



PRESIDIO BANK

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PRESS RELEASE

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FOR IMMEDIATE RELEASE:

PRESIDIO BANK REPORTS UNAUDITED RESULTS FOR SECOND QUARTER 2012

San Francisco, CA, July 17, 2012: Presidio Bank (OTCBB: PDOB), a Bay Area business bank, today reported unaudited results for the quarter ended June 30, 2012 with pre-tax income of \$788,978, an increase of 26% over the first quarter and an increase of \$755,086 over the same period in 2011. Due to an extraordinary tax benefit of \$4.7 million recognized in the second quarter of 2011, net income for the quarter ended June 30, 2012 declined by \$4.3 million over the same period in 2011. Total assets and total deposits reached record levels during the quarter, increasing 5.9% and 6.6% respectively over the first quarter of 2012. Total loans increased by 5.5% during the same period.

“We are pleased to report another solid quarter with growth in loans, deposits and profitability,” said Presidio Bank President and CEO, Steve Heitel. “The Bank continues to win new relationships despite an increasingly competitive environment.”

Some key financial highlights for the quarter included:

- **Assets:** Totals assets increased to a record \$393 million, up \$91 million (30%) from June 30, 2011
- **Deposits:** Deposits increased by another \$21 million in the quarter and totaled \$346 million at June 30, 2012.
- **Loans:** Loans increased by \$14 million for the quarter to \$264 million.
- **Loan Loss Provision Expense:** Loan loss provision expense was zero for the quarter as credit quality remained stable and strong.
- **Operating Expenses:** Operating expenses decreased 4.7% from the quarter ended March 31, 2012, and were essentially flat from the quarter ended June 30, 2011.

“The Bank continues to invest in technology to both safeguard client transactions and increase service flexibility,” said Presidio Bank Chairman and Founder, Jim Woolwine. “In the second quarter, we implemented our IronKey online banking security solution to increase client protection against cyber thieves. Shortly, we will be introducing Mobile Banking Technology including Mobile Deposit to increase client convenience.”

2nd Quarter 2012 Financial Results
 (Dollars in thousands, except per share amounts, unaudited)

Condensed Balance Sheet

	As of			As of	
	6/30/2012	3/31/2012	Change Favorable/ (Unfavorable)	6/30/2011	Change Favorable/ (Unfavorable)
Total Assets	\$ 393,437	\$ 371,672	5.9%	\$ 302,634	30.0%
Loans	264,060	250,255	5.5%	261,304	1.1%
Deposits	346,459	325,102	6.6%	251,344	37.8%
Total Shareholder's Equity	45,474	45,024	1.0%	43,805	3.8%
Common Equity	34,504	34,071	1.3%	32,900	4.9%
Book Value Per Common Share	\$ 8.37	\$ 8.29	1.0%	\$ 8.04	4.1%

Condensed Statement of Income

	For the three months ended			For the three months ended	
	6/30/2012	3/31/2012	Change Favorable/ (Unfavorable)	6/30/2011	Change Favorable/ (Unfavorable)
Net Revenue	\$ 3,633	\$ 3,608	0.7%	\$ 3,448	5.4%
Provision for Loan Loss	-	-	NM	591	100.0%
Total Operating Expenses	2,844	2,983	4.7%	2,822	(0.8%)
Net Income Before Taxes	789	624	26.4%	34	2227.9%
Income taxes	323	256	(26.4%)	(4,721)	(106.9%)
Net Income	465	368	26.5%	4,755	(90.2%)
Preferred Dividends	142	142	0.0%	846	(83.2%)
Net Income to Common	323	226	43.0%	3,909	(91.7%)
Earnings Per Common Share	\$ 0.08	\$ 0.06	42.6%	\$ 0.96	(91.7%)
Net Interest Margin	3.7%	4.0%	(6.6%)	4.6%	(19.6%)
Efficiency Ratio	78.3%	82.7%	5.3%	81.9%	4.4%
Return on Average Assets	0.5%	0.4%	18.3%	6.5%	(92.6%)
Return on Average Common Equity	3.8%	2.7%	41.6%	66.0%	(94.3%)

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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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.