



PRESIDIO BANK

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PRESS RELEASE

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FOR IMMEDIATE RELEASE:

PRESIDIO BANK ANNOUNCES COMPLETION OF \$10 MILLION PRIVATE PLACEMENT OF SUBORDINATED DEBT

San Francisco, CA, October 22, 2014: Presidio Bank (OTCBB: PDOB), a Bay Area business bank, announced today the completion of a private placement of \$10 million in aggregate principal amount of subordinated notes to certain accredited investors. The subordinated notes bear a fixed interest rate of 8% per annum, payable quarterly, and mature on September 30, 2024. The Bank estimates that the net proceeds from the sale of the notes will be approximately \$9.5 million, and the notes are expected to qualify as Tier 2 capital for regulatory purposes. The Bank intends to use the net proceeds from this offering to support continued organic growth.

“We are pleased to announce the completion of this capital raise,” said Presidio Bank President and CEO, Steve Heitel. “Presidio Bank is proud to successfully access the subordinated debt market and we plan to use this additional capital to continue to execute our growth strategy in the San Francisco Bay Area.”

Sandler O’Neill & Partners served as the sole placement agent for Presidio Bank and Manatt, Phelps & Phillips served as legal counsel in the transaction.

About Presidio Bank

Presidio Bank provides business banking services to small and mid-size businesses, including professional service firms, real estate developers and investors, and not-for-profit organizations, and to their owners who desire personalized, responsive service with access to local decision makers. Presidio Bank offers clients the resources of a large bank combined with the personalized services of a neighborhood bank. Presidio Bank is headquartered in San Francisco, California and currently operates four banking offices in San Francisco, Walnut Creek, San Rafael and Palo Alto. A new San Mateo office is scheduled to open in November 2014. More information is available at www.presidiobank.com. Presidio Bank is a member of FDIC and an Equal Housing Lender.

Important Information

This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities. The securities sold have not been registered under the Securities Act of 1933, as amended, or the securities laws of any other jurisdiction.

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This press release contains certain forward-looking statements that involve risk and uncertainties. These statements are identifiable by use of the words "believe," "expect," "intend," "anticipate," "plan," "estimate," "project," or similar expressions. The risks and uncertainties that may affect the operations, performance, development, growth projections and results of Presidio Bank's business include, but are not limited to, the growth of the economy, interest rate movements, changes in the financial performance and/or condition of our loan and deposit customers, changes in the levels of performing and nonperforming assets and charge-offs, timely development by Presidio Bank of technology enhancements for its products and operating systems, the impact of competitive products, services and pricing, acts of war or terrorism, or natural disasters, such as earthquakes, client-based requirements, federal and state legislation and regulatory developments, the ability to retain or increase market share, retain or grow customers and control expenses, changes in regulatory or generally accepted accounting principles and similar matters. Readers are cautioned not to place undue reliance on forward-looking statements which are subject to influence by the named risk factors and unanticipated future events. Actual results, accordingly, may differ materially from management expectations. Presidio Bank undertakes no obligation to update such forward-looking statements except as required by law.

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