



Capitol Bancorp Center
200 Washington Square North
Lansing, MI 48933

2777 East Camelback Road
Suite 375
Phoenix, AZ 85016
www.capitolbancorp.com

Analyst Contact: Michael M. Moran
Chief of Capital Markets
877-884-5662
Media Contact: Stephanie Swan
Director of Shareholder Services
517-372-7402

Capitol Bancorp Awarded Compensatory and Punitive Damages

LANSING, Mich., and PHOENIX, Ariz.: August 17, 2010: Capitol Bancorp Limited announced today that a Maricopa County Superior Court Judge awarded it more than \$14,748,000 in compensatory damages and \$30,000,000 in punitive damages. The defendants were a mortgage broker, Tom Alexander and his employers, and several escrow officers and their former employer, Capital Title Agency, Inc. The court found that the defendants knowingly falsified loan applications, down payments and bank account verifications to induce Capitol's subsidiary, Mesa Bank, to make over 40 residential construction loans. The judge awarded the Bank all of the damages it claimed and assessed \$10,000,000 in punitive damages against Capital Title stating, "The court has never seen such intentional, outrageous, and fraudulent conduct by a fiduciary that did so much damage to its principal." The court also awarded \$20,000,000 in punitive damages against mortgage broker Alexander.

Mesa Bank has since been merged into another subsidiary of Capitol, Sunrise Bank of Arizona, which continues to serve the community banking needs of Phoenix and the surrounding areas.

This press release is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any securities.

About Capitol Bancorp Limited

Capitol Bancorp Limited (NYSE: CBC) is a \$4.7 billion national community banking company with a network of separately chartered banks in 15 states. Founded in 1988, Capitol Bancorp Limited has executive offices in Lansing, Michigan, and Phoenix, Arizona.

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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