



PRESIDIO BANK

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PRESS RELEASE

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FOR IMMEDIATE RELEASE:

PRESIDIO BANK REPORTS RECORD LOAN GROWTH FOR THE FOURTH QUARTER 2012

Loans up \$49 million for the quarter — exceed \$300 million for the first time

San Francisco, CA, January 29, 2013: Presidio Bank (OTCBB: PDOB), a Bay Area business bank, today reported unaudited results for the quarter and year ended December 31, 2012 with total loans of \$314 million, up 18.5% from September 30, 2012 and up 16% from December 31, 2011. Pre-tax income for the year ending December 31, 2012 was \$2.3 million, up 14.5% from the year ended December 31, 2011.

“After already having a strong year in core deposit growth, I am pleased to see our efforts in loan generation starting to pay off,” said Presidio Bank President and CEO, Steve Heitel. “These results position the Bank for significant income and margin growth in 2013.”

Some key financial highlights for the quarter included:

- **Assets:** Totals assets are \$405 million at December 31, 2012, up \$48 million (13.5%) from December 31, 2011 but down \$10 million (2.4%) from September 30, 2012.
- **Deposits:** Deposits totaled \$357 million at year end, up \$47 million from 2011 but down \$10 million for September 30, 2012 as several large depositors made distributions at year end.
- **Loans:** Loans increased by \$44 million for the year and \$49 million during the quarter.
- **Loan Loss Provision Expense:** Loan loss provision expense was zero for the quarter as credit quality remained stable and strong.
- **Operating Expenses:** Operating expenses for the quarter ending December 31, 2012 were adversely impacted by one-time expenses related to a change of leadership in our East Bay Office, the relocation and expansion of our North Bay office and the United States Treasury’s auction of our TARP securities. In aggregate these expenses totaled more than \$350 thousand in the quarter. We expect to return to our normal expense run rate of approximately \$3 million per quarter in the first quarter of 2013.

“I am extraordinarily proud of the teamwork that produced these results,” said Presidio Bank Chairman and Founder, Jim Woolwine. “To book essentially a year’s worth of loan volume in the course of a quarter was a great way to finish 2012 and start 2013 with terrific momentum.”

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4th Quarter 2012 Financial Results

(Unaudited; dollars in thousands, except per share amounts)

Condensed Balance Sheet Information

	As of		Change	As of	
	12/31/2012	12/31/2011		9/30/2012	Change
Total Assets	\$405,459	\$357,350	13.5%	\$415,329	-2.4%
Loans	\$313,992	\$270,398	16.1%	\$264,889	18.5%
Deposits	\$357,373	\$310,760	15.0%	\$367,814	-2.8%
Total Shareholder's Equity	\$45,876	\$44,691	2.7%	\$45,916	-0.1%
Common Equity	\$34,874	\$33,754	3.3%	\$34,931	-0.2%
Book Value Per Common Share	\$8.46	\$8.25	2.5%	\$8.47	-0.2%

Condensed Statement of Income Information

	For the year ended			For the three months ended		
	12/31/2012	12/31/2011	Change	12/31/2012	9/30/2012	Change
Net Revenue	\$14,481	\$13,943	3.9%	\$3,635	\$3,606	0.8%
Provision for Loan Loss	\$0	\$841	-100.0%	\$0	\$0	NM
Total Operating Expenses	\$12,207	\$11,116	9.8%	\$3,554	\$2,825	25.8%
Net Income Before Taxes	\$2,274	\$1,986	14.5%	\$81	\$780	-89.7%
Income taxes	\$981	(\$4,060)	NM	\$77	\$325	-76.3%
Net Income	\$1,293	\$6,046	-78.6%	\$4	\$456	-99.1%
Preferred Dividends	\$569	\$1,131	-49.7%	\$142	\$142	-0.2%
Net Income to Common	\$724	\$4,915	-85.3%	(\$138)	\$313	-144.1%
Earnings Per Common Share	\$0.18	\$1.22	-85.6%	(\$0.03)	\$0.08	-142.9%
Net Interest Margin	3.6%	4.4%	-16.9%	3.4%	3.5%	-3.1%
Efficiency Ratio	84.3%	79.7%	5.7%	97.8%	78.4%	24.8%
Return on Average Assets	0.3%	2.0%	-83.2%	0.0%	0.5%	-99.8%
Return on Average Common Equity	2.1%	15.7%	-86.7%	-0.4%	3.6%	-110.9%

NM = Not Meaningful

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. More information is available at www.presidiobank.com. Presidio Bank is a member of FDIC and an Equal Housing Lender.

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