



# San Diego Trust

BANK

## Performance You Can Trust

VOLUME 2, ISSUE 3

SAN DIEGO, CALIFORNIA

NOVEMBER 2005

### A MESSAGE FROM OUR PRESIDENT



Dear Friend,  
 It's hard to believe, but we are approaching the end of our "second" full year of business! I am thrilled to report that the Bank continues to outperform and has far exceeded all financial expectations in terms of growth and earnings. In comparing our results as of September 30, 2005 to that of September 30, 2004 you will note that our total deposits have increased 54%, total loans have

increased 68% and total assets have increased 47%.

As a result of this growth, revenues have tripled, totaling \$2.85 million compared to just \$963 thousand for the same period last year. The substantial growth in revenues combined with prudent management of our expenses has led to more than a \$1.37 million increase in net income over the past twelve months! Our revenues and earnings continue to accelerate and we are positioned for another record-setting year!

Most recently, the Bank's performance over the past 24 months was compared to that of the fifteen banks that also commenced operations in California during 2003 as well as the 102 banks that commenced operations throughout the nation in that same year. Not only were "your" bank's earnings significantly higher than the average of the California banks, but much higher than the average of all the banks in the United States! (See chart on right)

This level of performance is the result of a lot of hard work and unwavering dedication to being the "best". Our terrific staff, supported by the Board, continues to diligently move forward in the quest of building the finest Bank in San Diego.

Lastly, as we gather to celebrate the holidays, I would like to take this opportunity to say how grateful I am for your never-ending support, confidence, and loyalty. I am blessed to work with such an incredible team of professionals, and honored to serve as your Chief Executive Officer.

I wish you, your family and friends, a joyous holiday season!  
 Warmest personal regards,

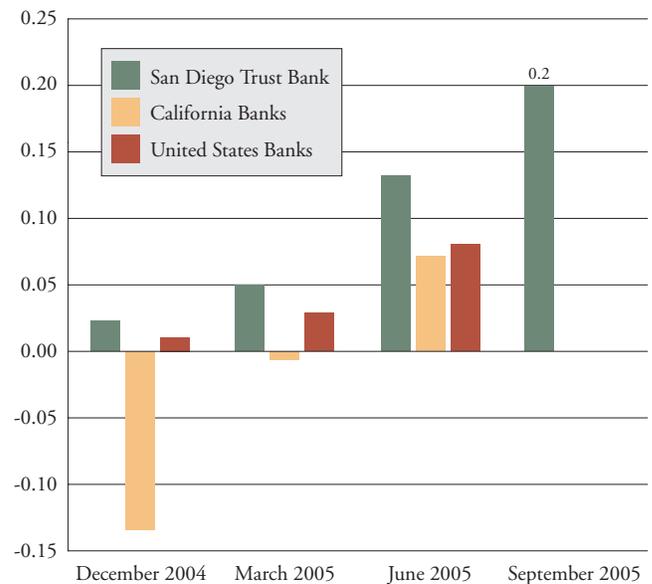
Michael E. Perry, President & CEO

### THIRD QUARTER 2005 FINANCIALS

	9-30-05	9-30-04	% INCREASE
Total Loans	\$ 50,558	\$ 30,089	68%
Total Deposits	\$ 67,321	\$ 43,696	54%
Total Assets	\$ 78,927	\$ 53,642	47%

### 2003 BANKS QUARTERLY INCOME PEER GROUP AVERAGE

\$ In Millions



### Stock Performance

Symbol: SDBK  
 Market: OTCBB

Last Trade: \$33.00 (As of 11-14-05)

For updated stock information, please call:  
 Rick Levenson, Western Financial Corporation  
 Ph. 619-544-0260

Member FDIC Equal Housing Lender

## COMMUNITY INVOLVEMENT



On September 10, 2005, San Diego Trust Bank partnered with First American Trust to be one of the contributing sponsors for **Sail Fest 2005** at the San Diego Yacht Club. Sail Fest is a youth-oriented event for children with life threatening illnesses and their families. The children and their families enjoy a fun-filled day with a lot of activities, such as boat rides around San Diego Harbor, face painting, gifts, a barbecue lunch, and meeting with the SD Firemen, SD Sheriff, and SD Harbor Police.

Every child that attended the event received a hat and a certificate of participation from San Diego Trust and First American Trust. It was a fun-filled day for the kids, the families and all the volunteers.

## BUSINESS ROUNDTABLE

We are pleased to introduce the **Watkins Firm, APC**. The Watkins Firm, APC is a full service business law firm and has been a strong supporter of San Diego Trust Bank since its inception. The Watkins Firm maintains a staff of approximately 10 attorneys practicing in the areas of Real Estate, Business and Employment matters. The firm's transactions team is headed by 26 year veteran attorney, Chris Popov, and the litigation team is headed by 18 year veteran attorney Daniel Watkins. The Watkins Firm is dedicated to providing quality legal services at a reasonable cost. Located in the UTC/Golden Triangle area, our close friends at the Watkins Firm are also founding shareholders of the bank. For more information about the Watkins Firm you can visit their website at [www.watkinsfirm.com](http://www.watkinsfirm.com) or simply call them at 858/535-1511.



*The Watkins Firm team with Michael Perry, President & CEO and John Penritth, SVP*



## PERFORMANCE YOU CAN TRUST

Over my 25 year career in the real estate industry I have frequently spoken with bankers about building quality, lasting relationships. Real estate professionals are trained to seek out bankers who can be relied upon to provide consistent performance and deliver on their promises.

Quality bankers are the ones who partner with us, respond to our needs, understand the business, are sensitive to our client's needs, work to make their dreams come true, and do so with the utmost integrity. In the real estate business, and in my experience, integrity is essential. Integrity is the foundation of the working relationship between tenants, brokers, buyers, sellers and bankers.

Whether it's a rate commitment, quality loan documents prepared right the first time or helping me with that critical

funding before the end of the month, I need a banker that I can count on to get the job done.

I look at the team at San Diego Trust Bank and I am so proud to be affiliated with such a strong and competent group of professionals who consistently deliver on their promise. The team has several decades of banking experience in San Diego, and their relationships which in some cases started over 30 years ago, are stronger today than ever before.

I proudly stand by our motto of "*Performance You Can Trust.*"

**Chris Coseo, Director**

*Mr. Coseo is the President of Coseo Properties, Inc., an Escondido based real estate investment and development company. He was the founder of Centre City Enterprises and has an extensive background in all aspects of commercial real estate, including office complexes, shopping centers, warehouse facilities and investment property which includes apartments and home development as well as land development.*

# PROTECT YOUR IDENTITY!

Despite growing fears about identity theft and online fraud, of the victims that know the identity and method used by the criminal, these crimes are more frequently committed offline than online. Relying on paper statements is actually less secure than receiving your statements online.

According to a new study, people who access accounts online can provide earlier detection of crime than those who rely only upon mailed monthly paper statements. By managing accounts online, consumers can reduce access to personal information on paper bills that may be used to commit identity theft and fraud. The study shows that victims of identity theft who detected the crime by monitoring accounts online experienced financial losses that were less than one-eighth of those who detected the crime via paper statements.

## How Can You Help?

- Keep passwords hidden (even in your own home) and change them frequently. Among the cases where the perpetrator's identity is known, half of all identity fraud is committed by a friend, family member, relative or neighbor — someone known by the victim.
- Retrieve paper mail promptly and place outgoing checks or other sensitive documents in a U.S. Postal Service mailbox.
- Before discarding, shred all private documents.
- Sign up for automatic payroll deposits with your employer. Free direct deposit of government checks, Social Security, and payroll checks provides convenience and piece of mind because you know your deposit is safely made to your account, even when you are away from home.
- Replace paper bills, statements and checks with Internet (paperless) versions. The majority of identity fraud crimes are self-detected. By monitoring transactions, statements, and credit reports online; you can check your account activities quickly and efficiently, without having to wait for your statements to come in the mail. It is a good idea to review your bank and credit card statements weekly so that you will know if anything suspicious has occurred with your accounts.
- Consider moving to an electronic bill payment service, such as San Diego Trust Bank's Online Bill Pay. This is a safe and secure way to manage your accounts, check balances, transfer funds and pay bills. With access 7 days a week, 24 hours a day, banking and paying bills has never been so convenient. Our Online Banking makes it easy!

*And, a reminder that no representative from the Bank will ever ask you for your password or secret codes. If you are ever asked to give this information to anyone, anytime, please contact us immediately.*

## SAN DIEGO TRUST GOES TO SITKA



In August of this year, Bill Cole, founding director of the Bank, organized a fishing trip to Sitka, AK for sixteen people. The group stayed and fished with one of Sitka's premier outfitters, Frontier Charters ([www.frontiercharters.com](http://www.frontiercharters.com)) and enjoyed a week of great food, good company and terrific fishing. Bill has been making this voyage to the Frontier Lodge each year for the past ten years and the trip has gained much popularity amongst our fellow shareholders and clients. Mike Perry, President & CEO, of the Bank, joined Bill this year for the trip and is still talking about the adventure. "Everyone had an absolutely terrific time in Alaska — it was an incredible experience," exclaimed Perry. "I can't wait until next year" he added.

*Rumor has it that the Bank has a group of customers and shareholders who are headed to the Mediterranean for a two week cruise next year. If you want more detailed information, call Toby Reschan at 619-525-1728.*

*(Left to Right): Bill Cole, Director and Michael Perry, President & CEO*

### 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. Wesselink  
Claudette G. Wilson