

FOR IMMEDIATE RELEASE

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CAPSTONE BANK AND PATRIOT STATE BANK COMPLETE MERGER

Legal merger finalized today, January 31, 2013.

RALEIGH, NC, January 31, 2013 — Today, CapStone Bank (“CapStone”) completed its merger with Patriot State Bank (“Patriot”), announced Michael S. Patterson, chairman, president and chief executive officer of CapStone. “We are pleased to have completed this merger and look forward to serving our combined customer base and communities,” Patterson shared. “It also is a positive step for the combined shareholder base, as we continue our focus of creating long-term shareholder value.”

Pursuant to the terms of the merger agreement, Patriot shareholders could elect to receive 0.80 shares of CapStone common stock, or cash in the amount of \$6.45 per share, or a combination of cash and stock for each share of Patriot common stock they hold, subject to adjustment as provided for in the merger agreement. Total consideration in the merger will consist of 70% CapStone stock and 30% cash, and the transaction is valued at approximately \$10.6 million.

Based on reported totals as of September 30, 2012, the combined bank will have approximately \$373 million in total assets, \$298 million in total deposits, and \$278 million in total loans; and will operate four (4) branches in North Carolina: Cary, Clinton, Fuquay-Varina, and Raleigh. CapStone’s full-service branch located at Regency Park in Cary is slated to open on Monday, February 4, 2013.

Raymond James & Associates, Inc. acted as financial advisor to CapStone in connection with the merger, with Gaeta & Eveson, P.A. in Raleigh serving as legal advisor. Patriot State Bank was advised by The Orr Group, LLC, Winston-Salem, NC, with Wyrick Robbins Yates & Ponton LLP, Raleigh, NC as legal advisor.

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About CapStone Bank:

Headquartered in Raleigh, NC and serving Wake County and greater Triangle market area, 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 relationship 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.

Forward Looking Statements:

The press release may contain forward-looking statements relating to the financial condition and business of CapStone Bank and Patriot State Bank. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of the management of CapStone 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) general economic or business conditions in the Raleigh and greater central North Carolina area; (ii) adverse changes in the stock prices of the institutions, and (iii) 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.