

San Diego Private Bank Reports increased Fourth Quarter Earnings

Coronado, Calif. – MarketWire – January 31, 2014 – San Diego Private Bank (OTCQB:SDPB), today announced the bank’s condition and results of operations for the fourth quarter and full year 2013. This is the third 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 year ended December 31, 2013, San Diego Private Bank reported net profit of \$3,125,000, 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 the year would have been \$1,993,000. Fourth quarter net profit was \$2,093,000. Fourth quarter profit with the bargain purchase gain adjustment and an associated tax accrual adjustment would have been \$814,000, up 79% from \$456,000 for the third quarter.

As of December 31, 2013 total assets were \$324,412,000. Net loans after allowance for loan losses grew 8.6% during the fourth quarter to \$229,729,000. Total deposits were \$261,651,000 and Shareholder Equity grew to \$48,611,000. The bank maintained very strong capital ratios, finishing the quarter with a Tier 1 Leverage Capital Ratio of 14.15% and a Total Risk Weighted Capital Ratio of 18.57%. Loan quality remained strong with a Texas Ratio of 1.64%.

Maria P. Kunac, President and Chief Executive Officer of San Diego Private Bank, stated, “We are pleased with our progress during the quarter. The growth in loans increased net interest income, we were able to grow core deposit and lower the overall cost of funds, non-interest income increased and operating expenses declined. We expect to maintain this momentum into next year.”

“During the quarter all departments of the bank grew. The core banking and real estate businesses expanded, the Newport Private Bank office continued its growth and the Export/Import division established earlier in 2013 showed strength. In addition, the SBA division became the third largest SBA 7(a) loan provider in San Diego County with its Preferred Lender status.”

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

	December 31, 2013	September 30, 2013
<u>Assets</u>		
Cash and Cash Equivalents	\$58,578	\$76,982
Investments	23,654	25,969
Loans, Net	229,729	211,447
Premises, Equipment and Other Assets	<u>12,451</u>	<u>10,919</u>
Total Assets	<u>324,412</u>	<u>325,317</u>
<u>Liabilities and Shareholders' Equity</u>		

Demand Deposits	91,885	99,285
Interest Bearing Deposits	<u>169,766</u>	<u>165,238</u>
Total Deposits	261,651	264,523
FHLB Advances / Borrowings	11,844	11,876
Other Liabilities	2,306	2,500
Shareholders' Equity	<u>48,611</u>	<u>46,418</u>
Total Liabilities and Shareholders' Equity	<u>\$324,412</u>	<u>\$325,317</u>

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

	Year ended ended Dec 31, 2013	Three months ended Dec 31, 2013	Three months ended Sep 30, 2013
<u>Interest Income</u>			
Interest Income	\$12,100	\$3,601	\$3,448
Interest Expense	<u>1,221</u>	<u>300</u>	<u>318</u>
Net Interest Income	10,879	3,301	3,130
Provision for Loan Losses	<u>735</u>	<u>121</u>	<u>374</u>
Net Interest Income after Provision for Loan Losses	10,144	3,180	2,756
Other Income	2,853	1,595	423
Operating Expenses	<u>8,577</u>	<u>2,245</u>	<u>2,386</u>
Operating Income	4,420	2,530	793
Income Taxes	<u>1,295</u>	<u>437</u>	<u>337</u>
Net Earnings	<u>\$3,125</u>	<u>\$2,093</u>	<u>\$456</u>
<u>Selected Ratios:</u>			
Earnings Per Share (Weighted Average Shares)	\$0.81	\$0.51	\$0.11
Tangible Book Value Per Share		\$11.67	\$11.20
Tier 1 Leverage Ratio		14.15%	13.16%
Total Risk Based Capital Ratio		18.57%	19.29%
<u>Asset Quality</u>			
(Non-Performing Assets + 90 Days Past Due Accruing) divided by (Equity + Allowance for Loan Losses)		1.64%	2.99%

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 4,089,384.

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.