April 28, 2017

FOR IMMEDIATE RELEASE

1st Capital Bank Announces
First Quarter 2017 Financial Results
Record Average Earning Assets

Monterey, California – April 28, 2017. **1st Capital Bank** (OTC Pink: FISB) reported unaudited net income of $787 thousand for the three months ended March 31, 2017, an increase of 11.8% compared to net income of $704 thousand in the first quarter of 2016 and a decrease of 23.6% compared to income of $1.03 million in the fourth quarter of 2016, the immediately preceding quarter. Earnings per share were $0.18 (diluted), compared to $0.23 (diluted) for the prior quarter.

Total assets grew $3 million in the first quarter, to $553 million at March 31, 2016, compared to $550 million at December 31, 2016. Net loans likewise increased $3 million during the first quarter, from $399 million at December 31, 2016 to $402 million at March 31, 2017. Growth was concentrated in the commercial real estate portfolio, which organically grew $12 million, or 6.0%, in the first quarter, and increased $25.1 million, or 13.6% year over year, from $185 million to $210 million. Commercial and industrial loans declined $671 thousand, or 1.5%, sequentially on lower utilization, while single-family residential loans declined $9.0 million, or 6.8%, as a result of normal amortization and prepayments. Because of favorable changes in the loan portfolio mix and continuing declines in historical loss rates, no provision for loan losses was required in any of the first quarter of 2017, the fourth quarter of 2016, or the first quarter of 2016.

“We are pleased to report continued double digit annualized growth in additions to our core relationship banking portfolio,” said Thomas E. Meyer, President and Chief Executive Officer. “While at the same time, we have diversified into selected consumer products and have begun to recognize brokerage fees on single-family mortgages and are now taking applications for home equity lines of credit. These efforts complement our efforts to build fee income from commercial accounts through a new and upgraded account analysis system and new relationships with money service businesses. Most significantly, our government-guaranteed loan pipeline has grown to $8.8 million in pending applications within our traditional geographic footprint as of March 31, 2017.”

Net interest income before provision for loan losses decreased $121 thousand, or 2.6%, to $4.45 million, compared to $4.57 million in the prior quarter, when the Bank recognized $78 thousand in interest in connection with the payoff of a nonaccrual loan and a $117 thousand special dividend declared by the Federal Home Loan Bank of San Francisco. Net interest margin declined from 3.41% in the fourth quarter of 2016 to 3.36% in the first quarter of 2017, reflecting the aforementioned items and greater on-balance sheet liquidity driven by seasonally higher deposits.

Non-interest income increased $43 thousand, or 20.4%, from $213 thousand in the fourth quarter of 2016 to $256 thousand in the first quarter of 2017, as various fee income initiatives began to show demonstrative results. Deposits placed into the off-balance sheet Insured Cash Sweep ("ICS") program increased from $24 million as of December 31, 2016 to $52 million as of March 31, 2017. These deposits, which can be moved onto the Bank's balance sheet at the Bank's discretion, provided $18 thousand in non-interest income in the first quarter of 2017, compared to $3 thousand in the fourth quarter of 2016.

The Bank's efficiency ratio increased from 66.0% in the fourth quarter of 2016 to 72.4% in the first quarter of 2017, as the Bank added staff in its government-guaranteed and single-family residential lending units, where expense growth outpaced the quarterly increase in revenues.

NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES

Net interest income before provision for credit losses was $4.45 million in the first quarter of 2017, a decrease of $121 thousand, or 2.6%, compared to $4.57 million in the fourth quarter of 2016 and an increase of $299 thousand, or 7.2%, compared to $4.15 million in the first quarter of 2016.

Average earning assets were $537 million during the first quarter of 2017, an increase of 0.7% compared to $533 million in the fourth quarter of 2016. The yield on earning assets was 3.48% in the first quarter of 2017, compared to 3.53% in the fourth quarter of 2016, primarily due to a decrease in the average balance of loans from $409 million in the fourth quarter of 2016 to $400 million in the first quarter of 2017. In addition, interest and dividend income included $78 thousand of interest recognized in connection with the payoff of a non-accrual loan and a special dividend of $117 thousand declared by the Federal Home Loan Bank of San Francisco in the fourth quarter of 2016. The average balance of the investment portfolio decreased $6 million, from $82 million in the fourth quarter of 2016 to $76 million in the first quarter of 2017, reflecting normal amortization and prepayments on the Bank's investments in mortgage-backed securities and collateralized mortgage obligations. The yield on the investment portfolio increased from 0.93% in the third quarter of 2016 to 1.03% in the fourth quarter of 2016 and 1.31% in the first quarter of 2017.

The cost of interest-bearing liabilities declined from 0.25% in the first quarter of 2016 to 0.22% in the fourth quarter of 2016 and the first quarter of 2017, while the average balance of interest-bearing liabilities decreased from $285 million in the first quarter of 2016 to $277 million in the fourth quarter of 2016 and increased to $278 million in the first quarter of 2017, as the Bank experienced normal seasonal fluctuations in deposits, particularly from larger depositors, and managed its leverage ratio, primarily with the ICS program. The average balance of noninterest-bearing demand deposit accounts increased from $196 million, or 40.7% of total deposits, in the first quarter of 2016 to $215 million, or 43.7% of total deposits, in the fourth quarter of 2016 and $220 million, or 44.2% of total deposits in the first quarter of 2017. The

Bank’s overall cost of funds decreased, from 0.15% in the first quarter of 2016 to 0.13% in the fourth quarter of 2016 and the first quarter of 2017.

“During the first quarter of 2017, we continued to experience deposit inflows, while interest rates in our market remained stable. This environment, together with our strong portfolio of demand deposits, which made up 44.2% of average deposits in the first quarter, allowed us to maintain our overall cost of funds at 0.13%,” noted Michael J. Winiarski, Chief Financial Officer.

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 loan losses in the first or fourth quarter of 2016 or the first quarter of 2017, reflecting reductions in the level of criticized assets, changes in the mix of loan types within the portfolio and their respective historical loss rates, and management’s assessment of the amounts expected to be realized from certain loans identified as impaired. Impaired loans totaled $8.0 million at March 31, 2017, compared to $8.0 million at December 31, 2016, and $9.6 million at March 31, 2016.

At March 31, 2017, non-performing loans were 0.03% of the total loan portfolio, compared to 0.03% at December 31, 2016 and 0.44% at March 31, 2016. At March 31, 2017, the allowance for loan losses was 1.52% of outstanding loans, compared to 1.55% at December 31, 2016 and 1.56% at March 31, 2016, respectively. The Bank recorded net charge-offs of $59 thousand in the first quarter of 2017, compared to net recoveries of $12 thousand and $19 thousand in the fourth quarter and first quarters of 2016, respectively.

NON-INTEREST INCOME

Non-interest income recognized in the first quarter of 2017 was $256 thousand, including $76 thousand in gain on sale of Small Business Administration (“SBA”) guaranteed loans, compared to $213 thousand in the fourth quarter of 2016, after making certain reclassifications to fee income. The Bank recognized $78 thousand in gain on sale of SBA loans in the fourth quarter of 2016 and no such gains in the first quarter of 2016. Overall, this represents an increase non-interest income of $43 thousand compared to fourth quarter of 2016, and an increase of $159 thousand compared to the first quarter of 2016, when non-interest income totaled $97 thousand.

Management has been actively seeking to increase non-interest income across a range of sources, including account analysis fees, lockbox service fees, and mortgage brokerage fees. In addition, in the fourth quarter of 2016, the Bank increased its investment in Bank-owned life insurance (“BOLI”) policies by $5.0 million, from $2.4 million to $7.4 million. BOLI dividend income increased from $14 thousand in the third quarter of 2016 to $38 thousand in the fourth quarter of 2016 and $54 thousand in the first quarter of 2017.

NON-INTEREST EXPENSES

Non-interest expenses increased $238 thousand, or 7.5%, to $3.41 million in the first quarter of 2017, compared to $3.17 million for the fourth quarter of 2016, and increased $347 thousand, or 11.3%, compared to $3.06 million recognized in the first quarter of 2016.

Salaries and benefits increased $281 thousand, or 14.7%, to $2.19 million in the first quarter of 2017 from $1.91 million in the fourth quarter of 2016 and increased $297 thousand, or 15.7%, compared to $1.89 million in the first quarter of 2016. These increases reflect the hiring primarily of loan production personnel, including those specializing in government-guaranteed lending and single-family residential lending to support the introduction of home equity lines of credit and the Bank's mortgage brokerage program. From the fourth quarter of 2016 to the first quarter of 2017, base salaries and wages increased $117 thousand, or 7.8%, from $1.49 million to $1.60 million, health insurance premiums increased $23 thousand, or 17.4%, from $136 thousand to $159 thousand, and the employer's portion of payroll taxes increased $109 thousand, or 121.1%, from $90 thousand to $199 thousand, reflecting the seasonal pattern of such taxes. Payroll taxes increased $44 thousand, or 28.0%, year over year. Other non-interest expenses reflect a reclassification of certain electronic transaction fees, but were otherwise relatively unchanged.

The efficiency ratio (non-interest expenses divided by the sum of net interest income before provision for loan losses and non-interest income) was 72.4% for the first quarter of 2017, compared to 66.0% for the fourth quarter of 2016 and 71.9% for the first quarter of 2016. Annualized non-interest expenses as a percent of average total assets were 2.53%, 2.33%, and 2.31% for the first quarter of 2017, the fourth quarter of 2016, and the first quarter of 2016, respectively.

PROVISION FOR INCOME TAXES

The Bank's effective book tax rate was 39.4% in the first quarter of 2017, compared to 36.2% for the fourth quarter of 2016 and 40.7% for the first quarter of 2016. The lower effective rate in the fourth quarter or 2016 reflects the settlement of certain disputed Enterprise Zone interest deductions dating from 2011.

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.1stCapital.bank. 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.1stCapital.bank internet site for no charge.

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

Financial Condition Data[1]	March 31, 2017	December 31, 2016	September 30, 2016	March 31, 2016
Assets				
Cash and due from banks	$ 20,999	$ 2,754	$ 3,585	$ 4,300
Funds held at the Federal Reserve Bank[2]	37,975	50,884	17,482	84,490
Time deposits at other financial institutions	747	2,490	996	4,233
Available-for-sale securities, at fair value	73,504	77,870	84,175	76,869
Loans receivable held for investment:				
Construction / land (including farmland)	20,155	18,993	16,453	16,403
Residential 1 to 4 units	113,397	120,983	127,010	122,437
Home equity lines of credit	10,207	11,609	11,578	7,342
Multifamily	53,471	53,338	53,763	44,360
Owner occupied commercial real estate	61,182	50,887	52,526	55,450
Investor commercial real estate	95,485	94,018	94,378	85,238
Commercial and industrial	44,548	45,219	47,440	42,802
Other loans	10,108	10,259	9,259	5,791
Total loans	408,553	405,306	412,407	379,823
Allowance for loan losses	(6,208)	(6,267)	(6,255)	(5,940)
Net loans	402,345	399,039	406,152	373,883
Premises and equipment, net	1,824	1,477	1,433	1,537
Bank owned life insurance	7,487	7,433	2,395	2,365
Investment in FHLB[3] stock, at cost	2,939	2,939	2,939	2,593
Accrued interest receivable and other assets	5,668	5,041	4,551	4,089
Total assets	$ 553,488	$ 549,927	$ 523,708	$ 554,359
Liabilities and shareholders' equity				
Deposits:				
Noninterest bearing demand deposits	$ 211,599	$ 239,799	$ 191,079	$ 193,334
Interest bearing checking accounts	36,907	33,888	36,479	30,154
Money market deposits	126,638	113,289	120,181	143,616
Savings deposits	115,094	100,601	113,052	124,759
Time deposits	13,181	13,044	14,503	15,511
Total deposits	503,419	500,621	475,294	507,374
Accrued interest payable and other liabilities	1,283	1,661	1,403	1,554
Shareholders' equity	48,786	47,645	47,011	45,431
Total liabilities and shareholders' equity	$ 553,488	$ 549,927	$ 523,708	$ 554,359
Shares outstanding	4,374,209	4,350,721	4,127,686	4,090,186
Nominal and tangible book value per share	$ 11.15	$ 10.96	$ 11.23	$ 11.11
Ratio of net loans held for investment to total deposits	79.92%	79.71%	85.45%	73.69%

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

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

	Three Months Ended			
Operating Results Data[1]	March 31, 2017	December 31, 2016	September 30, 2016	March 31, 2016
Interest and dividend income				
Loans	$ 4,187	$ 4,298	$ 4,028	$ 4,020
Investment securities	246	213	203	190
Federal Home Loan Bank stock	70	169	64	52
Other	102	48	48	70
Total interest and dividend income	4,605	4,728	4,343	4,332
Interest expense				
Interest bearing checking	4	5	3	3
Money market deposits	78	75	79	86
Savings deposits	64	69	68	78
Time deposits	8	7	11	13
Total interest expense on deposits	154	156	161	180
Interest expense on borrowings	--	--	--	--
Total interest expense	154	156	161	180
Net interest income	4,451	4,572	4,182	4,152
Provision for loan losses	--	--	255	--
Net interest income after provision for loan losses	4,451	4,572	3,927	4,152
Noninterest income				
Service charges on deposits	52	41	32	35
BOLI dividend income	54	38	14	15
Gain on sale of loans	72	78	--	--
Other	78	56	58	47
Total noninterest income	256	213	104	97

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

	Three Months Ended			
	March 31, 2017	December 31, 2016	September 30, 2016	March 31, 2016
Noninterest expenses				
Salaries and benefits	2,191	1,910	1,801	1,894
Occupancy	229	250	231	222
Data and item processing	135	154	149	148
Professional services	124	205	108	82
Furniture and equipment	124	127	114	123
Provision for unfunded loan commitments	18	(9)	(10)	15
Other	587	533	550	577
Total noninterest expenses	3,408	3,170	2,943	3,061
Income before provision for income taxes	1,299	1,615	1,088	1,188
Provision for income taxes	512	585	443	484
Net income	$ 787	$ 1,030	$ 645	$ 704
Common Share Data[2]				
Earnings per share				
Basic	$ 0.18	$ 0.24	$ 0.15	$ 0.16
Diluted	$ 0.18	$ 0.23	$ 0.15	$ 0.16
Weighted average shares outstanding				
Basic	4,374,209	4,340,153	4,329,406	4,276,215
Diluted	4,444,823	4,392,963	4,377,177	4,326,712

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 November 23, 2016 and paid December 15, 2016.

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

Asset Quality	March 31, 2017	December 31, 2016	September 30, 2016	March 31, 2016
Loans past due 90 days or more and accruing interest	$ --	$ --	$ --	$ --
Nonaccrual restructured loans	--	--	1,465	1,507
Other nonaccrual loans	124	139	154	183
Other real estate owned	--	--	--	--
	$ 124	$ 139	$ 1,619	$ 1,690
Allowance for loan losses to total loans	1.52%	1.55%	1.52%	1.56%
Allowance for loan losses to nonperforming loans	5,006.45%	4,508.63%	386.35%	351.48%
Nonaccrual loans to total loans	0.03%	0.03%	0.39%	0.44%
Nonperforming assets to total assets	0.02%	0.03%	0.31%	0.30%
Regulatory Capital and Ratios				
Common equity tier 1 capital	$ 49,137	$ 48,093	$ 46,924	$ 45,230
Tier 1 regulatory capital	$ 49,137	$ 48,093	$ 46,924	$ 45,230
Total regulatory capital	$ 53,889	$ 52,740	$ 51,469	$ 49,423
Tier 1 leverage ratio	8.97%	8.89%	8.94%	8.58%
Common equity tier 1 risk based capital ratio	12.98%	12.99%	12.97%	13.56%
Tier 1 risk based capital ratio	12.98%	12.99%	12.97%	13.56%
Total risk based capital ratio	14.23%	14.25%	14.23%	14.52%

	Three Months Ended			
Selected Financial Ratios[1]	March 31, 2017	December 31, 2016	September 30, 2016	March 31, 2016
Return on average total assets	0.58%	0.76%	0.49%	0.54%
Return on average shareholders' equity	6.61%	8.59%	5.48%	6.24%
Net interest margin	3.36%	3.41%	3.20%	3.20%
Net interest income to average total assets	3.30%	3.36%	3.17%	3.17%
Efficiency ratio	72.40%	66.04%	68.45%	71.86%

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

	Three Months Ended			
Selected Average Balances	March 31, 2017	December 31, 2016	September 30, 2016	March 31, 2016
Gross loans	$ 400,404	$ 409,396	$ 389,580	$ 379,982
Investment securities	76,057	82,195	87,364	79,454
Federal Home Loan Bank stock	2,939	2,939	2,939	2,593
Other interest earning assets	57,376	38,453	39,513	60,156
Total interest earning assets	$ 536,776	$ 532,982	$ 519,396	$ 522,185
Total assets	$ 546,805	$ 540,925	$ 524,905	$ 527,468
Interest bearing checking accounts	$ 34,223	$ 35,366	$ 32,142	$ 31,567
Money market deposits	121,748	114,818	121,476	123,018
Savings deposits	108,703	112,046	113,052	109,319
Time deposits	13,097	14,287	15,062	21,335
Total interest bearing deposits	277,771	276,517	281,732	285,239
Noninterest bearing demand deposits	219,807	214,675	194,335	195,684
Total deposits	$ 497,578	$ 491,192	$ 476,067	$ 480,923
Borrowings	$ --	$ --	$ 65	$ --
Shareholders' equity	$ 48,260	$ 47,722	$ 46,844	$ 45,405