

November 12, 2009

Re: Financial Results – 3rd Quarter 2009

Dear Fellow Shareholder,

Presidio Bank continued on its path of intelligent growth in the third quarter ended September 30, 2009. Our relationship banking model continues to attract Bay Area businesses, real estate professionals and non-profit organizations who appreciate access to our decision makers, our local market knowledge and our high touch personal service.

Total loans at September 30, 2009 increased to \$195 million, a modest 9% growth over September 30, 2008. This is attributable to maintenance of our high credit standards in this challenging economic environment and lack of growth related borrowing needs on the part of our clients.

As evidence of the success of our relationship banking model, total deposits increased to \$189 million in this same period representing 27% growth. More importantly, non-interest checking deposits increased by more than 115%. This favorable change in deposit mix, combined with disciplined loan and deposit pricing has resulted in an increase in our net interest margin (essentially the gross margin of our loan and deposit activities) of more than one percent since the start of calendar 2009. This increase in margin has an annualized positive impact on profitability of more than \$2 million.

Consistent with our view of the challenges in the current economy and uncertainty regarding the future, we felt it prudent to increase our loan loss reserve to 2.24% of total loans, up from 1.81% at June 30, 2009. Despite this increase, we remain pleased with the performance of our loan portfolio and expect to continue to outperform our peer group in terms of credit quality.

While we continue to report development stage net losses on both a quarterly and year-to-date basis, we are strongly encouraged by the pace at which revenue growth (50%) exceeds expense growth (11%) on a year over year basis suggesting that our goal of achieving profitability is not far off.

Detailed financial information for this and past quarters are available for your review on our website under the Investor Section at www.presidiobank.com. I invite you to contact me should you have any questions. My contact information is noted below.

During the third quarter, our shareholders continued to refer us quality new business opportunities and provided us with unique local market insight that is at the heart of our competitive advantage. On behalf of the Board of Directors, Management Team, and staff of Presidio Bank, thank you for your support.

Sincerely,



Steve Heitel
President & CEO
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The above letter contains certain forward-looking statements and information relating to the Company that is based on the beliefs of management as well as assumptions made by and information currently available to management. These forward-looking statements include but are not limited to statements regarding general economic conditions, economic cycles, market stability, reduction of problem assets, loan and deposit growth, capital and liquidity levels and related targets, housing markets, levels of foreclosure and types of foreclosures, unemployment levels, levels of securities and duration of the securities portfolio, target dates for bank office openings and banking activities. In addition, the words “anticipates,” “believes,” “estimates,” “expects,” “indicates,” “intends,” “should,” and similar expressions, or the negative thereof, as they relate to the Company or the Company’s management, are intended to identify forward-looking statements. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. One or more of these risks may vary materially from those described herein as anticipated, believed, estimated, expected or intended. The Company does not intend to update these forward-looking statements.