



San Diego Trust

BANK

Performance You Can Trust

VOLUME 2, ISSUE 1

SAN DIEGO, CALIFORNIA

MARCH 2005



A MESSAGE FROM OUR PRESIDENT

Dear Friend,

It is with great pleasure and pride that we reflect on 2004 and share with our financial family, and the community-at-large, the progress made at San Diego Trust Bank during our first full year of operation. Not only has the Bank successfully exceeded all financial expectations in terms of growth and earnings,

but just as importantly, we have built a solid foundation operationally, from which we can continue to expand upon in the years to come.

During the course of the year, the Bank achieved several milestones. Total assets exceeded \$50,000,000; we posted a profit in just our fourth full quarter of operations; and as a result of our performance, the Company's stock was one of the best performing bank stocks in the entire state of California for 2004. Most importantly however, the Bank has quickly earned a reputation as a "first class" organization throughout the entire community. We're known not only for our financial performance, but respected for our honesty, professionalism, and responsiveness to our client's needs.

Our dedicated team of financial professionals, supported by a committed and enthusiastic Board of Directors, is second to none in the San Diego community banking arena. It is to them that we owe the thanks for this past year's exceptional performance.

We continue to move forward in our efforts to create the finest community bank in San Diego, and maximize the value of our shareholder's investment. Our plan calls for consistent and quality growth, and we remain disciplined in our approach. "Quality" is the essence in everything we do, whether it's staffing, products, facilities, or the service we provide our valued clients.

We sincerely thank all of you, our loyal shareholders and clients, who have helped us achieve in a few short months what often takes years for others to accomplish. That ongoing support is critical to our future success. Our objective is quite simply to be the "best", rather than the biggest. We cherish the opportunity, are committed to the task, and will continue to provide "Performance You Can Trust."

Michael E. Perry, *President & CEO*

Stock Performance

Symbol: SDBK

Market: OTCBB

Last Trade: \$29.00

As of 3-1-05

For updated stock information,
please call:

Rick Levenson
Western Financial Corporation
Ph. 619-544-0260

Member FDIC
Equal Housing Lender

2004 YEAR-END FINANCIALS

<u>CATEGORY</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>
Total Loans	\$ 34,273	\$ 26,304	+ \$ 7,969
Total Deposits	\$ 43,057	\$ 40,900	+ \$ 2,157
Total Assets	\$ 53,002	\$ 50,663	+ \$ 2,339

All numbers are listed in thousands as of December 31, 2004

Annual Shareholder's Meeting

Date: April 26, 2005

Time: 5:30pm

Location: San Diego Trust Bank Lobby

Please RSVP to Mary Fromson

Ph. 619-230-6521 Email mfromson@sandiegotrust.com

BUSINESS ROUNDTABLE

We are pleased to announce that the law firm of Kimball, Tiry and St. John has selected San Diego Trust Bank as their exclusive provider of financial products and services. Kimball, Tiry and St. John is a statewide, full service law firm, which has been representing owners and managers of commercial and residential rental property in California since 1977. In addition to representing many of the largest owners and property management firms in the state, the firm also serves the legal needs of thousands of small property owners. KTS attorney's are experts in landlord/tenant law, fair housing defense, collections, estate planning, and business and real estate litigation and transactions. Currently, they have experienced attorneys in six strategic locations in California: Bay Area, Inland Empire, Los Angeles, Newport Beach, Sacramento and San Diego. In addition, an office has been recently opened in Las Vegas that focuses solely on unlawful detainer cases. Ted Kimball, the founder of the firm, credits the firm's success to his partners, attorneys and staff. "I am just blessed with the people who work at our firm," he says. "I can have a vision, but without people who see the vision and believe in it and work toward that vision every single day, it's unrealized."



(Left to Right) Ted Kimball, Michael E. Perry



PERFORMANCE YOU CAN TRUST

As I was leaving the Bank following a recent board meeting, I was suddenly struck by the number of similarities between the banking business and the restaurant business. Both are service industries, we just provide different services. Restaurants focus on providing food and beverage in a clean and attractive environment with well-trained personnel who care about

their guests. Banks offer loans, deposit capabilities, and a myriad of financial services in a clean and attractive environment with well-trained personnel who care about their customers. And, like restaurants, these days there seems to be a bank on every corner. With so many choices, how do you go about selecting one bank, or restaurant for that matter, over another?

Once you get to know us, I think you'll agree that San Diego Trust Bank takes the guesswork out of that decision. I sincerely believe that our Bank does a better job of exceeding customer expectations. Or, as we say in the restaurant business, providing our guests with a "WOW" experience. When you visit the Bank, I am confident that you will feel the difference. Our knowledgeable staff, dedicated management team, and experienced Board of Directors have been with the bank since its

inception. We share a common commitment to providing the finest banking experience possible for all of our customers.

Dealing with a locally owned community bank offers a unique and refreshing experience. Decisions are made quickly here. The team at San Diego Trust Bank is available to assist you at every level. When you contact the Bank with a question or request, you will not be referred to a "special" telephone, or a junior banker who may be located in another city or even state. You will be put in touch directly with the decision maker. One who will provide you with the swift, personalized service you deserve.

The bottom line is that it doesn't matter whether it's the restaurant business, or the banking business; it all comes down to "service". Service is much more than a word, it's a commitment. We want your business and we are not afraid to show it. You have my personal guarantee that you will feel that commitment at San Diego Trust Bank.

Michael Morton, Director

Mr. Morton is the President of The Brigantine, Inc., a restaurant business he founded with his wife, Barbara, in 1969, which owns and operates the award winning Brigantine Seafood Restaurants, Miguel's Cocinas, Zocalo Grill and Azul La Jolla.

EXECUTIVE OFFICERS

Michael E. Perry, *President & CEO*
Toby Reschan, *Sr. Executive Vice President & Chief Operating Officer*

BOARD OF DIRECTORS

Larry L. Willette,
Chairman of the Board
Brian H. Gowland,
Vice Chairman of the Board
Michael E. Perry

Toby Reschan
William E. Cole
Christopher J. Coseo
Daniel D. Herde
James W. Ledwith

Michael A. Morton
James R. St. John
Richard H. Wesslink
Claudette G. Wilson

THE TOP 10 REASONS WHY ALL SHAREHOLDERS SHOULD CONSIDER MOVING THEIR BANKING RELATIONSHIP TO SAN DIEGO TRUST BANK

1. We are your bank! You invested your hard earned money in our organization. We hope you will continue to support your investment and help the bank to continue to grow and exceed expectations.
2. Let's talk about that issue of the bank being inconvenient and too far from your home or business...
 - **Access to Cash** – FREE ATM/Debit Cards... NO ATM FEES....GET CASH....ANY MACHINE, ANYWHERE, ANYTIME at no cost.
 - **Access to Information** – By phone to our office, by phone to 24-hour banking, by computer 24/7. Online Banking and Bill Pay are FREE.
 - **Access to Bankers** – We're here and available by phone or email and will gladly come to you. Call our President & CEO, Michael Perry at 619-525-1727...he's available to help.
 - **Access for Deposits** – We have courier service for businesses, postage paid bank by mail, direct deposit and night depository services.
3. We'll make the move as painless as possible! We'll bear the burden, it's our job and it's what we do best!
4. We have all of the state-of-the-art products...*Personal Accounts, Business Accounts, Credit Cards, Online Banking, Sweep Accounts, Bill-Pay, Merchant Services, Cash Management Services, Trust, Tax and Investment Services*
5. Our service is unparalleled in the banking industry.
6. We'll save you money!...For our Founding Shareholders we offer the following **FREE** banking services...
 - Regular Checking with no minimum balance requirement
 - Founding Shareholder Logo Checks
 - Founding Shareholder Leather Checkbook Cover
 - Online Banking
 - Bill Pay
 - ATM/Debit Cards (*With no fees charged at any ATM!*)
 - Cashiers Checks
 - 24-Hour Phone Banking
 - Telephone Transfers
 - Postage Paid Bank by Mail
7. We are locally owned – we support our community. We invest in our community. We do not support a big holding company in some other state.
8. We make all of our decisions right here...and right now.

9. We want your business.
10. Insist on **CHOCOLATE!** We don't have anything against vanilla, except when it comes to banking.



INSIST ON CHOCOLATE.

We don't have anything against vanilla, except when it comes to banking.

You know what banks usually serve. That one-flavor-suits-all kind of service. The customary interest rates. The typical long delays in loan approval. The standard financial solutions regardless of your specific needs.

At San Diego Trust we've given banking a whole new flavor. We offer the highest quality products and services, precisely tailored to fit your individual needs. We've removed barriers to innovation and creative financial solutions with seasoned expertise. And fast, local decision-making is, well, the icing on the cake.

It's all driven by a staff and management team that boasts more than 300 years of experience in banking for San Diegans.

So don't accept any more plain ol' vanilla banking. Get a taste of what real relationship banking is all about and we're confident you'll be back for more. Call Michael Perry, President and CEO, direct at **619.525.1727**, or Toby Reschan, Executive VP, direct at **619.525.1728** to experience the difference.