 2013, before which he served as Interim President and Chief Executive Officer since November 10, 2012, and Executive Vice President and Chief Operating Officer since joining the Bank on October 16, 2012. Mr. Andino is a veteran California banker, with almost thirty years of financial institution experience, including five years working in the Bank's primary market area. Over his career, Mr. Andino has served in a number of senior capacities at financial institutions, including Chief Financial Officer, Chief Operating Officer, Chief Administrative Officer, and Director. Mr. Andino was a founder of American Perspective Bank for which he served as Executive Vice President, Chief Financial Officer and Chief Operating Officer from 2006 through 2012, while also serving simultaneously as a Director for that bank from 2007 to 2011. Mr. Andino has an undergraduate degree in business administration from the College of William and Mary, and a Master of Business Administration degree from the University of California at Berkeley.
Jayme C. Fields, Executive Vice President and Chief Financial Officer	47	2007	Ms. Fields has served the Bank as Executive Vice President and Chief Financial Officer since the Bank's commencement of business on April 16, 2007. Ms. Fields was the Chief Financial Officer for the $1.3 billion Central Coast Bancorp and Community Bank of Central California, Salinas, California and remained at the bank until August 31, 2006 as part of the transition team subsequent to the Rabobank acquisition that closed in early 2006. Ms. Field joined Community Bank of Central California in 1996 as Controller. Prior to joining Community Bank of Central California, Ms. Fields was an audit manager with the Salinas, California office of Deloitte & Touche, with a specialization in banking. Ms. Fields is a State of California, Certified Public Accountant.
Dale R. Diederick	63	2013	Mr. Diederick was appointed as Executive Vice President and Chief Credit Officer on March 20, 2013 to be effective April 5, 2013. He previously served the Bank as First Vice President and Senior Credit Officer since September 1, 2011. Mr. Diederick is an experienced Senior Credit Administrator who has almost 35 years of credit and risk management experience. Before he joined 1st Capital Bank in 2011, his experience included serving as the Senior Credit Administrator for Pacific Capital Bancorp, Monterey, California (approximately $5 billion in assets) from 1984 to 2011 and as the Chief Risk Officer and Chief Credit Officer from 1996 to 2005, as well as a member of the founding management team of Pacific Capital Bancorp's subsidiary, First National Bank. He also served as the Regional Credit Administrator for Valley National Bank, Salinas, California from 1976 to 1984.

Name and Position	Age	Officer Since	Principal Occupation and Business Experience During Past Five Years
Marilyn P. Goode, Executive Vice President and Chief Administrative Officer	65	2007	Ms. Goode has served the Bank since 2007 and was appointed Executive Vice President and Chief Administrative Officer in 2008. Ms. Goode has more than 40 years of experience in banking, including Senior Vice President and Regional Manager for Umpqua Bank subsequent to its acquisition of Central California Bank in Sonora, California at which she served as Chief Operating and Financial Officer since its inception in 1998.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS ("CD&A")

The Human Resource and Compensation Committee is responsible for overseeing the Bank's compensation structure, policies and programs. The Committee makes recommendations to the Board of Directors regarding the compensation and benefits for directors, officers (including executive officers) and employees.

The Bank's compensation policy is designed to attract and retain highly qualified personnel. The Committee generally meets on at least an annual basis to review salaries and other forms of compensation and benefits. The Bank's general compensation strategy for executive officers is to pay annual compensation which is competitive with compensation paid for similar executive officer positions at peer group banks, adjusted appropriately for the Bank's circumstances and financial condition as determined in the discretion of the Board of Directors after review of financial results of operations of the Bank. Such compensation may include elements that constitute long-term incentives such as stock options and restricted shares awarded under the Bank's 2007 Equity Incentive Plan, deferred compensation under the Bank's Nonqualified Deferred Compensation Plan, retirement benefits under the Bank's 401(k) Plan, health and welfare benefits, and termination severance benefits in addition to short-term elements such as base salary and bonus compensation.

Compensation Review Process

Peer Group and Benchmark Targets. The Committee selected a compensation peer group, based on the asset ranges of the institutions and their geographical locations, from the California Bankers' Association survey. This survey was supplemented by the Committee's review of a sample of proxy statements from banks with similar business models and of similar age. The combined peer group provides a benchmark against banks that have executive positions with responsibilities similar in breadth and scope to the Bank and that compete with the Bank for executive talent. Using the survey data, the Committee considered "marketplace compensation," adjusted for reviews of Bank and individual performance.

Review of Executive Performance. The Committee reviews, on an annual basis, each compensation element for each executive officer. In each case, the Committee takes into account the scope of responsibilities and years of experience and balances these against competitive salary levels and other information contained in the survey data. The Committee members had the opportunity to interact with the executive officers throughout the year, allowing the Committee to form its own assessment of each executive officer's performance. Following review of the survey data and interaction with executive officers, the Committee makes its own assessments and approves compensation for recommendation to the Board of Directors for each executive officer.

Long-Term Incentives

2007 Equity Incentive Plan. The Bank has a 2007 Equity Incentive Plan (the "2007 Plan") which was adopted by the Board of Directors of the Bank on April 2, 2007, approved by shareholders as of May 1, 2007 and amended as of March 24, 2010 to permit awards of restricted shares in addition to stock options, which was approved by shareholders on June 9, 2010. The 2007 Plan provides that restricted share awards and stock options may be awarded to non-employee directors, organizers, officers, employees and consultants of the Bank. Organizers received a one-time award of

nonstatutory stock options that were fully vested at the date of award in connection with the Bank's organization. Options granted become exercisable in accordance with a vesting schedule established at the award date. Vesting cannot extend beyond ten years from the date of award. Generally, option vesting occurs ratably over the first three years following the award date. Upon a change in control of the Bank or upon the occurrence of certain other events as further described in the 2007 Plan, options and restricted shares under the 2007 Plan become fully vested and exercisable in the case of options and fully vested without restrictions in the case of restricted shares, or options may be assumed or equivalent options may be substituted by a successor corporation. Restricted shares and options are adjusted to protect against dilution in the event of certain changes in the Bank's capitalization, including stock splits and stock dividends. All options granted under the 2007 Plan have an exercise price equal to the fair market value of the common stock on the date of award. The Bank's practice is that the full Board of Directors approves all stock option and restricted share awards at regularly scheduled meetings. The Board of Directors sets the exercise price for each stock option using the closing price of the Bank's common stock as quoted on the OTCQB on the date of award and makes all determinations regarding awards of restricted shares.

The goal of stock option and restricted shares issuance as a long-term incentive is to attempt to more closely align the interests of the award recipient with the long-term interests of shareholders by incentivizing efforts to achieve sustainable long-term profitability with the expectation that profitable results of operations will increase prospects for future appreciation in the fair market value of the Bank's common stock. The value of stock option and restricted shares awards is based on the increase in the Bank's common stock price and the continued employment or service of the award recipient during the period required for the vesting of options or the lapse of restrictions for restricted shares, which provides an incentive for the award recipient including executive officers to remain employed by the Bank or continue service to the Bank. The Board of Directors administers the 2007 Plan and authorizes the award of stock options and restricted shares thereunder including awards to executive officers.

See the "Summary Compensation Table" and footnotes thereto and the "Outstanding Equity Awards Table" and footnotes thereto in this Proxy Statement for more information regarding the awards to the executive officers under the 2007 Equity Incentive Plan.

401(k) Retirement Plan. The Bank adopted a 401(k) Plan to enable employees (including the Bank's executive officers) to save for retirement through a tax-advantaged plan and to provide employees the opportunity to directly manage their retirement plan assets through a variety of investment options. The 401(k) Plan allows eligible employees (including the executive officers) to elect to contribute from 0% to 100% of their eligible compensation to the 401(k) Plan, up to the limit established by the Internal Revenue Service. Eligible compensation generally means all wages, salaries and fees for services from the Bank. It is the Bank's policy to annually match 50% of the employee's 401(k) contribution up to 6% of their salary or the maximum allowed contribution, with each match vesting over three years. Employee contributions vest immediately. The 401(k) Plan provides investment options, which the participant has sole discretion to select. The 401(k) Plan does not provide the employees the option to invest directly in the Bank's common stock, nor does the Bank use its common stock for matching purposes. The 401(k) Plan offers in-service withdrawals in the form of loans, hardship distributions, after-tax account distributions and age 59.5 distributions. The 401(k) Plan benefits are payable pursuant to the participant's election in the form of a single lump sum.

Deferred Compensation Plan. Effective December 1, 2012, the Bank's Nonqualified Deferred Compensation Plan was established for the purpose of providing the executive officers and certain other highly compensated employees an opportunity to defer compensation. Participants in the Plan may elect to defer annually any bonus or incentive compensation and any amount of base salary (in excess of $3,000 of monthly base salary). At the time of election to defer compensation, the participants must also elect a distribution date and distribution method. The participant may elect to receive all amounts payable to him or her in a lump sum or in equal monthly installments over a designated period not to exceed ten (10) annual installments. The Bank bears all administration costs, but does not make contributions to the Plan. The Plan requires the Bank to pay interest on the deferred balances at a rate equal to the Wall Street Journal Prime Rate on November 1 of the preceding year, set annually at the beginning of each year. Participants were not eligible to participate in the Plan until fiscal year 2013. For 2013, the rate credited is 3.25%.

Health and Welfare Benefits. The Bank offers health and welfare programs to all eligible employees. The executive officers generally are eligible for the same benefit programs on the same basis as the rest of the broad-based employees. The health and welfare programs are intended to protect employees against catastrophic loss and encourage a healthy lifestyle. The health and welfare programs include medical, pharmacy, dental, vision, life insurance, accidental death and disability, flexible spending accounts for both health and dependent care, paid vacation and personal absence time. Coverage under the life and accidental death and disability programs offer benefit amounts specific to each executive officer. The Bank pays the premium for the health and welfare programs for the executive officers.

The Bank offers a long-term disability program that provides income replacement to the executive officers and other employees after a 180-day disability period at a rate of 66 and 2/3% of basic monthly earnings up to a maximum of $10,000 per month until age 65 or recovery per the terms and conditions of the program.

Termination Severance Benefits. The Bank has entered into employment agreements with certain of its executive officers under which certain benefits are provided to the executive officers as part of their overall compensation benefits to promote long-term retention of the executives and provide security against early termination events. In addition to incidental compensation and benefits, including group life, health and disability insurance, an auto allowance, four weeks annual vacation, and reimbursement for business expenses, the employment agreements include termination severance benefits. See "Employment Agreements and Potential Post-Employment Payments" in this Proxy Statement for a description of the employment agreements and severance benefits.

Short-Term Incentives

Salary and Bonus Compensation. Base salary and bonus compensation are intended to reward short-term performance. Base salary is reviewed annually by the Human Resource and Compensation Committee and recommendations are made to the Board of Directors based on evaluation of compensation data from peer banks and financial factors reflected in the results of operations of the Bank. Prior to January 1, 2013, the Bank maintained a discretionary bonus plan. Effective for the fiscal year 2013, the Board has adopted a plan under which bonus compensation may be paid based upon establishment of performance criteria and based on the Board of Directors evaluation of various financial factors relevant to the operations of the Bank at the time of establishment of such criteria. See the "Summary Compensation Table" and footnotes thereto in this Proxy Statement for more information regarding the base salaries and other compensation benefits applicable to the Bank's executive officers.

See the discussion regarding the Committee's functions under the heading "Human Resource and Compensation Committee" in this Proxy Statement.

See also Proposal No. 3 "Advisory (non-binding) Vote to Approve the Bank's Named Executive Officer Compensation" and Proposal No. 4 "Advisory (non-binding) Vote to Approve the Frequency of the Future Say-On-Pay Votes" in this Proxy Statement. Because your vote is advisory, it will not be binding upon the Board of Directors and may not be construed as overruling any decision by the Board of Directors. However, the Board of Directors may, in its sole discretion, take into account the outcome of the vote when considering named executive officer compensation programs and the frequency of future say-on-pay votes.

The following table reflects the compensation earned and paid to the Bank's executive officers for the fiscal years indicated.

Summary Compensation Table

Name and Principal Position	Year	Salary [1]	Bonus [2]	Stock Awards ($) [3]	Option Awards ($) [3]	All Other Compensation [4]	Total
Mark R. Andino [6] President and Chief Executive Officer	2012 2011	$ 32,500 -	- -	$506,250 -	- -	$ 8,000 -	$ 546,750 -
Jayme C. Fields Executive Vice President and Chief Financial Officer	2012 2011	$ 169,520 $ 165,717	$ 25,500 $ 25,428	- -	- -	$ 32,000 $ 32,000	$ 227,020 $ 223,145
Dale R. Diederick [7] Executive Vice President and Chief Credit Officer	2012 2011	$ 144,000 $ 48,000	$ 15,000 -	- -	$ 22,094 -	$ 24,000 $ 9,000	$ 183,000 $ 57,000
Marilyn P. Goode Executive Vice President and Chief Administrative Officer	2012 2011	$ 156,000 $ 152,500	$ 23,500 $ 23,400	- -	- -	$ 22,000 $ 21,000	$ 201,500 $ 196,900
C. Frederick Rowden[8] Former President and Chief Executive Officer	2012 2011	$ 214,656 $ 190,000	$ 76,000 $ 38,000	- -	- -	$ 49,000 $ 50,000	$ 301,656 $ 278,000
Geoffrey M. Loftus [9] Former Executive Vice President and Chief Credit Officer	2012 2011	$ 161,200 $ 157,583	$ 24,500 $ 24,180	- -	- -	$ 43,000 $ 35,000	$ 228,700 $ 216,763

(1) Amounts shown include cash and non-cash compensation earned and received by executive officers as well as amounts earned but deferred at the election of those officers under the 401(k) Plan. No deferrals were made under the Bank's Nonqualified Deferred Compensation Plan. The Bank entered into an employment agreement with Mr. Andino dated as of October 24, 2012. The Bank entered into an employment agreement with Ms. Fields and Ms. Goode, each dated as of September 28, 2011. These employment agreements are discussed hereafter in this Proxy Statement under the heading "Employment Agreements and Potential Post-Employment Payments."

(2) Bonus payments, if any, are paid at the discretion of the Board after evaluation of financial results of operations and individual performance. Amounts indicated as bonus payments were earned for performance during the year indicated. Bonus compensation may be paid in the future, in accordance with an incentive compensation plan, based upon establishment of performance criteria and based on the Board of Directors evaluation of various financial factors relevant to the operations of the Bank at the time of establishment of such criteria.

(3) These columns show the grant date fair value of awards in accordance with stock-based compensation accounting rules (FASB ASC Topic 718) for 2011 and 2012. For more information concerning the assumptions used for these calculations, please refer to Note 9 in the Bank's audited financial statements included in the Bank's Annual Report to Shareholders for the year ended December 31, 2012. Mr. Andino and Mr. Diederick were the only executive officers to receive awards during the years indicated. Mr. Andino received an award of 45,000 restricted shares on October 24, 2012, vesting 1/5 per year over five years, in connection with the commencement of his employment with the Bank. Mr. Diederick received a 5,100 share incentive stock option award, vesting 1/3 per year over three years, on January 25, 2012. See the "Outstanding Equity Awards at Fiscal Year-End" table for additional information regarding these awards. The Bank has a 2007 Equity Incentive Plan (the "2007 Plan") which permits awards of restricted shares in addition to stock options to non-employee directors, organizers, officers, employees and consultants of the Bank. See the description of the 2007 Plan under "Long-Term Incentives – 2007 Equity Incentive Plan" in this Proxy Statement.

(4) Amounts shown in 2012 for Ms. Fields, Ms. Goode and Messrs. Andino, Diederick and Loftus include the following:

	Health & Other Insurance Premiums	Business and Personal Usage Auto Allowance	Club Memberships	401(k)[5]	Housing Allowance	Total
Mark R. Andino	$ 2,000	-	$ 1,000	-	$ 5,000	$ 8,000
Jayme C. Fields	$ 19,000	$ 8,000	-	$ 5,000		$ 32,000
Dale R. Diederick	$ 24,000	-	-	-		$ 24,000
Marilyn P. Goode	$ 14,000	$ 6,000	-	$ 2,000		$ 22,000
C. Frederick Rowden	$ 26,000	$ 9,000	$ 8,000	$ 6,000		$ 49,000
Geoffrey M. Loftus	$ 32,000	$ 8,000	$ 3,000	-		$ 43,000

(5) The Bank has a 401(k) Plan which was adopted in 2007. Generally, all Bank employees are eligible to participate in the 401(k) Plan. Participating employees may defer a portion of their compensation in the 401(k) Plan and the Bank, at its option, may make matching contributions on participant deferrals. At this time, the Bank matches contributions 50% up to 6% of pay.
(6) The salary and benefits reported for Mr. Andino reflect those received since the commencement of his employment on October 16, 2012. Mr. Andino was appointed as the Bank's Interim President and Chief Executive Officer on November 10, 2012 after the death of Mr. Rowden. On February 28, 2013, Mr. Andino was appointed as the President and Chief Executive Officer.
(7) Mr. Diederick was appointed as the Bank's Executive Vice President and Chief Credit Officer on March 20, 2013 to be effective April 5, 2013 with the resignation of Mr. Loftus. Compensation for Mr. Diederick reflects compensation earned and paid in his former position as First Vice President and Senior Credit Officer during 2011 and 2012.
(8) Mr. Rowden passed away on November 9, 2012. The annual salary for 2012 includes payment of accrued vacation.(9) Mr. Loftus resigned as the Bank's Executive Vice President and Chief Credit Officer effective as of April 5, 2013.

The following table shows the outstanding stock options and restricted shares awards under the Bank's 2007 Equity Incentive Plan held at the end of fiscal year 2012 by the executive officers named in the "Summary Compensation Table."

Outstanding Equity Awards at Fiscal Year-End Table

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) (1) Exercisable	Number of Securities Underlying Unexercised Options (#) (1) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($) (2)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($) (3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Mark R. Andino (4)	-	-	-	-	-	45,000	$ 483,750	-	-
Jayme C. Fields	32,208	-	-	$ 9.80	5/1/17	-	-	-	-
	2,550	-	-	$ 6.72	2/25/19	-	-	-	-
	2,550	-	-	$ 8.58	3/24/20	-	-	-	-
Dale R. Diederick(5)	1,700	3,400	-	$11.42	1/25/22	-	-	-	-
Marilyn P. Goode	10,200	-	-	$10.29	7/16/17	-	-	-	-
	2,550	-	-	$ 6.72	2/25/19	-	-	-	-
	2,550	-	-	$ 8.58	3/24/20	-	-	-	-
C. Frederick Rowden(6)	10,200	-	-	$ 9.80	5/1/17	-	-	-	-
	2,550	-	-	$ 6.72	2/25/19	-	-	-	-
	2,550	-	-	$ 8.58	3/24/20	-	-	-	-
Geoffrey M. Loftus(7)	32,208	-	-	$ 9.80	5/1/17	-	-	-	-
	2,550	-	-	$ 6.72	2/25/19	-	-	-	-
	2,550	-	-	$ 8.58	3/24/20	-	-	-	-

(1) Reflects incentive stock options awarded which vest ratably over the first three years following the award date. Each incentive stock option has a ten year term from the award date to the option expiration date.
(2) The option exercise price equals the fair market value on the date of award.
(3) Reflects the fair market value of $10.75 per share for the restricted shares awarded based upon the closing market price of Bank common stock on December 31, 2012.
(4) The restricted shares awarded to Mr. Andino vest 1/5 per year over a period of five years from the award date of October 24, 2012 as follows:

As of October 24,	2013	2014	2015	2016	2017
Shares Vesting	9,000	9,000	9,000	9,000	9,000
Market Value of Shares That Have Not Vested (a)	$101,250	$ 101,250	$ 101,250	$101,250	$101,250

(a) This represents the market value of unvested restricted share awards, which are calculated by multiplying the number of restricted shares by the closing price of the Bank's Common Stock of $11.25 per share on December 31, 2012.

(5) The 3,400 unexercisable incentive stock options awarded to Mr. Diederick vest as to 1,700 options on January 25, 2014 and as to 1,700 options on January 25, 2015.
(6) Mr. Rowden passed away on November 9, 2012. His incentive stock options are subject to option exercise in accordance with provisions of the Bank's 2007 Equity Incentive Plan. Under terms of the 2007 Equity Incentive Plan, his estate may exercise his incentive stock options at any time within twelve months following his death.
(7) Mr. Loftus resigned effective April 5, 2013 and as of the Record Date, he has not exercised any of his exercisable incentive stock options. Under terms of the 2007 Equity Incentive Plan, he may exercise his incentive stock options at any time within ninety days following his termination of service with the Bank.

Equity Compensation Plan Information

The table below lists information regarding Bank common stock issuable underlying stock options and restricted shares under the 2007 Equity Incentive Plan at December 31, 2012. The Bank has no other equity compensation plan and there are no warrants or other rights outstanding that would result in the issuance of shares of Bank common stock.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	552,539	$9.93	383,440
Equity compensation plans not approved by security holders	-	-	-
Total	552,539	$9.93	383,440

Employment Agreements and Potential Post-Employment Payments

Employment Agreement with Mr. Andino. The Bank entered into an employment agreement with Mr. Andino to be effective as of October 24, 2012. The agreement includes payment of a base salary per year, which is subject to an annual review by the Compensation Committee of the Board. As of the Record Date, the base salary for Mr. Andino was $156,000. At the end of each calendar year, the amount of bonus compensation, if any, to be paid to Mr. Andino is to be determined by the Board of Directors of the Bank based upon evaluation of Mr. Andino's performance and that of the Bank. The amount of bonus compensation potentially payable to Mr. Andino is based upon the Bank's incentive compensation plan, Mr. Andino's performance, the Bank's operating results and the discretion of the Board of Directors. The agreement provides for other incidental compensation and benefits, including group life, health and disability insurance, the premiums for which are paid by the Bank, four weeks annual vacation, and reimbursement for business expenses. Auto expenses are paid on a reimbursement basis and Mr. Andino is provided with a housing allowance of $2,000 per month for six months.

As required by the agreement, the Bank awarded Mr. Andino 45,000 restricted shares vesting 1/5 per year over five years. The agreement is an at-will contract that may be terminated by either party at any time. If the Bank terminates Mr. Andino's employment for reasons that constitute cause as described in the agreement, he will not be entitled to any further amounts except as earned through his last day of employment. If the Bank terminates Mr. Andino's employment without cause, he will be entitled to (i) his earned compensation through his last day of employment; (ii) a lump sum severance payment equal to $200,000. If Mr. Andino's employment terminates in connection with or within eighteen months after consummation of, a Change of Control as described in the agreement, Mr. Andino is entitled to (i) his earned compensation through his last day of employment; (ii) a severance payment equal to $400,000; and (iii) the immediate vesting of any unvested restricted shares. Amounts paid or payable to Mr. Andino under the agreement in any annual period may be limited in order to eliminate taxes upon the payments to Mr. Andino and the Bank's loss of deductibility of the amounts paid under Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended.

Employment Agreement with Mr. Diederick. The Bank has not entered into an employment agreement with Mr. Diederick. As of the Record Date, the base salary for Mr. Diederick was $175,000. At the end of each calendar year,

the amount of bonus compensation, if any, to be paid to Mr. Diederick is to be determined by the Board of Directors of the Bank based upon evaluation of Mr. Diederick's performance and that of the Bank. Bonus payments are based on performance criteria and the Board of Directors evaluation of various financial factors relevant to the operations of the Bank at the time of establishment of such criteria. Mr. Diederick is entitled to receive other incidental compensation and benefits, including group life, health and disability insurance, the premiums for which are paid by the Bank, four weeks annual vacation, and reimbursement for business expenses.

Employment Agreement with Ms. Fields. The Bank entered into an employment agreement with Ms. Fields to be effective as of September 28, 2011 pursuant to which Ms. Fields serves as the Bank's Executive Vice President and Chief Financial Officer, subject to the direction of the Chief Executive Officer and the Board of Directors of the Bank. The agreement includes payment of a base salary per year, which is subject to an annual review by the Chief Executive Officer and the Board of Directors. As of the Record Date, the base salary for Ms. Fields was $169,520. At the end of each calendar year, the amount of bonus compensation, if any, to be paid to Ms. Fields is to be determined by the Board of Directors of the Bank based upon evaluation of Ms. Field's performance and that of the Bank. Bonus payments are based on performance criteria and the Board of Directors evaluation of various financial factors relevant to the operations of the Bank at the time of establishment of such criteria. The agreement provides for other incidental compensation and benefits, including group life, health and disability insurance, the premiums for which are paid by the Bank, an auto allowance, four weeks annual vacation, and reimbursement for business expenses.

The agreement is an *at-will* contract that may be terminated by either party at any time. If the Bank terminates Ms. Fields' employment for cause, she will not be entitled to any further amounts except as earned through her last day of employment. If the Bank terminates Ms. Fields' employment without cause, she will be entitled to (i) her earned compensation through her last day of employment; and (ii) a severance payment equal to twelve months of her annual base salary. If Ms. Fields' employment terminates in connection with a Change of Control or certain enumerated termination events as described in the agreement, Ms. Field is entitled to (i) her earned compensation through her last day of employment; and (ii) a severance payment equal to one and one-half times her (A) annual base salary and (B) average incentive compensation received during the three-year period ending with the year of the termination or occurrence of the terminating event specified. Amounts payable to Ms. Fields under the agreement in any annual period may be limited in order to eliminate taxes upon the payments to Ms. Fields and the Bank's loss of deductibility of the amounts paid under Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended.

Employment Agreement with Ms. Goode. The Bank entered into an employment agreement with Ms. Goode to be effective as of September 28, 2011 pursuant to which Ms. Goode serves as the Bank's Executive Vice President and Chief Administrative Officer, subject to the direction of the Chief Executive Officer and the Board of Directors of the Bank. The agreement includes payment of a base salary per year, which is subject to an annual review by the Chief Executive Officer and the Board of Directors. As of the Record Date, the base salary for Ms. Goode was $156,000. At the end of each calendar year, the amount of bonus compensation, if any, to be paid to Ms. Goode is to be determined by the Board of Directors of the Bank based upon evaluation of Ms. Goode's performance and that of the Bank. Bonus payments are based on performance criteria and the Board of Directors evaluation of various financial factors relevant to the operations of the Bank at the time of establishment of such criteria. The agreement provides for other incidental compensation and benefits, including group life, health and disability insurance, the premiums for which are paid by the Bank, an auto allowance, four weeks annual vacation, and reimbursement for business and membership expenses.

The agreement is an *at-will* contract that may be terminated by either party at any time. If the Bank terminates Ms. Goode's employment for cause, she will not be entitled to any further amounts except as earned through her last day of employment. If the Bank terminates Ms. Goode's employment without cause, she will be entitled to (i) her earned compensation through her last day of employment; and (ii) a severance payment equal to twelve months of her annual base salary. If Ms. Goode's employment terminates in connection with a Change of Control or certain enumerated termination events as described in the agreement, Ms. Goode is entitled to (i) her earned compensation through her last day of employment; and (ii) a severance payment equal to one and one-half times her (A) annual base salary and (B) average incentive compensation received during the three-year period ending with the year of the termination or occurrence of the terminating event specified. Amounts payable to Ms. Goode under the agreement in any annual period may be limited in order to eliminate taxes upon the payments to Ms. Goode and the Bank's loss of deductibility of the amounts paid under

Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended.

Employment Agreement with Mr. Rowden. Mr. Rowden passed away on November 9, 2012. The Bank entered into an employment agreement with Mr. Rowden to be effective as of the date the Bank commenced operations, which was amended as of April 13, 2010 and the term extended to April 16, 2013 pursuant to which Mr. Rowden served as a member of the Bank's Board of Directors and committees thereof, except the Audit and Compliance, Human Resource and Compensation, and Corporate Governance and Nominating Committees, and as the President and Chief Executive Officer of the Bank. The agreement included payment of a base salary per year and other compensation. As of the date of his death, the base salary for Mr. Rowden was $240,000. The agreement was an *at-will* contract that could be terminated by either party at any time. The agreement terminated upon Mr. Rowden's death and his estate was paid salary and benefits due to him under the agreement through November 9, 2012.

Employment Agreement with Mr. Loftus. Mr. Loftus resigned his position as Executive Vice President and Chief Credit Officer effective April 5, 2013. The Bank entered into an employment agreement with Mr. Loftus to be effective as of September 28, 2011 pursuant to which Mr. Loftus served as the Bank's Executive Vice President and Chief Credit Officer, subject to the direction of the Chief Executive Officer and the Board of Directors of the Bank. The agreement included payment of a base salary per year and other compensation. As of the Record Date, the base salary for Mr. Loftus was $161,200. The agreement was an *at-will* contract that may be terminated by either party at any time. The agreement terminated by its terms upon Mr. Loftus' resignation and he was paid salary and benefits due to him under the agreement through April 5, 2013.

Change of Control

Management is not aware of any arrangements, including the pledge by any person of shares of the Bank, the operation of which may at a subsequent date result in a change in control of the Bank.

Transactions with Related Persons

There have been no material transactions during the year ended December 31, 2012, nor are there any presently proposed transactions, to which the Bank was or is to be a party in which the amount involved exceeds the lesser of $120,000 or 1% of the average of the Bank's total assets at year-end 2012, and in which any director, executive officer, nominee for director, or 5% shareholder, or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest.

Indebtedness of Management and Directors

Some of the Bank's directors and executive officers, as well as members of their immediate families and associates, are customers of, and have had banking transactions with, the Bank in the ordinary course of the Bank's business, and the Bank expects to have such ordinary banking transactions with these persons in the future. In the opinion of management of the Bank, all loans and commitments to lend included in such transactions were made in the ordinary course of business on the same terms, including interest rates and collateral, as those prevailing for comparable transactions with other persons of similar creditworthiness, and do not involve more than the normal risk of collectability or present other unfavorable features. Loans to individual directors and executive officers must comply with the Bank's lending policies and statutory lending limits. In addition, prior approval of the Bank's Board of Directors is required for all such loans. The largest aggregate amount of indebtedness including extensions of credit or overdrafts, endorsements and guarantees outstanding at any time since the beginning of the Bank's last fiscal year and as of the latest practicable date was $4,000,000 or 12% of equity for an individual director and $10,359,982 or 30% of equity for the directors and executive officers as a group.

Shareholder Communications

A majority of the members of the Board of Directors, each of whom is "independent" as defined under NASDAQ Listing Rule 5605(a)(2), has established procedures for receipt and delivery of shareholder communications addressed to

the Board of Directors. Any such shareholder communications, including communications by employees of the Bank solely in their capacity as shareholders, should be mailed or delivered to the Bank addressed as follows: Board of Directors, 1st Capital Bank, 5 Harris Ct., Building N, Suite 3, Monterey, California 93940.

Annual Meeting Attendance

The Bank encourages members of its Board of Directors to attend the Bank's Annual Meeting of Shareholders each year. Seven of the directors attended the Bank's 2012 Annual Meeting of Shareholders.

PROPOSAL NO. 2
RATIFICATION OF THE SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The firm of Crowe Horwath LLP served as certified independent public accountants for the audit of the Bank's financial statements as of and for the years ended December 31, 2012 and 2011. Crowe Horwath LLP was appointed as the Bank's independent public accountant on November 1, 2011 as a result of the Bank's previous independent auditor, Perry-Smith LLP, combining with Crowe Horwath LLP on that date. Crowe Horwath LLP and Perry-Smith LLP provided various services to the Bank as described below during the fiscal years 2012 and 2011.

Crowe Horwath LLP has no interests, financial or otherwise, in the Bank and the Bank has had no disagreements with its accountants with respect to accounting principles, practices or financial statement disclosure. It is anticipated that one or more representatives of Crowe Horwath LLP will be present at the Annual Meeting and will be able to make a statement if they so desire and answer appropriate questions.

The table below summarizes the services rendered to the Bank by Crowe Horwath LLP and Perry-Smith LLP during the fiscal years 2012 and 2011.

Category of Services	Fiscal Year 2012	Fiscal Year 2011[4]
Audit Fees [1]	$ 117,000	$ 107,000
Audit-Related Fees	$ 3,000	$ 1,000
Tax Fees [2]	$ 16,000	$ 14,000
All Other Fees [3]	-	$ 7,000
Total Accounting Fees	$ 136,000	$ 129,000

(1) Audit fees consisted primarily of costs to perform the Bank's audit.
(2) Tax fees consisted primarily of assistance relating to tax compliance, tax advice, tax planning and related tax services.
(3) All other fees consisted primarily of consulting services provided to the Bank.
(4) These fees are a combination of the fees paid to Crowe Horwath LLP and Perry Smith LLP.

The Audit Committee approved 100% of all professional services rendered by Crowe Horwath LLP during 2012 and by Crowe Horwath LLP and Perry-Smith LLP during 2011, including pre-approval of all audit and permissible non-audit services, if any, and considered whether the provision of such services is compatible with Crowe Horwath LLP and Perry-Smith LLP maintaining its independence.

The Board of Directors has selected Crowe Horwath LLP to serve as the Bank's independent registered public accountants for the fiscal year 2013. The ratification of the selection of Crowe Horwath LLP as the Bank's independent registered public accountants requires the affirmative vote of a majority of the shares represented and voting at the Annual Meeting. If shareholders do not ratify the selection of Crowe Horwath LLP, the Board of Directors will reconsider the selection. The Board of Directors reserves the right, in its discretion, to select alternative independent registered public accountants notwithstanding ratification by shareholders, at any time that the Board of Directors determines that such a change would be in the best interests of the Bank and its shareholders.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PROPOSAL NO. 2.

PROPOSAL NO. 3
ADVISORY (NON-BINDING) VOTE
TO APPROVE THE BANK'S NAMED EXECUTIVE OFFICER COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 provides shareholders with the opportunity to vote on an advisory (non-binding) basis, to approve the compensation of our named executive officers as further described in the "Compensation Discussion and Analysis" and "Executive Compensation" sections of this Proxy Statement, including the related compensation tables and narrative discussion. This proposal, commonly known as a "Say-on-Pay" proposal, provides our shareholders the opportunity to express their views on our executive compensation program, as it relates to our named executive officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this Proxy Statement.

We ask our shareholders to indicate their support for our executive compensation program for our named executive officers and vote "FOR" the following resolution at the Annual Meeting:

> "RESOLVED, that the Bank's shareholders approve, on an advisory basis, the compensation paid to the Bank's named executive officers as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K, including the discussion in the "Executive Compensation" and "Compensation Discussion and Analysis" sections of this Proxy Statement and the related compensation tables and narrative discussion."

Because your vote is advisory, it will not be binding upon the Board of Directors or the Human Resource and Compensation Committee and may not be construed as overruling any decision by the Board or the Committee. However, the Board of Directors and the Committee may, in their respective sole discretion, take into account the outcome of the vote when considering future executive compensation arrangements.

Shareholders are encouraged to carefully review the "Executive Compensation" and "Compensation Discussion and Analysis" sections of this Proxy Statement and the related compensation tables and narrative discussion for a detailed discussion of the Bank's executive compensation program for our named executive officers.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PROPOSAL NO. 3.

PROPOSAL NO. 4
ADVISORY (NON-BINDING) VOTE
TO APPROVE THE FREQUENCY OF THE FUTURE "SAY ON PAY" VOTES

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 also provides shareholders with the opportunity to vote on how frequently we should seek an advisory vote, or "Say on Pay," on the compensation of our named executive officers. Shareholders may indicate on an advisory (non-binding) basis whether they prefer an advisory vote on compensation for our named executive officers on an annual (every one year), biennial (every two years) or triennial (every three years) basis.

After consideration of this proposal, our Board of Directors has determined that an advisory vote on executive compensation that occurs on an annual basis is the most appropriate for the shareholders of the Bank. Our Board of Directors values the opinions of our shareholders and believes that an annual advisory vote will allow our shareholders to provide us with their timely, direct input on our executive compensation program for our named executive officers.

We ask our shareholders to indicate their preferred voting frequency by choosing the option of an annual advisory vote (every year), a biennial advisory vote (every two years) or a triennial advisory vote (every three years) or by choosing to abstain from voting on this proposal.

Because your vote is advisory, it will not be binding upon the Board of Directors and may not be construed as overruling any decision by the Board of Directors. However, the Board of Directors may, in its sole discretion, take into account the outcome of the vote when considering submission of an advisory "Say on Pay" proposal for shareholder approval.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" PROPOSAL NO. 4.

WEBSITE ACCESS

The Bank maintains a website at www.1stcapitalbank.com where additional information regarding the Bank may be obtained.

ANNUAL REPORT

The Annual Report to Shareholders for the year ended December 31, 2012, is being mailed concurrently with this Proxy Statement to all shareholders of record as of the Record Date.

ANNUAL DISCLOSURE STATEMENT

The Bank has prepared an Annual Disclosure Statement as required by Federal Deposit Insurance Corporation regulations, a copy of which may be obtained upon written request to Jayme C. Fields, Corporate Secretary, 1st Capital Bank, 5 Harris Ct., Building N, Suite 3, Monterey, California 93940.

FORM 10-K

A COPY OF THE BANK'S ANNUAL REPORT ON FORM 10-K FILED WITH THE FEDERAL DEPOSIT INSURANCE CORPORATION UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, IS AVAILABLE TO SHAREHOLDERS WITHOUT CHARGE UPON WRITTEN REQUEST TO JAYME C. FIELDS, CORPORATE SECRETARY, 1ST CAPITAL BANK, 5 HARRIS CT., BUILDING N, SUITE 3, MONTEREY, CALIFORNIA 93940.

SHAREHOLDERS' PROPOSALS

Next year's Annual Meeting of Shareholders is currently scheduled to be held on June 5, 2014. Any shareholder desiring to submit a proposal for action at the 2014 Annual Meeting of Shareholders which is desired to be presented in the Bank's Proxy Statement with respect to the 2014 Annual Meeting of Shareholders, should mail the proposal by certified mail return receipt requested, to 1st Capital Bank, 5 Harris Ct., Building N, Suite 3, Monterey, California 93940, Attention: Jayme C. Fields, Corporate Secretary. All such proposals must be received by the Bank not later than December 27, 2013. Matters pertaining to such proposals, including the number and length thereof, eligibility of persons entitled to have such proposals included, and other aspects, are subject to all applicable laws and regulations.

OTHER MATTERS

Management is not aware of any other matters to come before the Annual Meeting. If any other matter not mentioned in this Proxy Statement is brought before the Annual Meeting or any adjournments or postponements thereof, the persons named in the enclosed form of Proxy will have discretionary authority to vote all proxies with respect thereto in accordance with the recommendations of management.

1ST CAPITAL BANK

Jayme C. Fields
Corporate Secretary

Monterey, California
April 26, 2013

REVOCABLE PROXY
1st Capital Bank

ANNUAL MEETING OF SHAREHOLDERS
JUNE 12, 2013

THIS PROXY IS SOLICITED BY AND ON BEHALF OF THE BOARD OF DIRECTORS AND MAY BE REVOKED PRIOR TO ITS EXERCISE. The undersigned hereby appoints, Kurt J. Gollnick and Mark R. Andino, and each of them, as the attorney, agent and proxy of the undersigned, with full power of substitution, to vote all shares of Common Stock of 1st Capital Bank held of record by the undersigned as of April 16, 2013, the record date with respect to this solicitation at the Annual Meeting of Shareholders of 1st Capital Bank to be held at the Corral de Tierra Country Club located at 81 Corral De Tierra Road, Salinas, California, on Wednesday, June 12, 2013, at 5:30 p.m. and at any and all adjournments or postponements therof, as fully and with the same force and effects as the undersigned might or could do if personally present at the Annual Meeting, including the authority to cumulate votes represented by the shares covered by this Proxy in the election of directors, as follows:

Please check box if you plan to attend the meeting. ☐

Please indicate the number of persons who will attend ____

Mark here for address change. ☐

_____

_____

_____

Comments:

_____

_____

_____

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on June 12, 2013. The 1st Capital Bank Proxy Statement for the Annual Meeting and the Annual Report to Shareholders for the year ended December 31, 2012 are available on the Internet at the Bank's website www.1stcapitalbank.com.

FOLD HERE – PLEASE DO NOT DETACH – PLEASE ACT PROMPTLY
PLEASE COMPLETE, DATE, SIGN, AND MAIL THIS PROXY CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE

X **PLEASE MARK VOTES AS IN THIS EXAMPLE**

1. To elect as directors the nominees set forth below, (except as marked to the contrary below). For ☐ Withhold ☐ For All Except ☐

(01) William G. Dorey **(04) Daniel R. Hightower, M.D** **(07) Gregory T. Thelen**
(02) Susan C. Freeland **(05) Francis H. Rianda** **(08) F. Warren Wayland**
(03) Kurt J. Gollnick **(06) Henry P. Ruhnke, Jr.**

INSTRUCTION: To withhold authority to vote for any individual nominee, mark "For All Except" and write that nominee's name in the space provided below.

_____

2. To ratify the selection of Crowe Horwath LLP, independent registered public accountants for the fiscal year ending December 31, 2013. For ☐ Against ☐ Abstain ☐

3. Advisory (non-binding) vote to approve the named executive officer compensation. For ☐ Against ☐ Abstain ☐

4. Advisory (non-binding) vote to approve the frequency of future say-on-pay votes. One Year ☐ Two Years ☐ Three Years ☐ Abstain ☐

5. In their discretion, the proxy holders are authorized to vote upon such other business as may properly come before the Annual Meeting and any and all adjournments or postponements of the Annual Meeting.

THIS PROXY WILL BE VOTED AS DIRECTED BY THE SHAREHOLDER OR, IF NO INSTRUCTIONS ARE GIVEN BY THE SHAREHOLDER, THE PROXY HOLDERS WILL VOTE "FOR" ELECTION OF ALL DIRECTORS NOMINATED IN THE PROXY STATEMENT, "FOR" RATIFICATION OF THE SELECTION OF CROWE HORWATH LLP, AS INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2013, "FOR" APPROVAL OF THE ADVISORY (NON-BINDING) VOTE ON THE NAMED EXECUTIVE OFFICER COMPENSATION, AND "FOR" APPROVAL OF THE ADVISORY (NON-BINDING) VOTE FOR ONE YEAR ON THE FREQUENCY OF FUTURE SAY-ON-PAY VOTES.

IF ANY OTHER BUSINESS IS PRESENTED AT THE ANNUAL MEETING OR AT ANY ADJOURNMENTS OR POSTPONEMENTS THEREOF, THIS PROXY CONFERS AUTHORITY TO THE PROXY HOLDERS TO VOTE, AND SHALL BE VOTED, IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE BOARD OF DIRECTORS.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" EACH OF THE LISTED PROPOSALS. THIS PROXY IS SOLICITED BY AND ON BEHALF OF THE BOARD OF DIRECTORS AND MAY BE REVOKED PRIOR TO ITS EXERCISE BY FILING WITH THE SECRETARY OF THE BANK A DULY EXECUTED PROXY BEARING A LATER DATE, OR AN INSTRUMENT REVOKING THIS PROXY, OR BY ATTENDING THE ANNUAL MEETING AND VOTING IN PERSON.

Please be sure to date and sign this proxy card in the box below. Date

Shareholder Sign above _____ Co-holder (if any) sign above

Please sign exactly as your name appears on this card. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by the President or other authorized officer. If a partnership, please sign in partnership name by an authorized person.