April 29, 2016

<u>FOR IMMEDIATE RELEASE</u>

1st Capital Bank Announces
First Quarter 2016 Financial Results;
Record Net Interest Income, Deposits, Assets, and Equity

Monterey, California – April 29, 2016. **1st Capital Bank** (OTC Pink: FISB) reported net income of $704 thousand for the three months ended March 31, 2016, an increase of 0.4% compared to net income of $701 thousand in the first quarter of 2015 (which included non-recurring, non-taxable bank-owned life insurance benefits of $249 thousand) and an increase of 4.4% compared to income of $674 thousand in the fourth quarter of 2015, the immediately preceding quarter. Earnings per share were $0.17 (diluted), compared to $0.16 (diluted) for the prior quarter.

Total assets grew $40 million in the first quarter, to $554 million at March 31, 2016, compared to $514 million at December 31, 2015 as a result of growth in deposits of $39 million, or 8.3%, from $468 million at December 31, 2015 to $507 million at March 31, 2016. Core deposits likewise increased $52 million, or 12.0%. Net loans increased $3 million during the first quarter, from $371 million at December 31, 2015 to $374 million at March 31, 2016. Growth was concentrated in the multi-family residential real estate portfolio, which organically grew $7 million, or 20.3%, in the first quarter. Commercial and industrial loans increased $274 thousand, or 0.6%, while most other loan categories experienced normal amortization. Because of favorable changes in the loan portfolio mix, no provision for loan losses was required, compared to a provision of $200 thousand in the first quarter of 2015 and no provision during the fourth quarter of 2015.

Net interest income before provision for loan losses increased $135 thousand, or 3.4%, to $4.15 million, compared to $4.02 million in the prior quarter. Net interest margin declined from 3.21% in the fourth quarter of 2015 to 3.20% in the first quarter of 2016, reflecting greater on-balance sheet liquidity driven by the robust growth in deposits.

The Bank's efficiency ratio improved from 72.0% in the fourth quarter of 2015 to 71.8% in the first quarter of 2016, as revenue growth outpaced the increase in expenses, which was centered in salaries and benefits.

"We are pleased to report record net interest income for the first quarter, which is a reflection of the success our team of community-based bankers has achieved in building our portfolios of core loans and deposits in recent months," said Thomas E. Meyer, President and Chief Executive Officer. "We continue to build our presence in Monterey and San Luis Obispo

Counties and expand into contiguous markets. I am happy to announce the appointment of Steven Martin as Regional President for the Salinas Valley, joining Stuart Tripp in Monterey and Mark Andino in San Luis Obispo in leading our experienced banking teams."

"The Bank experienced very strong core deposit growth among its largest customers beginning in the second half of February, as well as high prepayment speeds on its mortgage-backed securities portfolio," said Michael J. Winiarski, Chief Financial Officer. "We have taken action to reduce the level of rate-sensitive certificates of deposit in our portfolio, and continue to explore approaches to investing our excess liquidity, controlling our cost of funds, and enhancing our leverage ratio."

FIRST QUARTER HIGHLIGHTS

- Net interest income before provision for credit losses was $4.15 million for the first quarter of 2016, compared to $4.02 million for the fourth quarter of 2015 and $3.55 million for the first quarter of 2015. Average earning assets increased from $468 million in the first quarter of 2015 to $496 million in the fourth quarter of 2015 and to $522 million in the first quarter of 2016. Net interest margin increased from 3.07% in the first quarter of 2015 to 3.21% in the fourth quarter of 2015, but declined slightly to 3.20% in the first quarter of 2016.
- There was no provision for credit losses in the first quarter of 2016 or the fourth quarter of 2015, compared to $200 thousand provision in the first quarter of 2015.
- The allowance for loan losses decreased from 1.59% of gross loans outstanding at March 31, 2015 to 1.57% of gross loans outstanding at December 31, 2015 and 1.56% of gross loans outstanding at March 31, 2016, reflecting the proportion of the portfolio comprising single-family and multi-family residential loans, which require smaller allowance levels in the portfolio.
- Deposits increased $39 million, or 8.3%, to $507 million at March 31, 2016 from $468 million at December 31, 2015 and increased $70 million, or 16.1% from $437 million at March 31, 2015.
- Demand deposit accounts made up 38.1% of deposits at March 31, 2016, compared to 43.7% at December 31, 2015 and 36.8% at March 31, 2015.

NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES

Net interest income before provision for credit losses was $4.15 million for the first quarter of 2016, an increase of $135 thousand, or 3.4%, compared to $4.02 million for the fourth quarter of 2015, and an increase of $604 thousand, or 17.0%, compared to the first quarter of 2015.

Average earning assets were $522 million during the first quarter of 2016, an increase of 5.3% compared to $496 million in the fourth quarter of 2015. The yield on earning assets was 3.33% in the first quarter, compared to 3.34% in the fourth quarter of 2015. The average balance of the loan portfolio moderately grew $3 million, or 0.8% (3.1% annualized), to $380 million, compared to the fourth quarter's average balance of $377 million; and, more importantly, the yield on the loan portfolio increased from 4.14% in the fourth quarter of 2015 to 4.24% in the first quarter of 2016. The average balance of investments available for sale ("AFS") declined $8 million sequentially, from $87 million in the fourth quarter of 2016 to $79 million in the first quarter of 2016, as the Bank experienced a high level of prepayments on its portfolio of mortgage-backed securities. The yield on AFS investments increased 23 basis points from 0.73% in the fourth quarter of 2015 to 0.96% in the first quarter of 2016. A $32 million increase in average interest-bearing cash balances, bearing interest at 0.24%, counteracted the increases in yield on the loan and investments portfolios and caused the yield on average interest-earning assets to fall one basis point.

The cost of interest-bearing liabilities increased from 0.24% in the fourth quarter of 2015 to 0.26% in the first quarter of 2016, while the average balance of interest-bearing liabilities increased from $274 million in the fourth quarter of 2015 to $280 million in the first quarter of 2016. The average balance of noninterest-bearing demand deposit accounts ("DDAs") increased $12 million, or 6.6%, from $184 million in the fourth quarter of 2015 to $196 million in the first quarter of 2016, limiting the increase in the Bank's cost of funds to one basis point, from 0.14% in the fourth quarter of 2015 to 0.15% in the first quarter of 2016.

Gross loans receivable increased $3 million, or 0.8%, to $380 million at March 31, 2016 from $377 million at December 31, 2015 and increased $31 million, or 9.0%, from $348 million outstanding at March 31, 2015. During the first quarter of 2016, the Bank's commercial real estate portfolio increased 4.9%, from $176 million to $185 million. Within the commercial real estate portfolio, loans on multi-family residential properties increased $7 million, from $37 million at December 31, 2015 to $44 million at March 31, 2016. Single-family residential loans, all of which were acquired or originated in prior quarters primarily through loan pool purchases, decreased $4 million, or 2.7%, as a result of normal amortization and prepayments of $2 million, as well as a $1 million decrease in outstanding balances on home equity lines of credit. Commercial and industrial loans outstanding increased slightly, with $43 million outstanding at December 31, 2015 and March 31, 2016. Undrawn credit lines increased from $70 million at December 31, 2015 to $78 million at March 31, 2016, largely as a result of the very strong operating results of local agricultural and agriculture-related companies.

Non-performing loans were virtually unchanged at $1.7 million at December 31, 2015 and March 31, 2016. Loans over 90 days past due (all of which were on non-performing status) were $0 and $91 thousand at December 31, 2015 and March 31, 2016, respectively

PROVISION FOR CREDIT LOSSES

The provision for credit losses is a charge against current earnings in an amount determined by management to be necessary to maintain the allowance for loan losses at a level sufficient to absorb estimated probable losses inherent in the loan portfolio in light of losses historically incurred by the Bank and adjusted for qualitative factors associated with the loan portfolio. The Bank did not record a provision for losses in the first quarter of 2016 or the fourth quarter of 2015, while the provision was $200 thousand in the first quarter of 2015. The decrease in the provision reflects the payment history of the portfolio (which included one loan with outstanding principal of $92 thousand 90 days or more past due at March 31, 2016), changes in the mix of loan types within the portfolio and their respective loss histories, as well as management's assessment of the amounts expected to be realized from certain loans identified as impaired. Impaired loans totaled $9.6 million at March 31, 2016, compared to $9.1 million at December 31, 2015, and $9.2 million at March 31, 2015.

At March 31, 2016, non-performing loans were 0.44% of the total loan portfolio, compared to 0.46% at December 31, 2015 and 0.03% at March 31, 2015. At March 31, 2016, the allowance for loan losses was 1.56% of outstanding loans, compared to 1.57% and 1.59% at December 31, 2015 and March 31, 2015, respectively, reflecting primarily the proportion of single- and multi-family mortgages in the loan portfolio. The Bank recorded recoveries of $19 thousand in the first quarter of 2016, compared to net charge-offs of $4 thousand, net of $17 thousand in recoveries, in the fourth quarter of 2015.

NON-INTEREST INCOME

Non-interest income recognized in the first quarter of 2016 was $69 thousand, a decrease of $5 thousand, or 7.6%, from $75 thousand in the fourth quarter of 2015, and a decrease of $248 thousand from the first quarter of 2015, when the Bank recognized $249 thousand of benefits from Bank-owned life insurance. The Bank has an active pipeline of loans that meet SBA parameters, but did not sell any such loans in the first quarter of 2016.

NON-INTEREST EXPENSES

Non-interest expenses increased $87 thousand, or 2.9%, to $3.03 million in the first quarter of 2016, compared to $2.95 million for the fourth quarter of 2015, and increased $374 thousand, or 14.1%, compared to the first quarter of 2015. Salaries and benefits increased $77 thousand, or 4.2%, from $1.82 million in the fourth quarter of 2015 to $1.89 million in the first quarter of 2016. Salaries and benefits, occupancy costs, and furniture/equipment expenses increased $269 thousand, $22 thousand, and $25 thousand, respectively, compared to the first quarter of 2015, reflecting the opening of the Bank's San Luis Obispo branch in 2015.

The efficiency ratio (non-interest expenses divided by the sum of net interest income before provision for loan losses and non-interest income) was 71.8% for the first quarter of 2015, compared to 72.0% for the fourth quarter of 2015 and 68.8% for the first quarter of 2015. Annualized non-interest expenses as a percent of average total assets were 2.29%, 2.33%, and 2.23% for the first quarter of 2016, the fourth quarter of 2015, and the first quarter of 2015, respectively.

PROVISION FOR INCOME TAXES

The Bank's effective book tax rate was 40.7% in the first quarter of 2016, compared to 41.1% for the fourth quarter of 2015 and 30.4% for the first quarter of 2015. In the first quarter of 2015, the Bank realized and recognized $249 in tax-free bank-owned life insurance benefits, compared to no such benefits for the first quarter of 2016.

About 1st Capital Bank

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

Member FDIC / Equal Opportunity Lender / SBA Preferred Lender

Forward-Looking Statements

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

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

For further information, please contact:

Thomas E. Meyer	***or***	Michael J. Winiarski
President and Chief Executive Officer		Chief Financial Officer
831.264.4057 office		831.264.4014 office
Tom.Meyer@1stCapitalBank.com		Michael.Winiarski@1stCapitalBank.com

--- *financial data follow* ---

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

Financial Condition Data[1]	March 31, 2016	December 31, 2015	September 30, 2015	March 31, 2015
Assets				
Cash and due from banks	$ 4,300	$ 3,334	$ 3,380	$ 2,384
Funds held at the Federal Reserve Bank[2]	84,490	42,857	16,004	18,857
Time deposits at other financial institutions	4,233	2,241	2,241	2,739
Available-for-sale securities, at fair value	76,869	84,203	88,891	103,779
Loans held for sale	--	--	--	1,136
Loans receivable held for investment:				
Construction / land (including farmland)	16,403	17,499	17,814	21,585
Residential 1 to 4 units	122,437	124,741	129,564	114,688
Home equity lines of credit	7,342	8,594	9,636	8,352
Multifamily	44,360	36,862	35,202	18,148
Owner occupied commercial real estate	55,450	56,046	55,111	59,931
Investor commercial real estate	85,238	83,532	85,766	74,240
Commercial and industrial	42,802	42,528	45,584	43,715
Other loans	5,791	6,909	8,022	6,565
Total loans	379,823	376,711	386,699	347,224
Allowance for loan losses	(5,940)	(5,921)	(5,926)	(5,537)
Net loans	373,883	370,790	380,773	341,687
Premises and equipment, net	1,537	1,612	1,679	1,529
Bank owned life insurance	2,365	2,350	2,335	2,441
Investment in FHLB[3] stock, at cost	2,593	2,593	2,593	2,007
Accrued interest receivable and other assets	4,089	3,970	4,422	3,891
Total assets	$ 554,359	$ 513,950	$ 502,318	$ 480,450
Liabilities and shareholders' equity				
Deposits:				
Noninterest bearing demand deposits	$ 193,334	$ 204,624	$ 175,958	$ 160,688
Interest bearing checking accounts	30,154	29,838	30,999	25,638
Money market deposits	143,616	110,490	104,876	125,739
Savings deposits	124,759	94,315	96,634	94,603
Time deposits	15,511	29,121	29,788	30,307
Total deposits	507,374	468,388	438,255	436,975
Borrowings	--	--	19,000	--
Accrued interest payable and other liabilities	1,554	1,073	1,336	975
Shareholders' equity	45,431	44,489	43,727	42,500
Total liabilities and shareholders' equity	$ 554,359	$ 513,950	$ 502,318	$ 480,450
Shares outstanding[4]	4,090,186	4,064,485	4,035,417	4,027,373
Nominal and tangible book value per share	$ 11.11	$ 10.95	$ 10.84	$ 10.55
Ratio of net loans held for investment to total deposits	73.69%	76.16%	86.88%	78.19%

1 = Loans held for investment are presented according to definitions applicable to the regulatory Call Report.
2 = Includes cash letters in the process of collection settled through the Federal Reserve Bank.
3 = Federal Home Loan Bank
4 = Shares outstanding and book value per share reflect the 5% stock dividend declared July 29, 2015 and payable September 30, 2015.

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

	Three Months Ended			
Operating Results Data[1]	March 31, 2016	December 31, 2015	September 30, 2015	March 31, 2015
Interest and dividend income				
Loans	$ 4,020	$ 3,938	$ 3,718	$ 3,505
Investment securities	190	160	149	153
Federal Home Loan Bank stock	52	58	61	33
Other	70	23	19	22
Total interest and dividend income	4,332	4,179	3,947	3,713
Interest expense				
Interest bearing checking	3	3	3	3
Money market deposits	86	71	77	82
Savings deposits	78	72	73	67
Time deposits	13	14	13	13
Total interest expense on deposits	180	160	166	165
Interest expense on borrowings	--	2	1	--
Total interest expense	180	162	167	165
Net interest income	4,152	4,017	3,780	3,548
Provision for loan losses	--	--	365	200
Net interest income after provision for loan losses	4,152	4,017	3,415	3,348
Noninterest income				
Service charges on deposits	35	34	29	31
BOLI dividend income	15	15	15	16
BOLI benefits	--	--	--	249
Gain on sale of loans	--	11	38	--
Other	19	14	25	21
Total noninterest income	69	74	107	317

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

	Three Months Ended			
	March 31, 2016	December 31, 2015	September 30, 2015	March 31, 2015
Noninterest expenses				
Salaries and benefits	1,894	1,817	1,702	1,627
Occupancy	222	219	224	200
Data and item processing	148	149	161	142
Professional services	82	132	137	112
Furniture and equipment	123	127	127	98
Provision for unfunded loan commitments	15	19	(6)	8
Other	549	483	492	471
Total noninterest expenses	3,033	2,946	2,837	2,658
Income before provision for income taxes	1,188	1,145	685	1,007
Provision for income taxes	484	471	280	306
Net income	$ 704	$ 674	$ 405	$ 701
Common Share Data[2]				
Earnings per share				
Basic	$ 0.17	$ 0.17	$ 0.10	$ 0.18
Diluted	$ 0.17	$ 0.16	$ 0.10	$ 0.17
Weighted average shares outstanding				
Basic	4,072,586	4,052,646	4,035,543	3,984,651
Diluted	4,120,678	4,131,661	4,108,966	4,036,301

1 = Certain reclassifications have been made to prior period financial statements to conform them to the current period presentation.
2 = Earnings per share and weighted average shares outstanding have been restated to reflect the effect of the 5% stock dividend declared July 29, 2015 and payable September 30, 2015.

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

Asset Quality	March 31, 2016	December 31, 2015	September 30, 2015	March 31, 2015
Loans past due 90 days or more and accruing interest	$ --	$ --	$ --	$ --
Nonaccrual restructured loans	1,507	1,526	1,543	--
Other nonaccrual loans	183	205	358	100
Other real estate owned	--	--	--	--
	$ 1,690	$ 1,731	$ 1,901	$ 100
Allowance for loan losses to total loans	1.56%	1.57%	1.53%	1.59%
Allowance for loan losses to nonperforming loans	351.48%	342.06%	311.73%	5,537.00%
Nonaccrual loans to total loans	0.44%	0.46%	0.49%	0.03%
Nonperforming assets to total assets	0.30%	0.34%	0.38%	0.02%
Regulatory Capital and Ratios				
Common equity tier 1 capital	$ 45,230	$ 44,258	$ 43,437	$ 42,211
Tier 1 regulatory capital	$ 45,230	$ 44,258	$ 43,437	$ 42,211
Total regulatory capital	$ 49,423	$ 48,461	$ 47,745	$ 46,195
Tier 1 leverage ratio	8.58%	8.82%	8.94%	8.91%
Common equity tier 1 risk based capital ratio	13.56%	13.24%	12.67%	13.31%
Tier 1 risk based capital ratio	13.56%	13.24%	12.67%	13.31%
Total risk based capital ratio	14.52%	14.49%	13.92%	14.57%

	Three Months Ended			
Selected Financial Ratios[1]	March 31, 2016	December 31, 2015	September 30, 2015	March 31, 2015
Return on average total assets	0.54%	0.53%	0.33%	0.60%
Return on average shareholders' equity	6.24%	6.04%	3.68%	6.79%
Net interest margin	3.20%	3.21%	3.12%	3.07%
Net interest income to average total assets	3.17%	3.17%	3.08%	3.04%
Efficiency ratio	71.86%	72.03%	72.99%	68.77%

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

	Three Months Ended			
Selected Average Balances	March 31, 2016	December 31, 2015	September 30, 2015	March 31, 2015
Gross loans	$ 379,982	$ 376,956	$ 355,960	$ 333,450
Investment securities	79,454	86,974	97,070	101,339
Federal Home Loan Bank stock	2,593	2,593	2,593	2,007
Other interest earning assets	60,156	29,366	24,842	31,412
Total interest earning assets	$ 522,185	$ 495,889	$ 480,465	$ 468,208
Total assets	$ 527,468	$ 502,349	$ 486,149	$ 474,026
Interest bearing checking accounts	$ 31,567	$ 31,352	$ 30,203	$ 23,030
Money market deposits	123,018	114,281	113,377	120,559
Savings deposits	109,319	96,740	97,353	90,414
Time deposits	21,335	29,460	29,664	30,591
Total interest bearing deposits	285,239	271,833	270,597	264,594
Noninterest bearing demand deposits	195,684	183,569	166,990	166,608
Total deposits	$ 480,923	$ 455,402	$ 437,587	$ 431,202
Borrowings	$ --	$ 2,283	$ 3,742	$ --
Shareholders' equity	$ 45,405	$ 44,308	$ 43,697	$ 41,845