



The Network July 2010

Networking can be an overused word. We hear it termed for everything from technology to business events but the concept is the same...an interconnected system of people or things. Today, more than ever, we hear clients say that they value any opportunity to network. Presidio Bank was founded on this model and our engaged group of investors, clients, and employees recognize the value in tapping this knowledge and expertise. These savvy leaders keep in touch with current trends through their powerful network of business colleagues.

In fact, we had a chance to visit with many of you at our shareholder meeting and reception. Business and not-for-profit organizations utilized the opportunity to share their thoughts about current market conditions and exchange ideas in a comfortable setting (i.e., tasting wine at the City Club). Continuing in that spirit, we want everyone who is part of the Bank to be linked and reap the value of our relationships.

This redesigned newsletter solidifies the power of the Presidio Bank network. Our energetic, talented, and well-connected network differentiates us from other banks and we want to make sure that you are taking advantage of the resources we offer. We will start planning and publicizing events that give members of the Presidio Bank network opportunities to interact and share ideas. Ultimately, we believe that those businesses who collaborate can thrive in any economic environment.

Steve Heitel, President & CEO



Forward Looking Statements

This newsletter 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.



PRESIDIO
BANK

The Community

Clients Making News

Congratulations to the following clients celebrating their 20th Anniversaries:



THE CAC GROUP
COMMERCIAL REAL ESTATE



SF Business Times Book of Lists:

TMG Partners - #1 Largest Commercial Developer in the Bay Area

Awards:



Jensen Landscape & Construction Company – For the second year in a row won Best in Show with the Stuart J. Sperber Memorial Sweepstakes Award for California entries. Additionally, Jensen Corporation Landscape Contractors was awarded the Herb Frank Memorial Award as best entry for all commercial installation categories statewide.



Marcy Wong & Donn Logan Architects – Won two Merit Design Awards. One from AIA East Bay Chapter for their House for Two Artists and one from AIA SF Chapter for their Ford Assembly Building. They also won an Excellence in Design Award and Institutional Honorable Mention from Environmental Design and Construction Magazine for their Freight & Salvage building.



John Jones, Managing Partner, Linkenheimer, LLP - Designated 2009-10 Alumni of the Year by Sonoma State School of Business and Economics. Additionally, won Meritorious International Service Award from Rotary District 5130 for efforts in bringing medical assistance to Nicaragua and other developing countries.

Bay Area Best Places to Work (SF Business Times):

101 – 500 Employees Category

- #5 Heffernan Insurance Brokers
- #23 Edgewood Partners Insurance Center
- #37 Burr Pilger Mayer Inc.

25 - 50 Employees Category

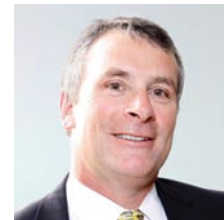
- #15 Forell/Elsesser Engineers Inc.

Creative Affordable Housing Transaction



Presidio Bank invested \$868,606 in a Secured Note offered from HFHEB Funding Company, LLC owned by Habitat for Humanity East Bay. The non-interest bearing Note is secured by First Deeds of Trust on five single family homes developed and recently sold by Habitat for Humanity East Bay. Four of the properties are in Oakland and one is in Antioch. The transaction closed in December 2009 with a term of approximately ten years.

Philanthropy Summit - Executive Panelist



Stephen Mayer, President & CEO of Burr Pilger Mayer Inc., recently presented during the SF Business Times Philanthropy Summit and Awards event. The “BPM” philosophy of giving back to the community is deeply ingrained in the organization, which is a top-down model.

Largest East Bay Property Sale (As of July 2010)



Diverse Steel Sales, Inc. paid \$4.2 million to buy a 105,000 sq ft complex in Pittsburg which enables them to expand their operations. The steel company provided a 10% down payment, Presidio Bank financed 50%, and the Small Business Administration (SBA) provided a second loan to cover 40%. A combination of low commercial real estate costs and low financing rates made it a great opportunity. Diverse Steel shears large steel rolls into smaller rolls and/or sheets that end users can form into specific shapes or modules.

New Connections



Two New Advisory Boards - comprised of local experts

San Francisco Advisory Board:

Bailey S. "Biff" Barnard, Sr.
Founding Partner, Barnard/Montague Capital Advisors

John Ceconi
Founder and Principal, The CAC Group

Larry Colton
Board of Directors, Fort Point Insurance Service

Mike Delagnes
Partner and Founder, Delagnes, Mitchell & Linder LLP

Steve Falk
President & CEO, San Francisco Chamber of Commerce

Greg Labagh
Director and Principal, Shea Labagh & Dobberstein

Steve Mayer
President & CEO, Burr Pilger & Mayer

Barbara Morrison
Founder and President of TMC Development

Jeanne Myerson
President & CEO, The Swig Company

Robert S. Stein
Founding Partner, Stein & Lubin LLP

Mid-Peninsula Advisory Board:

(Left to Right in Photo)

David Kalkbrenner
Principal, Kalkbrenner Consulting

David Sacarelos
Partner and CPA, Seiler LLP

Terrence P. Conner,
Partner, Thoits Love Hershberger & Mclean

William Hurwick
Partner and SVP, Cassidy Turley/ BT Commercial

Alfred V. Pace
President & CEO, Urban Housing Group

Ronnie Lott
Managing Member, Lott Auto Ventures

Annette G. Bialson *(not in photo)*
Founder and COO, Bialson Bergen & Schwab

Recently Joined the Presidio Bank Network

Glide Economic Development Corporation (GEDC)

Presidio Bank's new client, GEDC, developed a 14-story high rise, which provides 81 affordable apartment homes for families, ranging in size from one to four bedrooms. Right next door, GEDC developed 56 studio apartments for the chronically homeless. Currently 100% occupied, these two projects provide much needed housing in San Francisco's Tenderloin area. Together they reinforce both a sense of community and family life. The Development Manager for both projects was Presidio Bank Board Member Paula R. Collins, President of Portfolio Real Estate Consulting Inc., who introduced GEDC to Presidio Bank.



Financial Highlights

Second Quarter 2010

Total Loans:	\$226.6 Million
Total Assets:	\$264.2 Million
Total Deposits:	\$216.7 Million
Total Shareholders' Equity:	\$38.9 Million
Net Income YTD:	\$525,054

At Presidio Bank

Bank News

Mid-Peninsula Regional Office Opens - On April 27, Presidio Bank held a reception in recognition of opening its Mid-Peninsula Office. Team members (in photo order) Sarah Lewis, Steve Heitel, Luke Farley, Brenda Phillips, and Kevin Hutchison are looking forward to working with members of their new community.



BankServ Automation - On April 15, we automated processing for over-the-counter and faxed wire requests. This transition not only increases efficiency but allows clients to receive wire confirmations within minutes.

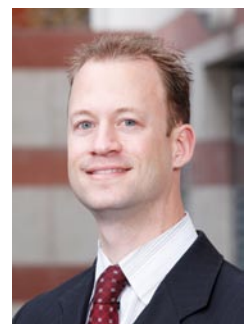
New Federal Tax Filing Guidelines - As of December 31, 2010, banks can no longer accept hard copy tax coupons. You must file online.

Website Redesign - Our website (www.presidiobank.com) is undergoing a redesign in look, feel, and navigation all focused toward allowing easier access of information. Look for it in the Fall of 2010.

Community Commitment

Luke Farley, Mid-Peninsula Office Relationship Manager

Luke is deeply committed to giving back to the community. He mentors two high school freshmen, Eric and Gerry, through KIPP - Knowledge is Power Program, a network of free, open-enrollment, college preparatory public schools dedicated to preparing students in under served communities for success in college and life. Luke recently arranged for 'his' students to have informational interviews with Presidio Bank colleagues. Luke's warm demeanor, dedication to excellence, sense of humor, and years of experience endear him to his clients and coworkers.



For More Information

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