RECORD YEAR-END RESULTS

1st CAPITAL BANK ANNOUNCES ITS UNAUDITED FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2011

Monterey, California — February 7, 2012: **1st Capital Bank** (OTCBB/FISB) today announced financial results for the full year 2011. The successful year included record net income of $3,138,000 and a record level of total assets of $288,315,000. Net income for the year ended December 31, 2011 increased $2,132,000 or 212% compared to net income of $1,006,000 for the previous year. Diluted earnings per share for 2011 increased 210% to $0.99 from $0.32 in 2010. Approximately $1.2 million of the growth in net income and earnings per share was due to growth in earning assets, expanded net interest margin and improved operating leverage. Additional improvement in net income and earnings per share resulted from a non-recurring tax benefit of $895,000 recorded during 2011 compared to a tax expense of $148,000 recorded in the 2010 year. Pretax net income for the year ended December 31, 2011 was $2,243,000, an increase of $1,089,000 or 94% over $1,154,000 for the prior year. Total assets as of December 31, 2011 increased $61,481,000 (27%) from December 31, 2010. As of December 31, 2011, 1st Capital Bank maintained a strong capital position, with a Total Risk Based Capital ratio of 17.1% which is far in excess of the "well capitalized" minimum of 10.0% as currently set by the Federal Deposit Insurance Corporation.

Key Highlights:

- Return on Average Assets and Equity of 1.35% and 10.31%, respectively
- Net Interest Margin of 4.54%
- Growth in loans of $24 million over the last twelve months
- Growth in deposits of $58 million over the last twelve months
- Strong composition of quality loans and core deposits
- Well capitalized, with a total risk based capital ratio of 17.1%
- Continued exceptional credit quality, NPAs/Assets of 0.08%
- Increase in book value per share to $10.07 up from $8.90 at year-end 2010
- Addition of five veteran banking professionals including Clay Larson and Vern Horton

"2011 was an important year for the Bank financially and strategically. Our 2011 financial results reflect the continued growth of the franchise through a relationship-based business model of attracting core deposit and commercial loan relationships," stated President and Chief Executive Officer, Fred Rowden. "In addition we were able to attract a number of experienced local banking professionals, with decades of experience, whose focus, expertise and objectives are entirely consistent with those established by 1st Capital Bank. We expect these new professionals to enhance our business growth plans and expand our customer relationships going forward. These additions will create increased expenses in the short-run, but we believe the investments we are making now will position us exceptionally well for the future," concluded Rowden.

In March 2012, the Bank will open its newest banking facility located in the financial district of Monterey, California. This facility is an integral part of the Bank's long term strategic initiative to meet our growth objectives.

"1st Capital Bank was recognized as a 'Preferred Lender' by the U.S. Small Business Administration ("SBA") in December 2011," stated Rowden. "This recognition compliments our core competency as a business lending bank for locally owned and managed businesses," concluded Rowden. For the SBA fiscal year ending September 30, 2011, 1st Capital Bank ranked second in SBA loan volume among all banks operating in Monterey County.

Financial Summary:

Total assets were $288,315,000 as of December 31, 2011. Growth in loans was the greatest contributor to total asset growth. Loans, net of the allowance for loan losses of $3,320,000, totaled $197,262,000 at December 31, 2011, an increase of $22,998,000 (13%) from December 31, 2010. The growth in loans was primarily funded by an increase in deposits of $58,306,000 (30%) to $255,583,000 at December 31, 2011.

Net interest income after the provision for loan losses for the year ended December 31, 2011 was $9,506,000, an increase of $2,221,000 (30%) over the year ended December 31, 2010. Interest income for the year ended December 31, 2011 was $11,151,000, an increase of $1,973,000 (21%) over the year ended December 31, 2010. Average earning assets for the year ended December 31, 2011 were $224,112,000, an increase of $30,870,000 (16%) compared to $193,243,000 for the year ended December 31, 2010. While the yield on the loan portfolio increased slightly, the majority of the increase in interest income was due to growth in the loan portfolio.

Interest expense for the year ended December 31, 2011 was $980,000, a decrease of $271,000 (22%) from the year ended December 31, 2010. Average interest bearing liabilities for the year ended December 31, 2011 were $137,757,000, an increase of $14,081,000 (11%) compared to $123,676,000 for the year ended December 31, 2010. While average balances of interest-bearing deposit liabilities increased, interest expense decreased in 2011 from 2010 due to the repricing of the interest-bearing deposits throughout the year, reflecting the lower interest rate environment. The higher volume of interest-bearing liabilities increased interest expense $245,000 while the lower rates decreased the expense by $516,000.

These changes in the composition and pricing of 1st Capital Bank's earning assets and deposit liabilities resulted in a net interest margin for the year ended December 31, 2011 of 4.5% compared to 4.1% for the year ended December 31, 2010.

1st Capital Bank recorded a provision for loan losses of $665,000 during the year ended December 31, 2011 compared to $642,000 in the year ended December 31, 2010. The ratio of the allowance for loan losses to total loans outstanding was 1.66% at December 31, 2011 and 1.54% at December 31, 2010. At December 31, 2011 there were $240,000 of non-performing, impaired loans and at 2010, there were none. The Bank did not have any real estate acquired through foreclosure at December 31, 2011 or 2010.

Noninterest income increased $28,000 (24%) to $144,000 for the year ended December 31, 2011 compared to the year ended December 31, 2010, largely due to service charges from the growth in the Bank's deposit portfolio.

Noninterest expenses increased by $1,160,000 (19%) to $7,407,000 for the year ended December 31, 2011 compared to the year ended December 31, 2010. The majority of this increase was due to the overall growth of the Bank including the addition of nine new staff during the year which represents a 20% increase in FTE.

A non-recurring net income tax benefit of $895,000 was recorded for the year ended December 31, 2011 compared to a provision for income taxes of $148,000 during the previous year. Recognition of an income tax benefit in the second quarter of 2011 resulted from the removal of the valuation allowance previously recognized against the Bank's net deferred tax assets. The strength of actual and forecasted earnings of the Bank eliminated the need for this valuation allowance.

About 1st Capital Bank:

1st Capital Bank is focused on providing lending, deposit and highly efficient cash management services such as remote deposit and online banking to small-to-medium size businesses and their owners and specialized banking services for the healthcare industry. The Bank is a full service financial institution with branches located in Monterey, Salinas and King City. The Bank's corporate offices are located at 5 Harris Court, Building N, Suite 3, Monterey, California. 93940. Information regarding the Bank may be obtained from the Banks website at www.lstcapitalbank.com. Copies of the Bank's press releases are available on the website.

Forward Looking Statements:

In addition to the historical information contained herein, this press release may contain certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. The reader of this press release should understand that all such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Factors that might cause such a difference include, among other matters, changes in interest rates; economic conditions including inflation and real estate values in California and the Bank's market areas; governmental regulation and legislation; credit quality; competition affecting the Bank's businesses generally; the risk of natural disasters and future catastrophic events including terrorist related incidents and other factors beyond the Bank's control; and factors discussed in the Bank's periodic reports under the Securities Exchange Act of 1934, as amended, on Forms 10-K, 10-Q and 8-K filed with the FDIC. The Bank does not undertake any obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or otherwise, except as required by law.

PRESS RELEASE

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CONDENSED FINANCIAL DATA
(Unaudited)
(Dollars in thousands, except share and per share data)

	12 Months Ended December 31,	
Statement of Income Data	2011	2010
Interest income		
Loans (including fees)	$10,671	$8,582
Investment securities	395	458
Other	85	138
Total interest income	11,151	9,178
Interest expense		
Interest on deposits	980	1,251
Other	-	-
Total interest expense	980	1,251
Net interest income	10,171	7,927
Provision for loan losses	(665)	(642)
Net interest income after provision for loan losses	9,506	7,285
Noninterest income		
Service charges on deposits	75	66
Other	69	50
Total noninterest income	144	116
Noninterest expenses		
Salaries and benefits	4,272	3,290
Occupancy	575	574
Furniture and equipment	371	312
Other	2,189	2,071
Total noninterest expenses	7,407	6,247
Income before provision for income taxes	2,243	1,154
Provision for (benefit from) income taxes	(895)	148
Net income	$3,138	$1,006
Common Share Data		
Earnings per share		
Basic	$0.99	$0.32
Diluted	$0.99	$0.32
Weighted average shares outstanding		
Basic	3,157,699	3,157,699
Diluted	3,181,295	3,157,718
Book value per share	$10.07	$9.02
Tangible book value	$10.07	$9.02
Shares outstanding	3,157,699	3,157,699

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

Balance Sheet Data	December 2011	December 2010
Assets		
Cash and due from banks	$ 8,910	$ 6,672
Federal funds sold and overnight deposits	60,062	25,530
Available-for-sale securities, at fair value, and interest bearing deposits	17,520	17,591
Loans:		
Commercial	78,504	74,311
Real estate-construction	4,126	2,678
Real estate-other	115,902	97,581
Consumer	1,580	1,991
Deferred loan fees, net	470	426
Total loans	200,582	176,987
Allowance for loan losses	(3,320)	(2,723)
Net loans	197,262	174,264
Premises and equipment, net	615	745
Accrued interest receivable and other assets	3,946	2,032
Total assets	$288,315	$226,834
Liabilities and Shareholders' Equity		
Deposits:		
Demand, noninterest bearing	$118,366	$71,654
Demand, interest bearing	56,171	46,410
Savings	38,558	26,807
Time	42,488	52,406
Total deposits	255,583	197,277
Accrued interest payable and other liabilities	919	1,083
Shareholders' equity	31,813	28,474
Total liabilities and shareholders' equity	$288,315	$226,834
Asset Quality		
Loans past due 90 days or more and accruing interest	$ -	$ -
Impaired loans	240	-
Other nonaccrual loans	-	-
Other real estate owned	-	-
Total impaired and nonperforming assets	$ 240	$ -
Allowance for loan losses to total loans	1.66%	1.54%
Allowance for loan losses to NPL's	1,383.33%	n/a
Allowance for loan losses to NPA's	1,383.33%	n/a

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CONDENSED FINANCIAL DATA
(Unaudited)
(Dollars in thousands)

	12 Months Ended December 31,	
	2011	2010
Regulatory Capital and Ratios		
Tier 1 capital	$31,490	$28,210
Total capital	$33,985	$30,411
Tier 1 capital ratio	15.8%	16.1%
Total risk based capital ratio	17.1%	17.3%
Tier 1 leverage capital ratio	12.6%	13.9%
Selected Financial Ratios		
Return on average assets	1.35%	0.50%
Return on average shareholders' equity	10.31%	3.61%
Net interest margin	4.54%	4.10%
Efficiency ratio	71.81%	77.67%
Selected Average Balances		
Loans	$189,421	$153,235
Investment securities	13,232	13,446
Federal funds sold and CD's	21,459	26,561
Total earning assets	$224,112	$193,242
Total assets	$232,603	$199,507
Demand deposits - interest bearing	$58,576	$51,693
Savings deposits	32,724	27,050
Time deposits	46,457	44,933
Total interest bearing liabilities	$137,757	$123,676
Demand deposits - noninterest bearing	$63,445	$46,740
Shareholders' equity	$30,442	$27,887