

San Diego Private Bank Reports Third Quarter Earnings Up 80%

Coronado, Calif. – MarketWire – October 31, 2013 – San Diego Private Bank (OTCQB:SDPB), today announced the bank’s condition and results of operations for the third quarter 2013. This is the second quarterly report of the combined Coronado First Bank and San Diego Private Bank since the merger was completed on April 2, 2013.

Based on unaudited financial results for the quarter ended September 30, 2013, San Diego Private Bank reported net income of \$456,000 for the quarter, up 80% from \$254,000 for the quarter ended June 30, 2013. Net interest margin for the quarter was 4.03%.

As of September 30, 2013, total assets were \$325.3 million, an increase of 3.8% over the prior quarter. Total deposits were up 4.8% to \$263.6 million and shareholders’ equity was \$46.4 million. The bank maintained very strong capital ratios, finishing the quarter with a Tier 1 Leverage Capital Ratio of 13.16% and a Total Risk Weighted Capital Ratio of 19.29%.

Maria P. Kunac, President and Chief Executive Officer of San Diego Private Bank, stated, “We experienced solid growth in loans and deposits during the quarter which, with the improved integration efficiencies of the two banks, resulted in a significant improvement in quarterly earnings. We expect to maintain this momentum through the fourth quarter.”

“Checking and money market accounts have grown by 23% since the merger and the average cost of deposits declined to 0.36% in September 2013”, Ms. Kunac added. “Our new loan volume has been significant and more than offset the interest rate driven refinancings we experienced.

During the quarter, the Newport Private Bank office continued its growth and the SBA division expanded its presence as a Preferred Lender. Construction lending increased, reflecting the rejuvenation of the Southern California market.”

San Diego Private Bank Balance Sheets (Unaudited –in thousands)

	September 30, 2013	June 30, 2013
<u>Assets</u>		
Cash and Cash Equivalents	\$76,982	\$80,645
Investments	25,969	20,131
Loans, Net	211,447	201,360
Premises, Equipment and Other Assets	<u>10,919</u>	<u>11,204</u>
Total Assets	<u>325,317</u>	<u>313,340</u>
<u>Liabilities and Shareholders’ Equity</u>		
Demand Deposits	99,285	84,052
Interest Bearing Deposits	<u>165,238</u>	<u>167,854</u>
Total Deposits	264,523	251,906
FHLB Advances / Borrowings	11,876	13,242
Other Liabilities	2,500	2,382
Shareholders’ Equity	<u>46,418</u>	<u>45,810</u>
Total Liabilities and Shareholders’ Equity	<u>\$325,317</u>	<u>\$313,340</u>

San Diego Private Bank
Statements of Income
(Unaudited – in thousands)

	Nine months ended Sep 30, 2013	Three months ended Sep 30, 2013	Three months ended June 30, 2013
<u>Interest Income</u>			
Interest Income	\$8,499	\$3,448	\$3,121
Interest Expense	<u>921</u>	<u>318</u>	<u>326</u>
Net Interest Income	7,578	3,130	2,795
Provision for Loan Losses	<u>614</u>	<u>374</u>	<u>173</u>
Net Interest Income after Provision for Loan Losses	6,964	2,756	2,662
Other Income	1,258	423	660
Operating Expenses	<u>6,332</u>	<u>2,386</u>	<u>2,824</u>
Operating Income	1,890	793	458
Income Taxes	<u>858</u>	<u>337</u>	<u>215</u>
Net Earnings	<u>\$1,032</u>	<u>\$456</u>	<u>\$243</u>
<u>Selected Ratios:</u>			
Earnings Per Share (Weighted Average Shares)	\$0.30	\$0.11	\$0.06
Tangible Book Value Per Share		\$11.36	\$11.15
Tier 1 Leverage Ratio		13.16%	14.00%
Total Risk Based Capital Ratio		19.29%	21.12%
<u>Asset Quality</u>			
(Non-Performing Assets + 90 Days Past Due Accruing) divided by (Equity + Allowance for Loan Losses)		2.99%	2.80%

San Diego Private Bank is publicly traded on the Over-the Counter Bulletin Board, ticker symbol: "SDPB". Total shares outstanding of San Diego Private Bank stock are 4,085,809 as of September 30, 2013.

Investor Relations Contact

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This press release may include forward-looking statements that involve inherent risks and uncertainties, including the anticipated benefits to be achieved as a result of the merger, the successful integration of the two banks, the equity capital of the combined bank, the potential returns on investment of shareholders, economic conditions and competition in the geographic and business areas in which the Bank operates, inflation, fluctuations in interest rates, legislation and governmental regulation. These statements are subject to risks and uncertainties and actual results could differ materially due to certain risk factors. You should not place undue reliance on forward-looking statements and we undertake no obligation to update those statements whether as a result of changes in underlying factors, new information, future events or otherwise.