



# PRESIDIO BANK

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## PRESS RELEASE

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**FOR IMMEDIATE RELEASE:**

## PRESIDIO BANK REPORTS RESULTS FOR THE SECOND QUARTER 2016

San Francisco, CA, July 21, 2016: Presidio Bank (OTCBB: PDOB), a Bay Area business bank, today reported unaudited results for the second quarter ended June 30, 2016 with Net Income of \$1,149 thousand, up 22% from the quarter ended March 31, 2016 and up 65% from the second quarter 2015. For the six months ended June 30, 2016, Net Income was \$2,090 thousand, up 77% over the same period a year ago.

“We are pleased to report another quarter of strong profit growth,” said Presidio Bank President and CEO Steve Heitel. “Compared to the same quarter last year, loans were up almost \$100 million, revenue was up 22% and expenses increased by only 7%. This represents another significant step to achieving the profitability and efficiency metrics we are striving for.”

### Financial Highlights

- Total Loans Outstanding increased \$22 million or 4% from the quarter ended March 31, 2016 and increased \$99 million or 22% over the second quarter 2015. Despite a somewhat higher than average loan payoffs anticipated in the second half of the year, the loan pipeline remains solid and net loan growth is expected to continue.
- Total Deposits decreased by \$37 million from the quarter ended March 31, 2016 but increased by \$24 million from the second quarter of 2015. This decline had been expected due to a build-up of temporary deposits in the past three quarters. Non-Interest Bearing Demand Deposits remain at 37% of Total Deposits.
- Net Interest Income of \$5.9 million in the second quarter of 2016 was down 1% from the first quarter of 2016 and up 24% from the second quarter of 2015. The decline from the first quarter of 2016 was primarily due to a decrease in loan fees recognized in the second quarter. Net Interest Margin decreased during the quarter to 3.70% from 3.86% in the first quarter of 2016 due to lower loan fees and a 6 basis point decline in loan yields during the quarter. Deposit costs and cost of funds were flat for the quarter. Net Interest Margin was 3.40% for the second quarter of 2015.
- Operating Expenses decreased 13% from the first quarter of 2016. Compensation and Benefits Expense is seasonally high in the first quarter. In addition, there were a number of one-time expense items in the first quarter that inflated expense totals for that period. Operating Expenses increased 7% over the second quarter of 2015. Compensation and Benefits Expense was up 5% due to a modest increase in headcount; Occupancy and Equipment Expense was up 3% due to a lease extension on the San Francisco Office; and Data Processing Expense was up 10% due to higher volumes. Net Income Applicable to Common Shareholders was \$1,149 thousand for the second quarter of 2016, up 22% from the first quarter of 2016 and up 112% from the second quarter of 2015. The disproportionate increase over the second quarter of 2015 is due primarily to elimination of dividends on the Bank’s Perpetual Preferred Stock which was fully redeemed in the third quarter of 2015.



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- Credit quality is unchanged and strong with a classified to capital ratio of 3.9%, up slightly from 3.8% in the first quarter due to a nominally higher balance on a classified line of credit. The number of classified borrowers declined during the quarter from six to four. The Allowance for Loans Losses increased by \$67 thousand to \$6.4 million due to loan growth during the quarter. The Allowance for Loan Losses now covers Non-Performing Loans by almost six times. The Bank has one non-performing loan totaling \$1.1 million.
- Diluted earnings per common share were \$0.19 for the quarter compared to \$0.16 in the first quarter of 2016 and \$0.12 in the second quarter of 2015.
- Book value per share increased to \$10.82 per share as of June, 2016 from \$10.75 per share at March 31, 2016 and \$10.27 per share at June 30, 2015. The increase in book value was muted by stock option exercises that have added nearly \$6 million of capital during the first half of 2016 and raised the Tier 1 Risk-Based Capital ratio to above 10% at quarter end.

“On July 26, 2016, Presidio Bank will be celebrating its Tenth Anniversary,” said Presidio Bank Chairman and Founder, Jim Woolwine. “During this time, the Bank has built a great team, established five offices in key Bay Area locations, grown to more than \$600 million in assets and made significant contributions to the communities that we serve. We look forward to building on this strong foundation.”

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## 2<sup>nd</sup> Quarter 2016 Financial Results

(Dollars in thousands, except per share amounts, unaudited)

### Condensed Balance Sheet

	<u>6/30/2016</u>	<u>3/31/2016</u>	<u>Change</u>	<u>6/30/2015</u>	<u>Change</u>	<u>12/31/2015</u>	<u>Change</u>
Cash and due from banks	9,430	12,723	-25.9%	501	1782.2%	6,175	52.7%
Interest bearing due from banks	<u>73,324</u>	<u>96,867</u>	<u>-24.3%</u>	<u>126,275</u>	<u>-41.9%</u>	<u>103,211</u>	<u>-29.0%</u>
Total cash and equivalents	82,754	109,590	-24.5%	126,776	-34.7%	109,386	-24.3%
Investment securities	14,456	14,548	-0.6%	14,191	1.9%	15,034	-3.8%
Loans, net of fees	544,577	522,942	4.1%	446,068	22.1%	523,815	4.0%
Allowance for loan losses	<u>(6,368)</u>	<u>(6,301)</u>	<u>1.1%</u>	<u>(5,172)</u>	<u>23.1%</u>	<u>(6,301)</u>	<u>1.1%</u>
Net loans	538,209	516,641	4.2%	440,896	22.1%	517,514	4.0%
Premises and equipment, net	1,101	1,155	-4.7%	1,381	-20.3%	1,231	-10.6%
Other assets and interest receivable	<u>11,264</u>	<u>11,274</u>	<u>-0.1%</u>	<u>10,660</u>	<u>5.7%</u>	<u>11,102</u>	<u>1.5%</u>
Total assets	647,784	653,208	-0.8%	594,308	9.0%	654,267	-1.0%
Non-interest-bearing demand	201,121	210,872	-4.6%	190,129	5.8%	210,997	-4.7%
Interest bearing transaction	83,121	104,147	-20.2%	67,403	23.3%	78,359	6.1%
Money market and savings accounts	213,227	220,936	-3.5%	207,446	2.8%	249,876	-14.7%
Time deposits	<u>42,755</u>	<u>40,827</u>	<u>4.7%</u>	<u>51,046</u>	<u>-16.2%</u>	<u>40,118</u>	<u>6.6%</u>
Total deposits	540,224	576,782	-6.3%	516,024	4.7%	579,350	-6.8%
Borrowings	37,510	9,773	283.8%	9,880	NM	9,891	279.2%
Other liabilities	<u>6,272</u>	<u>6,629</u>	<u>-5.4%</u>	<u>7,079</u>	<u>-11.4%</u>	<u>7,472</u>	<u>-16.1%</u>
Total liabilities	584,006	593,184	-1.5%	532,983	9.6%	596,713	-2.1%
Preferred stock	-	-	NM	6,869	-100.0%	-	NM
Common stock	62,807	60,248	4.2%	56,375	11.4%	58,796	6.8%
Retained earnings	989	(160)	718.1%	(2,264)	143.7%	(1,100)	189.9%
Other comprehensive income	<u>(18)</u>	<u>(64)</u>	<u>71.9%</u>	<u>(59)</u>	<u>69.5%</u>	<u>(142)</u>	<u>87.3%</u>
Total shareholder's equity	<u>63,778</u>	<u>60,024</u>	<u>6.3%</u>	<u>60,921</u>	<u>4.7%</u>	<u>57,554</u>	<u>10.8%</u>
Total liabilities and equity	<u>647,784</u>	<u>653,208</u>	<u>-0.8%</u>	<u>593,904</u>	<u>9.1%</u>	<u>654,267</u>	<u>-1.0%</u>

### Book value per share

Book value per share	\$ 10.82	\$ 10.75		\$ 10.27		\$ 10.51
Total shares outstanding EOP	5,893	5,581		5,261		5,477

### Capital Ratios

Tier 1 leverage ratio	9.8%	9.5%		10.6%		9.0%
Tier 1 risk-based capital ratio	10.1%	9.8%		11.7%		9.4%
Total risk-based capital ratio	12.8%	12.5%		14.7%		12.2%
Tangible common risk-based ratio	10.1%	9.8%		10.4%		9.4%

**Condensed Statement of Income**
*(Dollars in thousands, except per share amounts, unaudited)*

	For the three months ended					For the six months ended		
	6/30/2016	3/31/2016	Change Fav./ (Unfav.)	6/30/2015	Change Fav./ (Unfav.)	6/30/2016	6/30/2015	Change Fav./ (Unfav.)
Interest income	6,309	6,372	(1.0%)	5,171	22.0%	12,681	10,167	24.7%
Interest expense	<u>436</u>	<u>413</u>	(5.6%)	<u>428</u>	(1.9%)	<u>849</u>	<u>833</u>	(1.9%)
Net interest income	5,873	5,959	(1.4%)	4,743	23.8%	11,832	9,334	26.8%
Provision for loan loss	<u>67</u>	<u>-</u>	NM	<u>-</u>	NM	<u>67</u>	<u>-</u>	NM
Net interest income after provision	5,806	5,959	(2.6%)	4,743	22.4%	11,765	9,334	26.0%
Other income	161	171	(5.8%)	183	(12.0%)	333	352	(5.4%)
Compensation and benefit expenses	2,424	3,044	20.4%	2,301	(5.3%)	5,468	4,896	(11.7%)
Occupancy and equipment expenses	531	516	(2.9%)	432	(22.9%)	1,046	878	(19.1%)
Data processing	304	323	5.9%	277	(9.7%)	627	564	(11.2%)
Professional and legal	141	136	(3.7%)	191	26.2%	276	301	8.3%
Other operating expenses	<u>593</u>	<u>553</u>	(7.2%)	<u>542</u>	(9.4%)	<u>1,149</u>	<u>1,053</u>	(9.1%)
Total operating expenses	<u>3,993</u>	<u>4,572</u>	12.7%	<u>3,743</u>	(6.7%)	<u>8,566</u>	<u>7,692</u>	(11.4%)
Net income before taxes	1,974	1,558	26.7%	1,183	66.9%	3,532	1,994	77.1%
Income taxes	<u>825</u>	<u>618</u>	(33.5%)	<u>487</u>	(69.4%)	<u>1,442</u>	<u>815</u>	(76.9%)
Net income	1,149	940	22.2%	696	65.1%	2,090	1,179	77.3%
Preferred dividends	<u>-</u>	<u>-</u>	NM	<u>155</u>	NM	<u>-</u>	<u>276</u>	100.0%
Net income to common	<u>1,149</u>	<u>940</u>	22.2%	<u>541</u>	112.4%	<u>2,090</u>	<u>903</u>	131.5%

**Earnings Per Share**

Basic earnings per share	\$ 0.20	\$ 0.17	\$ 0.13	\$ 0.37	\$ 0.21
Diluted earnings per share	\$ 0.19	\$ 0.16	\$ 0.12	\$ 0.36	\$ 0.20
Basic shares outstanding	5,713	5,517	4,315	5,614	4,268
Diluted shares outstanding	5,922	5,756	4,546	5,838	4,504

**Performance Ratios**

Return on average assets	0.71%	0.59%	0.48%	0.65%	0.43%
Return on average common equity	7.46%	6.40%	5.00%	6.95%	4.28%
Net interest margin	3.70%	3.86%	3.40%	3.78%	3.51%
Cost of funds	0.30%	0.29%	0.33%	0.30%	0.34%
Efficiency ratio	66.2%	74.6%	76.1%	70.4%	79.5%

**Average Balances**

Total assets	653,042	636,043	575,636	644,540	547,550
Earning assets	638,560	621,240	561,247	629,900	535,648
Total loans	531,739	522,422	424,455	527,081	419,222
Total deposits	568,518	558,000	508,336	563,259	483,315
Common equity	61,945	59,117	43,205	60,514	42,406

*NM = Not Meaningful*

## Condensed Balance Sheet (5 Quarter Data)

(Dollars in thousands, except per share amounts, unaudited)

	<u>6/30/2016</u>	<u>3/31/2016</u>	<u>12/31/2015</u>	<u>9/30/2015</u>	<u>6/30/2015</u>
Cash and due from banks	9,430	12,723	6,175	8,984	501
Interest bearing due from banks	<u>73,324</u>	<u>96,867</u>	<u>103,211</u>	<u>108,898</u>	<u>126,275</u>
Total cash and equivalents	82,754	109,590	109,386	117,882	126,776
Investment securities	14,456	14,548	15,034	14,203	14,191
Loans, net of fees	544,577	522,942	523,815	475,466	446,068
Allowance for loan losses	<u>(6,368)</u>	<u>(6,301)</u>	<u>(6,301)</u>	<u>(5,594)</u>	<u>(5,172)</u>
Net loans	538,209	516,641	517,514	469,872	440,896
Premises and equipment, net	1,101	1,155	1,231	1,313	1,381
Other assets and interest receivable	<u>11,264</u>	<u>11,274</u>	<u>11,102</u>	<u>10,829</u>	<u>10,660</u>
Total assets	647,784	653,208	654,267	614,099	593,904
Non-interest-bearing demand	201,121	210,872	210,997	204,348	190,129
Interest bearing transaction	83,121	104,147	78,359	69,142	67,403
Money market and savings accounts	213,227	220,936	249,876	216,602	207,446
Time deposits	<u>42,755</u>	<u>40,827</u>	<u>40,118</u>	<u>44,388</u>	<u>51,046</u>
Total deposits	540,224	576,782	579,350	534,480	516,024
Borrowings	37,510	9,773	9,891	9,767	9,880
Other liabilities	<u>6,272</u>	<u>6,629</u>	<u>7,472</u>	<u>15,020</u>	<u>7,079</u>
Total liabilities	584,006	593,184	596,713	559,267	532,983
Preferred stock		-	-	-	6,869
Common stock	62,807	60,248	58,796	56,789	56,375
Retained earnings	989	(160)	(1,100)	(1,824)	(2,264)
Other comprehensive income	<u>(18)</u>	<u>(64)</u>	<u>(142)</u>	<u>(133)</u>	<u>(59)</u>
Total shareholder's equity	<u>63,778</u>	<u>60,024</u>	<u>57,554</u>	<u>54,832</u>	<u>60,921</u>
Total liabilities and equity	<u>647,784</u>	<u>653,208</u>	<u>654,267</u>	<u>614,099</u>	<u>593,904</u>
<b>Book value per share</b>					
Book value per share	\$ 10.82	\$ 10.75	\$ 10.51	\$ 10.37	\$ 10.27
Total shares outstanding EOP	5,893	5,581	5,477	5,288	5,261
<b>Capital Ratios</b>					
Tier 1 leverage ratio	9.8%	9.5%	9.0%	9.1%	10.6%
Tier 1 risk-based capital ratio	10.1%	9.8%	9.4%	9.7%	11.6%
Total risk-based capital ratio	12.8%	12.5%	12.2%	12.6%	14.6%
Tangible common risk-based ratio	10.1%	9.8%	9.4%	9.7%	10.3%

## Condensed Statement of Income (5 Quarter Data)

(Dollars in thousands, except per share amounts, unaudited)

	For the three months ended				
	<u>6/30/2016</u>	<u>3/31/2016</u>	<u>12/31/2015</u>	<u>9/30/2015</u>	<u>6/30/2015</u>
Interest income	6,309	6,372	5,860	5,557	5,171
Interest expense	<u>436</u>	<u>413</u>	<u>409</u>	<u>421</u>	<u>428</u>
Net interest income	5,873	5,959	5,451	5,136	4,743
Provision for loan loss	<u>67</u>	<u>-</u>	<u>707</u>	<u>422</u>	<u>-</u>
Net interest income after provision	5,806	5,959	4,744	4,714	4,743
Other income	161	171	158	191	183
Compensation and benefit expenses	2,424	3,044	2,441	2,331	2,301
Occupancy and equipment expenses	531	516	441	445	432
Data processing	304	323	299	289	277
Professional and legal	141	136	114	116	191
Other operating expenses	<u>593</u>	<u>553</u>	<u>575</u>	<u>584</u>	<u>542</u>
Total operating expenses	<u>3,993</u>	<u>4,572</u>	<u>3,870</u>	<u>3,765</u>	<u>3,743</u>
Net income before taxes	1,974	1,558	1,032	1,140	1,183
Income taxes	<u>825</u>	<u>618</u>	<u>329</u>	<u>480</u>	<u>487</u>
Net income	1,149	940	703	660	696
Preferred dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>231</u>	<u>155</u>
Net income to common	<u>1,149</u>	<u>940</u>	<u>703</u>	<u>429</u>	<u>541</u>

### Earnings Per Share

Basic earnings per share	\$ 0.20	\$ 0.17	\$ 0.13	\$ 0.04	\$ 0.13
Diluted earnings per share	\$ 0.19	\$ 0.16	\$ 0.13	\$ 0.08	\$ 0.12
Average shares outstanding	5,713	5,517	5,328	5,263	4,296
Average diluted shares	5,922	5,756	5,598	5,515	4,526

### Performance Ratios

Return on average assets	0.71%	0.59%	0.41%	0.45%	0.48%
Return on average common equity	7.46%	6.38%	4.62%	3.84%	5.00%
Net interest margin	3.70%	3.86%	3.48%	3.43%	3.43%
Cost of funds	0.30%	0.29%	0.29%	0.30%	0.32%
Efficiency ratio	66.2%	74.6%	70.0%	70.2%	76.1%

### Average Balances

Total assets	653,042	636,043	638,463	606,634	575,636
Earning assets	638,560	621,240	624,057	592,748	561,247
Total loans	531,739	522,422	484,924	453,483	424,455
Total deposits	568,518	558,000	564,379	527,295	508,336
Common equity	61,945	59,117	56,197	54,963	43,205

## Loans (5 Quarter Data)

(Dollars in Thousands, unaudited)

	<u>6/30/2016</u>	<u>3/31/2016</u>	<u>12/31/2015</u>	<u>9/30/2015</u>	<u>6/30/2015</u>
Commercial real estate	244,457	226,555	224,220	207,595	205,796
Land and construction	38,714	47,960	42,493	35,109	29,380
Commercial	150,613	145,127	153,853	142,134	131,263
Personal	35,376	30,465	27,103	23,367	17,214
Residential	26,852	25,013	30,212	26,077	27,589
Multifamily	49,379	48,659	46,827	41,998	35,584
Deferred loan fees	<u>(813)</u>	<u>(837)</u>	<u>(893)</u>	<u>(813)</u>	<u>(758)</u>
Loans	544,577	522,942	523,814	475,466	446,068
Allowance for loan losses	<u>(6,368)</u>	<u>(6,301)</u>	<u>(6,301)</u>	<u>(5,594)</u>	<u>(5,172)</u>
Net loans	538,209	516,641	517,514	469,872	440,896

## Non-Performing Assets (5 Quarter Data)

(Dollars in Thousands, unaudited)

	<u>6/30/2016</u>	<u>3/31/2016</u>	<u>12/31/2015</u>	<u>9/30/2015</u>	<u>6/30/2015</u>
Non-Accrual Loans	1,074	1,094	1,213	1,232	1,252
Non-Performing Loans (NPL)	1,074	1,094	1,213	1,232	1,252
Other Real Estate Owned	-	-	-	-	-
Non-Performing Assets (NPA)	1,074	1,094	1,213	1,232	1,252
90+ Days Delinquent	-	-	-	-	-
NPAs & 90 Day Delinquent	1,074	1,094	1,213	1,232	1,252
Quarterly Net Charge-offs	-	-	-	-	-
NPAs / Assets %	0.17%	0.17%	0.19%	0.20%	0.21%
NPAs & 90 Day / Assets %	0.17%	0.17%	0.19%	0.20%	0.21%
NPAs / Actual Loans and OREO %	0.17%	0.17%	0.19%	0.20%	0.21%
Loan Loss Reserves / Loans (%)	1.17%	1.20%	1.20%	1.18%	1.16%

## Net Interest Income

(Dollars in Thousands, unaudited)

For the Three Months Ended

	6/30/2016			6/30/2015		
	Average Balance	Interest Income / Expense	Average Rate	Average Balance	Interest Income / Expense	Average Rate
<b>Assets:</b>						
Interest-bearing deposits	\$ 92,265	\$ 110	0.48 %	\$ 122,557	\$ 79	0.26 %
Federal Reserve and Federal Home Loan Bank stock	3,969	69	7.02	3,319	117	14.14
Investment Securities	10,587	37	1.39	10,917	35	1.29
Loans: (2)						
Commercial Real Estate	148,278	1,687	4.58	134,739	1,544	4.60
Land and Construction	41,350	493	4.80	18,179	241	5.31
Commercial Real Estate Residential	232,950	2,721	4.70	192,965	2,300	4.78
Multifamily	26,389	276	4.21	24,761	256	4.15
Personal	48,959	579	4.75	35,971	422	4.70
	<u>33,814</u>	<u>338</u>	4.02	<u>17,840</u>	<u>177</u>	3.99
Total Loans	<u>531,739</u>	<u>6,093</u>	4.61	<u>424,455</u>	<u>4,941</u>	4.67
Total Earning Assets	638,560	<u>6,309</u>	3.97	561,248	<u>5,172</u>	3.70
Allowance for loan losses	(6,306)			(6,306)		
Cash and cash equivalents	9,298			7,638		
Other assets	<u>11,491</u>			<u>13,056</u>		
<b>Total Assets</b>	<b>\$ <u>653,042</u></b>			<b>\$ <u>575,636</u></b>		
<b>Liabilities:</b>						
Interest-bearing deposits:						
Interest-bearing NOW deposits	\$ 91,645	\$ 46	0.20 %	\$ 72,765	\$ 39	0.22 %
Money market deposits	223,106	127	0.23	206,924	118	0.23
Savings deposits	3,666	1	0.12	2,357	1	0.11
Certificates and other time deposits	<u>42,288</u>	<u>44</u>	0.42	<u>50,924</u>	<u>59</u>	0.47
Total Interest-bearing Deposits	360,705	219	0.24	332,970	217	0.26
Borrowings	<u>15,863</u>	<u>217</u>	5.51	<u>9,884</u>	<u>211</u>	8.66
Total Interest-bearing Liabilities	376,568	436	0.47	342,854	428	0.51
Noninterest-bearing deposits	208,142			175,367		
Other liabilities	<u>6,417</u>			<u>7,344</u>		
Total Liabilities	591,127			525,565		
Stockholders' Equity	<u>61,915</u>			<u>50,071</u>		
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ <u>653,042</u></b>			<b>\$ <u>575,636</u></b>		
<b>Net Interest Income</b>		<b>\$ 5,873</b>			<b>\$ 4,743</b>	
<b>Net Interest Margin</b>			<b>3.70 %</b>			<b>3.40 %</b>
<b>Cost of funds</b>			<b>0.30 %</b>			<b>0.33 %</b>



## Net Interest Income

(Dollars in Thousands, unaudited)

For the Six Months Ended

	6/30/2016			6/30/2015		
	Average Balance	Interest Income/Expense	Average Rate	Average Balance	Interest Income/Expense	Average Rate
<b>Assets:</b>						
Interest-bearing deposits	\$ 88,129	\$ 227	0.52 %	\$ 102,169	\$ 127	0.25 %
Federal Reserve and Federal Home Loan Bank stock	3,865	135	7.05	3,206	168	10.59
Investment Securities	10,826	75	1.39	11,051	71	1.29
Loans: (2)						
Commercial Real Estate	149,450	3,531	4.75	132,714	3,058	4.65
Land and Construction	43,139	1,076	5.01	16,406	446	5.48
Commercial Real Estate	228,758	5,341	4.70	193,220	4,624	4.83
Residential	27,048	565	4.20	24,355	503	4.16
Multifamily	46,946	1,098	4.71	35,262	820	4.69
Personal	<u>31,740</u>	<u>633</u>	4.01	<u>17,265</u>	<u>351</u>	4.09
Total Loans	<u>527,081</u>	<u>12,245</u>	4.67	<u>419,222</u>	<u>9,801</u>	4.71
Total Earning Assets	629,900	<u>12,681</u>	4.05	535,648	<u>10,167</u>	3.83
Allowance for loan losses	(6,306)			(6,306)		
Cash and cash equivalents	9,313			7,819		
Other assets	<u>11,633</u>			<u>10,388</u>		
<b>Total Assets</b>	\$ <u>644,540</u>			\$ <u>547,550</u>		
<b>Liabilities:</b>						
Interest-bearing deposits:						
Interest-bearing NOW deposits	\$ 87,231	\$ 89	0.20 %	\$ 70,832	\$ 77	0.22 %
Money market deposits	221,025	250	0.23	193,939	214	0.22
Savings deposits	3,408	2	0.13	2,448	1	0.12
Certificates and other time deposits	<u>41,095</u>	<u>79</u>	0.38	<u>50,913</u>	<u>118</u>	0.47
Total Interest-bearing Deposits	352,759	419	0.24	318,132	410	0.26
Borrowings	<u>13,630</u>	<u>430</u>	6.34	<u>9,897</u>	<u>422</u>	8.60
Total Interest-bearing Liabilities	366,389	849	0.47	328,029	833	0.51
Noninterest-bearing deposits	210,500			165,183		
Other liabilities	<u>7,138</u>			<u>5,062</u>		
Total Liabilities	584,027			498,274		
Stockholders' Equity	<u>60,514</u>			<u>49,275</u>		
<b>Total Liabilities and Stockholders' Equity</b>	\$ <u>644,540</u>			\$ <u>547,550</u>		
<b>Net Interest Income</b>		\$ 11,832			\$ 9,334	
<b>Net Interest Margin</b>			3.78 %			3.51 %
<b>Cost of funds</b>			0.30 %			0.34 %



## About Presidio Bank

Presidio Bank celebrates ten years of providing 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 five banking offices in San Francisco, Walnut Creek, San Rafael, San Mateo and Palo Alto. More information is available at [www.presidiobank.com](http://www.presidiobank.com). Presidio Bank is a member of FDIC and an Equal Housing Lender.

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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, timely development by Presidio Bank of technology enhancements for its products and operating systems, the impact of competitive products, services and pricing, client-based requirements, Congressional legislation, 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.*