



SAN DIEGO TRUST BANK ANNOUNCES RECORD 2012 FINANCIAL RESULTS

- **Bank Reports Record 33rd Consecutive Quarterly Profit as Earnings Climb**
- **Total Assets Increase to \$242 Million**

SAN DIEGO 6 **San Diego Trust Bank** (OTC: SDBK) one of the most consistently profitable banks in the State, reported its audited financial results for the year ended December, 31, 2012. The Bank recorded its 33rd consecutive quarterly profit with full-year, pre-tax earnings of \$2.37 Million compared to \$1.87 Million in the previous year representing a 27% increase from the prior year. The tax provision for the year ended December 31, 2012 totaled \$553 thousand compared to \$257 thousand in the prior year resulting in After-Tax Earnings of \$1.82 million for the year ended December 31, 2012, compared to \$1.61 million in the prior year. The increase in taxes was the result of more income being derived from fully-taxable investment securities in 2012 than in the prior year. The Bank's ability to report such consistent earnings resulted from the continued growth in assets in addition to lower loan costs and decreases in operating expenses compared to previous periods.

Selected highlights for 2012 include the following:

- **Pre-tax earnings climbed 27% and totaled \$2.37 Million compared to \$1.87 Million in the previous year;**
- **After tax earnings increased 13% and totaled \$1.82 Million compared to \$1.61 Million in the previous year;**
- **Basic Earnings Per Share increased to \$.84 in 2012 compared to \$.75 in 2011;**
- **Total Risk Based Capital of 29.70% was among the highest in the nation and almost three times the amount needed to be considered "well-capitalized" by regulatory definition;**
- **Asset Quality remains exceptional with no past due or non-accrual loans as of December 31, 2012;**
- **Bank was recognized as one of San Diego's "Ten Best Small Companies" to work for in 2012 for the second year in a row;**

- Designated a “5-Star” Institution by Bauer Financial for the 26th Consecutive Quarter;
- Recognized by the *Findley Companies* as a “Premier Performing Bank”

Total Assets stood at \$242 million as of December 31, 2012 compared to \$213.5 million as of December 31, 2011 representing a 13.3% increase from the prior year-end. Total Deposits increased to \$187.9 million at year-end 2012 compared to \$168.5 million at year end 2011 with Core Deposits (non-interest bearing DDA and MM accounts) representing 97% of all deposits. The Bank has never held any öbrokeredö deposits.

öWe are once again pleased to be able to report such results to our shareholders despite the many challenges our industry faces, including continued pressure on margins, lackluster economic growth, and the increased regulatory burden,ö commented Michael Perry, Chairman, President and CEO. öWe have not waived from our original strategic plan and remain committed to responsibly building the finest community bank in San Diego. We recognize and appreciate the tremendous support so many San Dieganø throughout the county have shown, and will continue to put forth our very best efforts on their behalf,ö he concluded.

Asset quality at the Bank remains exceptional with zero past due or non-accrual loans reported as of December 31, 2012. Liquidity, defined as cash, due from banks, and investment securities, was a record \$195.1 million as of December 31, 2012.

As of December 31, 2012 the Bankø Total Risk Based Capital ratio of 29.70% was among the highest in the nation for banks of similar size, and almost three times the amount needed to be considered öwell-capitalizedö by regulatory definition. San Diego Trust Bank has never applied for any tax-payer funded government assistance.

The Bankø actual capital ratios as of December 31, 2012 are summarized as follows:

	<u>Well-Capitalized Standards</u>	<u>San Diego Trust Bank</u>
Tier 1 Leverage Ratio	5.00%	9.70%
Tier 1 Risk-Based Capital Ratio	6.00%	28.40%
Total Risk-Based Capital Ratio	10.00%	29.70%

And for the 26th consecutive quarter, San Diego Trust Bank was designated as a “Five-Star” institution by Bauer Financial - a feat unmatched by any other Bank in San Diego County.

Founded by several of San Diegoø most respected banking veterans and business leaders, San Diego Trust Bank is dedicated to the timeless principles of superior local market knowledge, unparalleled service, and building exceptional shareholder value. With over four hundred years of experience in banking San Diegans, timely local decision making, and one of the most comprehensive product lines found in the market today, San Diego Trust Bank delivers **“Performance You Can Trust.”**

San Diego Trust Bank common stock is traded on the Over-the-Counter Exchange under the symbol öSDBKö. For information on the companyø stock please contact our primary market maker, Mr. Richard Levenson, President of Western Financial Corporation at (619) 544-0260.

For more information on the Bank please visit www.sandiegotrust.com or call (619) 525-1700.

For bank rating information please refer to www.bauerfinancial.com

Bank contact: Michael Perry
Chairman / President / CEO
(619) 525-1727
mperry@sandiegotrust.com

FORWARD LOOKING STATEMENTS

Statements concerning future performance, developments or events, expectations for growth and income forecasts, and any other guidance on future periods, constitute forward-looking statements that are subject to a number of risks and uncertainties. Actual results may differ materially from stated expectations. Specific factors include, but are not limited to, loan production, balance sheet management, expanded net interest margin, the ability to control costs and expenses, interest rate changes and financial policies of the United States government and general economic conditions. The Bank disclaims any obligation to update any such factors or to publicly announce the results of any revisions to any forward-looking statements contained herein to reflect future events or developments.