



PRESIDIO BANK

One Montgomery St., Suite 2300
San Francisco, CA 94104

PRESS RELEASE

Steve Heitel, President & CEO
415.229.8428

Ed Murphy, EVP/CFO
415.229.8403

MEDIA: Annette Gelinas
SVP/Marketing Director
415.229.8415 (o) / 925.787.2956 (c)
agelinas@presidiobank.com

FOR IMMEDIATE RELEASE:

PRESIDIO BANK REPORTS UNAUDITED RESULTS FOR THIRD QUARTER 2012

Total Assets exceed \$400 million for the first time

San Francisco, CA, October 18, 2012: Presidio Bank (OTCBB: PDOB), a Bay Area business bank, today reported unaudited results for the quarter ended September 30, 2012 with total assets of \$415 million, up 5.5% from June 30, 2012 and up 26% from September 30, 2011. Pre-tax income for the quarter ending September 30, 2012 was \$780,211, down 1% from the quarter ended June 30, 2012. For the nine months ending September 30, 2012, pre-tax income was up 84% over the same period in 2011.

“Exceeding \$400 million in assets reflects the achievement of another significant milestone in our development,” said Presidio Bank President and CEO, Steve Heitel. “Growth in new relationships and deposits continues to be strong, while we are also seeing increased activity in our loan pipeline.”

Some key financial highlights for the quarter included:

- **Assets:** Totals assets increased to a record \$415 million, up \$87 million (26%) from September 30, 2011
- **Deposits:** Deposits increased by another \$21 million in the quarter and totaled a record \$368 million at September 30, 2012.
- **Loans:** Loans increased by \$1 million for the quarter to \$265 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 1% from the quarter ended June 30, 2012.

“Despite the challenges presented by the low interest rate environment, which compresses our margins, the Bank continues to grow and show impressive year over year earnings improvement.” said Presidio Bank Chairman and Founder, Jim Woolwine. “With four regional offices located in prime business hubs in the Bay Area combined with our experienced team and strong credit quality, Presidio Bank is well positioned for the future.”

3rd Quarter 2012 Financial Results
 (Dollars in thousands, except per share amounts, unaudited)

Condensed Balance Sheet

	As of			As of	
	9/30/2012	6/30/2012	Change Favorable/ (Unfavorable)	9/30/2011	Change Favorable/ (Unfavorable)
Total Assets	\$ 415,329	\$ 393,437	5.6%	\$ 328,392	26.5%
Loans	264,889	264,060	0.3%	257,528	2.9%
Deposits	367,814	346,459	6.2%	279,495	31.6%
Total Shareholder's Equity	45,916	45,474	1.0%	44,260	3.7%
Common Equity	34,931	34,504	1.2%	33,339	4.8%
Book Value Per Common Share	\$ 8.47	\$ 8.37	1.2%	\$ 8.15	4.0%

Condensed Statement of Income

	For the three months ended			For the three months ended		For the nine months ended		
	9/30/2012	6/30/2012	Change Favorable/ (Unfavorable)	9/30/2011	Change Favorable/ (Unfavorable)	9/30/2012	9/30/2011	Change Favorable/ (Unfavorable)
Net Revenue	\$ 3,606	\$ 3,633	(0.8%)	\$ 3,615	(0.3%)	\$ 10,847	\$ 10,386	4.4%
Provision for Loan Loss	-	-	NM	-	NM	-	820	100.0%
Total Operating Expenses	2,825	2,844	0.7%	2,778	(1.7%)	8,653	8,375	(3.3%)
Net Income Before Taxes	780	789	(1.1%)	837	(6.8%)	2,193	1,191	84.1%
Income taxes	325	323	(0.5%)	343	5.2%	904	(4,374)	(120.7%)
Net Income	456	465	(2.1%)	494	(7.8%)	1,289	5,566	(76.8%)
Preferred Dividends	142	142	0.0%	142	0.0%	427	988	(56.8%)
Net Income to Common	313	323	(3.1%)	352	(10.9%)	862	4,577	(81.2%)
Earnings Per Common Share	\$ 0.08	\$ 0.08	(1.6%)	\$ 0.09	(11.2%)	\$ 0.21	\$ 1.14	(81.5%)
Net Interest Margin	3.5%	3.7%	(5.1%)	4.5%	(22.2%)	3.7%	4.5%	(18.0%)
Efficiency Ratio	78.4%	78.3%	(0.1%)	76.8%	(2.0%)	79.8%	80.6%	1.1%
Return on Average Assets	0.5%	0.5%	(5.8%)	0.6%	(24.0%)	0.4%	1.8%	(75.6%)
Return on Average Common Equity	3.6%	3.8%	(4.3%)	4.2%	(14.1%)	3.3%	15.0%	(77.8%)

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.