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Capitol Bancorp Announces the Planned Divestiture of California-Based Bank of Santa Barbara

LANSING, Mich., and PHOENIX, Ariz.: July 13, 2009: Capitol Bancorp Limited (NYSE: CBC), announced today the planned divestiture of a California-based affiliate, Bank of Santa Barbara. An investor group with deep roots in the Santa Barbara community, led by veteran southern California banker Eloy Ortega, has executed a definitive agreement to pay total cash consideration approximating 1.6 times the tangible common equity of this \$62 million affiliate of Capitol.

The transaction, pending regulatory approvals, is expected to close in the second half of 2009. It is anticipated that Capitol will continue to provide certain data processing and back-office support functions to Bank of Santa Barbara after the transaction is consummated.

“The planned divestiture of Bank of Santa Barbara will initially serve to strengthen the already strong consolidated equity and core capital ratios at Capitol,” said Capitol’s Chairman and CEO Joseph D. Reid. “Capitol has historically concentrated on the expansion and retention of affiliates; however, we believe that this opportunity to return the Bank to a group of local investors in the Santa Barbara community, while supporting many of our strategic objectives, will be mutually beneficial.”

Capitol currently owns eight affiliate banks in California, with assets in excess of \$600 million as of March 31, 2009. The California Region represents one of the largest concentrations of banking assets within the Corporation’s network outside of the Great Lakes Region.

“Bank of Santa Barbara is a developing franchise with a brief, but productive, history with Capitol and we are pleased to have helped the Bank grow. The entire banking team has worked diligently for more than three years to build a solid foundation focused on serving the banking needs of the local community,” added Reid.

About Capitol Bancorp Limited

[Capitol Bancorp Limited](#) (NYSE: CBC) is a \$5.8 billion national community banking company, with a network of separately chartered banks in 17 states. It is the holder of the most individual bank charters in the country. Founded in 1988, Capitol Bancorp Limited has executive offices in Lansing, Michigan, and Phoenix, Arizona.

About Bank of Santa Barbara

[Bank of Santa Barbara](#) is a locally managed bank offering a full array of banking products backed by a commitment to quality and personalized service. Business decisions are made by a team of local experienced bankers who are committed to supporting the people and organizations that make Santa Barbara a special place to live and work. Bank of Santa Barbara is located at 12 East Figueroa St. and is open 9 a.m. to 4 p.m. Monday through Friday. For more information, visit www.bankofsantabarbara.com or call (805) 730-7860.

Forward Looking Statement

Certain statements in this announcement contain forward-looking statements that are based on management’s expectations, estimates, projections and assumptions. Words such as “expects,” “anticipates,” “plans,” “believes,” “scheduled,” “estimates” and variations of these words and similar expressions are intended to identify forward-looking statements. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results and trends may differ materially from what is forecast in forward-looking statements due to a variety of factors.

All forward-looking statements speak only as of the date of this press release. All subsequent written and oral forward-looking statements attributable to the company or any person acting on the Corporation’s behalf are qualified by the cautionary statements in this press release. The Corporation does not undertake any obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date of this press release.

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