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The National Capital Bank of Washington Reports First Quarter Earnings

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The National Capital Bank of Washington (NCB) reported net income of \$1,173,000, or \$4.07 per common share, for the three months ended March 31, 2017, compared to \$1,819,000, or \$6.31 per share, for the three months ended March 31, 2016. NCB continues to improve asset quality which resulted in a reversal of loan provision expense in the amount of \$1,264,000 for the first quarter of 2017 compared to a \$1,895,000 provision reversal for the first quarter of 2016. Non-performing loans to total loans have decreased from 2.02% to 0.13% over the last year.

Total assets increased year-over-year to \$418,147,000 at March 31, 2017 compared to \$407,845,000 at March 31, 2016. Total loans of \$215,981,000 at March 31, 2017 have increased from \$211,581,000 from the year before as the Bank started new commercial and commercial real estate lending programs. Total investment securities available for sale are \$161,757,000 at the end of the first quarter 2017 compared to \$165,451,000 a year ago as investments balances are re-deployed into new loan originations. Total deposits also increased to \$367,345,000 at March 31, 2017 compared to \$357,354,000 the year before.

Total shareholders' equity increased to \$42,880,000 at March 31, 2017 from \$40,993,000 a year ago. The increase resulted from core earnings and loan provision reversals during the last 12 months, partially offset by the increase in unrealized losses on investment securities, available for sale, from market interest rate increases. At March 31, 2017 the return on average assets and return on average equity was 1.12% and 10.03%, respectively. NCB was pleased to announce a \$0.50 per share cash dividend in the first quarter of 2017.

Richard B. (Randy) Anderson, Jr. President and Chief Executive Officer said, "Hallmarks of our first quarter results were the significant improvement in asset quality as one of our last major problem credits was successfully restructured, the increase in commercial real estate lending which helped improve our net interest margin and the addition of banking veteran Robin Robertson to the NCB Team as SVP Retail Banking Director. Robin has a strong background in retail management, sales and service as well as marketing. She will be a valuable asset in elevating the NCB brand and banking experience."

The National Capital Bank of Washington is the oldest bank in the District of Columbia having been founded in 1889. The Bank operates from its main office on Capitol Hill and a branch office in Friendship Heights, as well as a residential mortgage office and a wealth management services office. The Bank trades under the symbol NACB. For more information about NCB, visit www.nationalcapitalbank.com or call 202-546-8000.

Forward Looking Statements

This news release may contain certain forward-looking statements, such as statements of the Bank's plans, objectives, expectations, estimates and intentions. Forward-looking statements may be identified by the use of words such as "expects," "subject," "will," "intends," "will be" or "would," These statements are subject to change based on various important factors (some of which are beyond the Bank's control) and actual results may differ materially. Accordingly, readers should not place undue reliance on any forward-looking statements (which reflect management's analysis of factors only as of the date of which they are given). These factors include general economic conditions, trends in interest rates, the ability of the Bank to effectively manage its growth and results of regulatory examinations, among other factors. The foregoing list of important factors is not exclusive.