



Capitol Bancorp Center  
200 Washington Square North  
Lansing, MI 48933

2777 East Camelback Road  
Suite 375  
Phoenix, AZ 85016  
[www.capitolbancorp.com](http://www.capitolbancorp.com)

**Analyst Contact:** Michael M. Moran  
Chief of Capital Markets  
877-884-5662

**Media Contact:** Angela Kimber  
Director of Communications  
517-316-0172

FOR IMMEDIATE RELEASE

## **Capitol Bancorp Announces the Planned Divestiture of its Banking Operations in the Tucson, Arizona Market**

**Grandpoint Capital, Inc. to simultaneously purchase Southern Arizona Community Bank and the main office of Bank of Tucson**

**LANSING, Mich., and PHOENIX, Ariz.: August 18, 2010:** Capitol Bancorp Limited (NYSE: CBC) and Grandpoint Capital, Inc. announced jointly today the planned sale of Capitol's Tucson operations involving Bank of Tucson and Southern Arizona Community Bank to Grandpoint Capital, Inc.

The transaction will be structured as a whole-bank purchase of the single-office, \$99.4 million Southern Arizona Community Bank, which is expected to generate aggregate cash proceeds in excess of \$11 million, simultaneous with a traditional purchase-and-assumption transaction for the main office operations of the Bank of Tucson (involving total footings approximating \$170 million). This transaction structure will enable Capitol Bancorp to retain Bank of Tucson's \$40 million branch office in Nogales, and the existing \$20.1 million of tangible equity residing at the entity as of June 30, 2010, while positioning Grandpoint Capital, Inc. to commence its new Arizona operations with a consolidated \$270 million, Tucson-domiciled banking platform that will conduct business under the Bank of Tucson banner.

Capitol Chairman and CEO Joseph D. Reid said, "This sale will provide Capitol with access to new capital that will be used to support our ongoing strategic initiative to enhance balance sheet strength and assist those affiliates currently facing challenges."

"In 1996, Bank of Tucson's President and CEO Mike Hannley partnered with Capitol to organize its first bank outside of Michigan. He has played an integral role in the growth and development of Capitol, serving as both a corporate director and regional president overseeing

the Arizona market. Through Mike's efforts, Bank of Tucson has been a consistent top performer. As Mike moves forward with Grandpoint Capital, Inc., I am confident that his customers will continue to enjoy the stellar service and community support that they have come to expect during the past 14 years."

This transaction, which is subject to regulatory approval, is expected to be completed in 2010.

#### **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.

#### **About Grandpoint Capital, Inc.**

Grandpoint Capital, Inc., is a bank holding company headquartered at 333 South Grand Avenue, Suite 4250, Los Angeles, Calif. Grandpoint Bank has offices in downtown Los Angeles, at 355 South Grand Avenue, Suite 2400, and in Santa Ana, Calif., at 1666 North Main Street. The bank serves small and mid-sized businesses, professionals and entrepreneurs, and high-net-worth individuals with an integrated product set of private client services, business banking and treasury management capabilities. It also provides correspondent services to financial institutions. At June 30, 2010, Grandpoint Bank had total assets of \$95 million.

#### **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.

###