



# PRESIDIO BANK

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## PRESS RELEASE

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### FOR IMMEDIATE RELEASE:

## PRESIDIO BANK REPORTS ANOTHER SOLID QUARTER Record Pre-tax Earnings and Strong Deposit Growth

San Francisco, CA, October 25, 2011: Presidio Bank (OTCBB: PDOB), a Bay Area business bank, today reported unaudited third quarter results with a record pre-tax profit of \$837 thousand for the quarter-- more than double the pre-tax profit in any prior quarter in the bank's five year history. Net Income to common shareholders was \$352 thousand.

"We are pleased with our continued revenue, income and asset growth," stated Steve Heitel, Presidio Bank President and CEO. "Our strong capital position and enviable loan quality has allowed us to serve more Bay Area businesses with each passing quarter."

Some key financial highlights for the quarter included:

- **Assets:** Totals assets increased to a record \$328 million at September 30, 2011, up 9% from June 30, 2011 and up 16% from September 30, 2010.
- **Deposits:** In addition to a significant increase in total deposits during the quarter, non-interest bearing demand deposits increased to 31% of total deposits at September 30, 2011, up from 29% the prior quarter.
- **Loans:** Loans declined \$4 million during the quarter due to some anticipated payoffs, however loans were up 12% from September 30, 2010.
- **Expenses:** As anticipated, expenses declined modestly during the quarter as one-time rebranding expenses have diminished.

"While it was a good quarter overall, I am particularly pleased with our core deposit growth," said Presidio Bank Chairman and Founder, Jim Woolwine. "We continue to execute our relationship strategy and prudently grow the bank.."

**Third Quarter 2011 Financial Results**

(Unaudited)

(in thousands, except per share amounts)	<u>Quarter Ended</u> <u>9/30/2011</u>	<u>Quarter Ended</u> <u>6/30/2011</u>	<u>Quarter Ended</u> <u>9/30/2010</u>
<b>Total Assets</b>	\$328,392	\$302,634	\$283,081
<b>Loans</b>	\$257,528	\$261,304	\$230,223
<b>Deposits</b>	\$279,495	\$251,344	\$239,590
<b>Total Shareholder's Equity</b>	\$44,260	\$43,805	\$38,952
<b>Common Equity</b>	\$33,339	\$32,900	\$28,096
<b>Book Value Per Common Share</b>	\$8.15	\$8.04	\$6.97
<b>Revenue</b>	\$3,615	\$3,448	\$2,930
<b>Provision for Loan Loss</b>	\$0	\$591	\$598
<b>Total Operating Expenses</b>	\$2,778	\$2,822	\$2,326
<b>Net Income Before Taxes</b>	\$837	\$34	\$6
<b>Income taxes</b>	\$343	(\$4,721)	\$0
<b>Net Income</b>	\$494	\$4,755	\$6
<b>Preferred Dividends</b>	\$142	\$846	\$0
<b>Net Income to Common</b>	\$352	\$3,909	\$6
<b>Earnings Per Common Share</b>	\$0.09	\$0.96	\$0.00
<b>Net Interest Margin</b>	4.46%	4.59%	4.06%
<b>Efficiency Ratio</b>	76.84%	81.86%	79.38%
<b>Return on Average Assets</b>	0.44%	5.30%	0.00%
<b>Return on Average Common Equity</b>	4.27%	53.68%	0.01%

**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](http://www.presidiobank.com). Presidio Bank is a member of FDIC and an Equal Housing Lender.

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