

San Diego Private Bank Reports increased Fourth Quarter Earnings

Coronado, Calif. – MarketWire – January 27, 2015 – San Diego Private Bank (OTCQB:SDPB), today announced the bank’s condition and results of operations for the fourth quarter and full year 2014.

Based on unaudited financial results for the year ended December 31, 2014, San Diego Private Bank reported net profit of \$2,524,000. This compares to a net profit of \$3,125,000 for the year ended December 31, 2013 which included the effect of a fourth-quarter adjustment for one-time increase in recognition of release of deferred tax reserve and resultant increase in bargain purchase gain in an amount of \$1,132,000. Without this gain, net income for 2013 would have been \$1,993,000. Net profit for 2014 increased over 2013, net of the adjustment noted above, by 27%. Fourth quarter net profit was \$734,000, an increase over the 723,000 reported for the previous quarter. Fourth quarter profit included a loan loss provision of \$375,000 related to the purchase of loans from First Security Business Bank which closed on December 26, 2014.

As of December 31, 2014 total assets were \$423,513,000. Net loans after allowance for loan losses grew 54,800,000 or 24% during the fourth quarter to \$332,229,000. The fourth quarter growth includes \$49,800,000 of loans purchased in the First Security Business Bank transaction. Total deposits were \$305,400,000 and Shareholder Equity grew to \$51,500,000. The bank maintained strong capital ratios, finishing the quarter with a Tier 1 Leverage Capital Ratio of 14.00% and a Total Risk Weighted Capital Ratio of 15.26%. Loan quality remained strong with a Texas Ratio of 3.67%.

Maria P. Kunac, President and Chief Executive Officer of San Diego Private Bank, stated, “At the end of 2014 we closed the First Security Business Bank loan acquisition and deposit assumption transaction which we expect to be accretive to earnings and book value in 2015. The transaction involved limited integration costs and processes, which have now been completed. Our experienced Bankers look forward to offering personalized service and customized funding solutions to these new customers”.

“Our focus remains on providing commercial real estate investors, high net worth individuals and professional firms superior service and solutions and a broad array of banking services through our Coronado, San Diego, La Jolla and Newport Beach offices as well as efficient electronic banking offerings. We maintained, for the 24th consecutive quarter, a 5-Star Bauer Financial rating. This rating implies that San Diego Private Bank is considered one of the strongest banking institutions in the country by the premier independent bank rating and research firm in the nation.”

San Diego Private Bank also offers various portfolio and government guaranteed programs, including SBA and cross-border Export-Import Bank programs. San Diego Private Bank is a SBA Preferred Lender.

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

	December 31, 2014	December 31, 2013
<u>Assets</u>		
Cash and Cash Equivalents	\$58,760	\$58,578
Investments	19,321	23,654
Loans, Net	332,229	229,729
Premises, Equipment and Other Assets	<u>13,203</u>	<u>12,451</u>
Total Assets	<u>423,513</u>	<u>324,412</u>
<u>Liabilities and Shareholders' Equity</u>		
Demand Deposits	87,467	91,885
Interest Bearing Deposits	<u>217,933</u>	<u>169,766</u>
Total Deposits	305,400	261,651
FHLB Advances / Borrowings	64,500	11,844
Other Liabilities	2,122	2,306
Shareholders' Equity	<u>51,491</u>	<u>48,611</u>
Total Liabilities and Shareholders' Equity	<u>\$423,513</u>	<u>\$324,412</u>

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

	Three months ended December 31, 2014	Year ended December 31, 2014	Three months ended December 31, 2013	Year ended December 31, 2013
<u>Interest Income</u>				
Interest Income	\$3,986	\$15,020	\$3,601	\$12,100
Interest Expense	<u>327</u>	<u>1,255</u>	<u>300</u>	<u>1,221</u>
Net Interest Income	3,659	13,765	3,301	10,879
Provision for Loan Losses	<u>375</u>	<u>942</u>	<u>121</u>	<u>735</u>
Net Interest Income after Provision for Loan Losses	3,284	12,823	3,180	10,144
Other Income	517	1,533	1,595	2,853
Operating Expenses	<u>2,498</u>	<u>10,011</u>	<u>2,245</u>	<u>8,577</u>
Operating Income	1,303	4,345	2,530	4,420
Income Taxes	<u>569</u>	<u>1,821</u>	<u>437</u>	<u>1,295</u>
Net Earnings	<u>\$734</u>	<u>\$2,524</u>	<u>\$2,093</u>	<u>\$3,125</u>

Selected Ratios:

Earnings Per Share (Weighted Average Shares)	\$0.18	\$0.62	\$0.51	\$0.81
Tangible Book Value Per Share		\$12.23		\$11.67
Tier 1 Leverage Ratio		14.00%		14.15%
Total Risk Based Capital Ratio		15.26%		18.57%
<u>Asset Quality</u>				
(Non-Performing Assets + 90 Days Past Due Accruing) divided by (Equity + Allowance for Loan Losses)		3.67%		1.64%

San Diego Private Bank is publicly traded on the Over-the Counter Bulletin Board (OTCQB) under the ticker symbol: “SDPB,” with total shares outstanding of 4,135,935.

Investor Relations Contact

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This press release may include forward looking statements that involve inherent risks and uncertainties. San Diego Private Bank cautions readers that a number of important factors could cause actual results to differ materially from those in the forward-looking statements. These factors include economic conditions and competition in the geographic and business areas in which San Diego Private Bank operates, our ability to successfully integrate the operations of merged banks, inflation, fluctuations in interest rates, legislation and governmental regulation. 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.