

FOR IMMEDIATE RELEASE

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CAPSTONE BANK-PATRIOT STATE BANK MERGER RECEIVES ALL APPROVALS

Legal merger will be final on January 31, 2013.

RALEIGH, NC, January 15, 2013 — CapStone Bank received all necessary approvals to move forward with the merger of Patriot State Bank (“Patriot”) into CapStone Bank (“CapStone”), announced Michael S. Patterson, president and chief executive officer of CapStone. Plans call for the legal merger to be finalized on January 31, 2013.

The North Carolina Office of the Commissioner of Banks approved the merger at a regularly scheduled meeting on November 28, 2012. Shareholders of both banks voted to approve the merger at specially-called meetings in early-December 2012. Most recently, the Federal Deposit Insurance Corporation (FDIC) gave its approval on January 10, 2013, meaning the merger had cleared the final regulatory hurdle.

“With the final approval received, we are excited to move forward with our plans,” said Patterson. “Our Transition and Integration Team comprised of key staff members from both CapStone and Patriot has created a comprehensive plan to combine the two banks into one stronger community bank.”

Following the merger and the opening of CapStone’s new office in Cary scheduled for later this month, the merged bank will serve customers through four full-service offices in North Carolina: Cary, Clinton, Fuquay-Varina, and Raleigh.

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About CapStone Bank:

Headquartered in Raleigh, NC and serving the Wake County and Triangle market, CapStone Bank provides a full-range of commercial and retail banking services with a special focus on serving the deposit and lending needs of small-to-mid-sized businesses, operating companies, and professionals. In addition to its business relationships, CapStone offers comprehensive personal banking products and services to effectively serve individual customers and as an enhancement to its commercial relationships services. CapStone’s philosophy is quite simple – to provide an unprecedented level of “high-touch” service delivered by a local team of experienced, knowledgeable bankers, backed by competitive technology. For more information, visit www.CapStoneBank.com.

About Patriot State Bank:

Patriot State Bank is a North Carolina-chartered bank headquartered in Fuquay-Varina, N.C. Patriot had total assets of \$137.5 million, deposits of \$119.3 million, and gross loans of \$114.9 million as of December 31, 2012. The bank operates 3 full-service banking offices in the communities of Fuquay-Varina, Clayton, and Clinton, as well as a loan production office in Cary, N.C. For more information, visit www.PatriotStateBank.com.

Forward Looking Statements:

This press release may contain forward-looking statements relating to the financial condition and business of CapStone Bank and Patriot State Bank and the proposed merger between the banks. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of the management of CapStone and Patriot, and the information available to management at the time this news release was prepared. Factors that could cause actual results to differ materially from those contemplated by such forward-looking statements include, among others, the following that may diminish the expected benefits of the merger: (i) ability to obtain regulatory approvals and meet other closing conditions to the merger on the expected terms and schedule; (ii) general economic or business conditions in the Raleigh and greater central North Carolina area; (iii) greater than expected costs or difficulties related to the integration of Patriot; (iv) unexpected deposit attrition, customer loss or revenue loss following the merger of Patriot into CapStone, (v) adverse changes in the stock prices of the institutions, and (vi) the failure to retain or hire key personnel. The parties do not undertake any duty to update any forward-looking statements made in this press release.