

## Locations

### San Francisco

One Montgomery St., Suite 2300  
San Francisco, CA 94104  
415.229.8400

### Mid-Peninsula

325 Lytton Ave., Suite 100  
Palo Alto, CA 94301  
650.321.0500

### North Bay

999 5th Ave., Suite 300  
San Rafael, CA 94901  
415.456.6000

### East Bay

1850 Mt. Diablo Blvd., Suite 640  
Walnut Creek, CA 94596  
925.287.7880

## Board of Directors

Craig F. Andersen  
Paula Collins

Michael A. Covarrubias  
Stephen G. Heitel  
Robert B. Leet

Stephen D. Mayer  
Gregory J. Moss  
James R. Woolwine

## Management Team

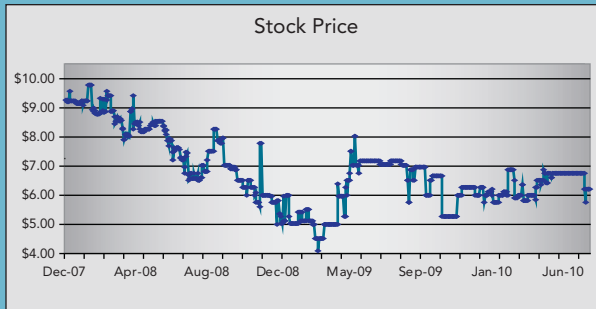
James R. Woolwine, Chairman  
Stephen G. Heitel, President & CEO  
Todd Allen, EVP/President, North Bay  
Fred Bailard, EVP/Mgr, Cash Mgmt Solutions  
Mary Leonard-Wilson, EVP/CCO  
Edward J. Murphy, EVP/CFO  
Vern Padgett, EVP/President, East Bay  
Sherry A. Price, EVP/COO

Ticker Symbol: PDOB  
[www.presidiobank.com](http://www.presidiobank.com)



# Quarterly Report

Period ended  
June 30, 2010



## FINANCIAL HIGHLIGHTS

### PROFITABILITY

- Continued momentum by earning \$323,746 in net income for the quarter
- Current profit of \$525,054 for the year

### EXPENSE CONTROL

- Operating expenses increased by only 2% compared to 43% increase in revenue

### PRUDENT GROWTH

- Core deposits grew 3% in the 2<sup>nd</sup> quarter and more than 11% year-to-date
- Non-interest bearing demand deposits grew 21% in the quarter and 33% year-to-date

### MARGINS

- Net Interest Margin (NIM) improved to 4.33% for the 2<sup>nd</sup> quarter, up from 4.15% in the 1<sup>st</sup> quarter
- Loan Yield of 5.69% improved from 5.49%
- Deposit Costs of .66% declined from .70%

### GOOD CREDIT QUALITY

- Credit quality remained strong
- No losses or non-performing loans
- Maintain loan loss reserves in excess of 2% of loans
- Best-in-class credit metrics

## Forward Looking Statements

This letter includes forward-looking statements, which are not historical facts and pertain to future operating results. These forward-looking statements are intended to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

These forward looking statements are subject to significant business, economic, and competitive uncertainties and contingencies, many of which are beyond our control. Accordingly, actual results may differ materially from anticipated results.



**PRESIDIO**  
BANK

## Second Quarter Report - June 30, 2010

### Condensed Balance Sheet

(Unaudited)

#### Assets

Cash and due from banks	\$ 22,945,687
Other overnight investments	8,835,000
Cash and cash equivalents	31,780,687
Investment Securities	6,935,920
Total Loans	226,598,758
Less: allowance for loan losses	(4,926,017)
Net loans	221,672,741
Premises and equipment, net	1,694,867
Other assets and interest receivable	2,088,858

#### Total assets

June 30, 2010

\$ 22,945,687
8,835,000
31,780,687
6,935,920
226,598,758
(4,926,017)
221,672,741
1,694,867
2,088,858
<b>\$264,173,073</b>

March 31, 2010

\$ 29,770,968
6,600,000
36,370,968
6,715,362
215,071,638
(4,926,017)
210,145,621
1,675,512
2,264,734
<b>\$257,172,197</b>

December 31, 2009

\$ 12,901,507
8,240,000
21,141,507
6,723,852
217,975,616
(4,926,017)
213,049,599
999,185
2,267,417
<b>\$244,181,560</b>

June 30, 2009

\$ 4,668,520
23,385,000
28,053,520
6,079,060
180,868,065
(3,267,000)
177,601,066
911,570
972,147
<b>\$213,617,363</b>

#### Liabilities and Shareholders' Equity

Demand deposits	\$ 63,105,494
Money market	89,681,747
Interest checking	29,586,369
Savings	1,228,668
Time deposits	33,077,986
Total Deposits	216,680,264
Other liabilities and interest payable	8,606,022

#### Total liabilities

Total shareholder's equity

#### Total liabilities and equity

Book value per common share	\$6.95
Equity to Assets	14.72%
Nonperforming assets to assets	0.00%
Loan loss reserves to loans	2.17%

**\$264,173,073**

**\$257,172,197**

**\$244,181,560**

**\$213,617,363**

\$ 63,105,494
89,681,747
29,586,369
1,228,668
33,077,986
216,680,264
8,606,022
<b>225,286,286</b>
38,886,787
<b>\$264,173,073</b>

\$ 52,042,459
98,512,491
25,616,621
1,348,505
32,810,397
210,330,473
8,368,409
<b>218,698,882</b>
38,473,315
<b>\$257,172,197</b>

\$ 47,317,447
91,834,474
27,333,416
217,075
27,690,893
194,393,305
11,631,612
<b>206,024,917</b>
38,156,643
<b>\$244,181,560</b>

\$ 39,069,322
80,568,195
28,734,424
300,005
22,592,481
171,264,427
13,258,007
<b>184,522,434</b>
29,094,928
<b>\$213,617,363</b>

**225,286,286**

**218,698,882**

**206,024,917**

**184,522,434**

38,886,787

38,473,315

38,156,643

29,094,928

**\$264,173,073**

**\$257,172,197**

**\$244,181,560**

**\$213,617,363**

\$6.95

\$6.85

\$6.84

\$7.27

14.72%

14.96%

15.63%

13.62%

0.00%

0.00%

0.20%

0.00%

2.17%

2.29%

2.26%

1.81%

### Condensed Statement of Operations

(Unaudited)

Interest and fees on loans	\$ 3,124,584
Interest on investments	53,612
Total interest income	3,178,196
Deposit interest expense	407,248

#### Net interest income

Provision for loan losses

Net interest income after provision

#### Other operating income

Salaries and benefits	1,544,795
FF&E and occupancy expense	368,734
Other	658,141

#### Total operating expenses

Income before income taxes	343,726
Provision for income taxes	0

#### Net income

Net interest margin

Efficiency Ratio

Return on average assets

Return on average equity

Quarter Ended  
June 30, 2010

\$ 3,124,584
53,612
3,178,196
407,248
<b>2,770,948</b>
0
2,770,948
<b>144,448</b>
1,544,795
368,734
658,141
<b>2,571,670</b>
343,726
0
<b>\$ 343,726</b>

Quarter Ended  
March 31, 2010

\$ 2,914,974
46,631
2,961,605
410,812
<b>2,550,793</b>
0
2,550,793
<b>67,835</b>
1,552,557
324,345
560,398
<b>2,437,300</b>
181,328
0
<b>\$ 181,328</b>

Year-to-Date  
June 30, 2010

\$ 6,039,558
100,243
6,139,801
818,060
<b>5,321,741</b>
0
5,321,741
<b>212,283</b>
3,097,352
693,079
1,218,539
<b>5,008,970</b>
525,054
0
<b>\$ 525,054</b>

Year-to-Date  
June 30, 2009

\$ 4,675,558
69,208
4,744,766
984,367
<b>3,760,399</b>
291,877
3,468,522
<b>108,551</b>
3,227,673
468,070
1,215,099
<b>4,910,842</b>
(1,333,769)
0
<b>\$ (1,333,769)</b>

4.33%

4.15%

4.23%

3.95%

88.21%

93.08%

90.51%

126.93%

0.53%

0.29%

0.41%

-1.27%

3.54%

1.89%

2.71%

-8.80%

