



## **SAN DIEGO TRUST BANK ANNOUNCES THIRD QUARTER RESULTS**

- **Bank Reports Record 32<sup>nd</sup> Consecutive Quarterly Profit**
- **Year to Date Earnings Increase 47% and total \$1.35 Million**
- **Asset Quality Remains Exceptional with Zero Past Due or Non-Accrual Loans**

SAN DIEGO 6 **San Diego Trust Bank** (OTC: SDBK), one of the most consistently profitable banks in the State, reported its 32nd consecutive quarterly profit with year-to-date earnings up 47% from the comparable period of a year ago. Net earnings after-tax for the nine months ending 9/30/12 totaled \$1.35 million compared to \$920 thousand for the same period last year. Net Income for the third quarter of 2012 totaled \$437 thousand compared to \$350 thousand for the same period last year. The Bank's ability to report such strong earnings resulted in part from the need for less loan loss reserves coupled with a decrease in operating expenses compared to the previous year.

Total Assets stood at \$217.4 million as of 9/30/12 compared to \$212.5 million as of 9/30/11. Total Deposits remained strong at \$179.9 million as of 9/30/12 with Core Deposits (non-interest bearing DDA and MM accounts) representing 97% of all deposits. The Bank has never held any "brokered" deposits.

"We are pleased to be able to report such results to our shareholders despite the lack of any meaningful growth in our economy, continued pressure on margins, extreme competition for qualified borrowers, and increased regulatory burden," commented Michael Perry, Chairman, President and CEO. "The fact that we have been able to report a profit each and every quarter for the past eight years is a testament to the efforts of our entire team and our ability to adapt to ever-changing market conditions," he added.

The Bank's consistently strong performance has not gone unnoticed. Earlier in the year, *The Findley Reports*, one of the most respected and well known bank research and rating firms, designated San Diego Trust Bank a "Premier Performing Bank" based on its analysis of prior year financial results. This rating places San Diego Trust among the very best in its industry relative to "safety, strength, and performance" according to Findley. During the past quarter, San Diego Trust Bank was also recognized as one of the "Best Small Companies" to work for in San Diego County by the *San Diego Business Journal*. This is the second year in a row that the Bank has been recognized by the Business Journal. **And for the 25<sup>th</sup> 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.**

Asset quality at the Bank remains exceptional with zero past due or non-accrual loans reported as of September 30, 2012. Liquidity, defined as cash, due from banks, and investment securities, was a record \$175.5 million as of 9/30/12.

As of September 30, 2012 the Bank’s Total Risk Based Capital ratio of 29.40% was among the highest in the nation for banks of similar size, and almost three times the amount needed to be considered well-capitalized by regulatory definition. San Diego Trust Bank has never applied for any tax-payer funded government assistance.

The Bank’s actual capital ratios as of September 30, 2012 are summarized as follows:

	<u>Well-Capitalized Standards</u>	<u>San Diego Trust Bank</u>
Tier 1 Leverage Ratio	5.00%	<b>9.70%</b>
Tier 1 Risk-Based Capital Ratio	6.00%	<b>28.15%</b>
Total Risk-Based Capital Ratio	10.00%	<b>29.40%</b>

Founded by several of San Diego’s 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 SDBK. For information on the company’s 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](http://www.sandiegotrust.com) or call (619) 525-1700.

For bank rating information please refer to [www.bauerfinancial.com](http://www.bauerfinancial.com)

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**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.