

May 12, 2009

Dear Fellow Shareholder,

As we have mentioned to you in past letters, despite the recent turmoil in the financial industry Presidio Bank has maintained strong loan quality (*evidenced by no loan losses*), capital ratios above regulatory standards, and solid liquidity to meet funding needs. These are all attributes of a sound bank. These results also reflect our commitment to the local markets we serve and our strong personal relationship with our clients.

With all the media attention focused on the “big banks” and the government’s call for increased lending to help stimulate the economy, you might think that a loan is hard to come by. Not so at Presidio Bank. We are and continue to stand ready to meet the banking needs of businesses within the Bay Area.

With the consolidation of some of the biggest commercial and investment banks, Presidio Bank has a great opportunity to build upon its original vision of being the premier business bank in the Bay Area. We also have a responsibility to you as a shareholder, along with the local markets we serve, to continue to grow and make a meaningful difference in the community.

As a shareholder, you can take comfort in knowing your bank is strong and prepared to help new clients that you refer. By working together, we can create a brighter future for your bank while enhancing your investment. Your referrals of new business clients will play an important role in our continued success.

First Quarter Highlights (See our website at www.presidiobank.com for full details)

While loan totals declined modestly during the quarter, significant progress towards our long term objectives was achieved nonetheless including:

- Core deposits increased and wholesale funding decreased during the quarter improving the Bank’s loan to deposit ratio.
- The Bank’s net interest margin increased over 40 basis points from December 2008 from both higher loan yields and lower deposit costs.
- Average monthly loss for the first quarter decreased to \$162,000 from \$275,000 in the 4th quarter 2008 as the Bank continues its progress towards profitability.
- While our clients continued to be challenged by the overall economic environment, credit quality remained strong with no loan losses or non-performing loans during the quarter.

Our Community Investment

As a local Bay Area business bank, being part of the community means more to us than just providing high quality banking services. For us, it has always been about enriching the lives of the people who live and work here. Being a good neighbor is just as important as being an outstanding banking franchise. Our community investments are important to us, and include our employees volunteering to support community organizations, sponsorships of key local events, and bank donations to directly support the critical efforts of non-profit organizations. Furthering this commitment at year end we launched a creative new certificate of deposit product called Community Values CD. This CD not only pays interest on our client’s deposit, but our Bank will also pay a quarterly “bonus” to the qualifying Bay Area nonprofit of the client’s choice.

Value and Commitment

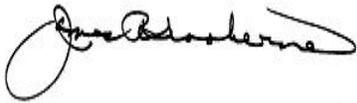
Your Board of Directors and Executive Management are committed to ensuring the proper level of oversight and guidance consistent with our core values and dedication to you, our shareholders.

The principles and values of doing the right thing, building financial strength, delivering quality products and developing enduring relationships continue to guide our efforts today. We are excited and confident that we can continue to deliver success, and we are grateful for the confidence you have placed in us.

Our staff is to be congratulated for their professionalism and dedication to client service. Our challenge is to have continuous improvement in our level of service to ensure that we stay ahead of our competitors. The Board of Directors and Management wish to recognize and thank our clients for their continued support, loyalty and confidence in Presidio Bank.

You may find detailed financial information on our website under the Investor section at www.presidiobank.com. Please call either of us with any questions you may have about Presidio Bank or the banking industry in general and our contact information is noted below. As always, thank you for the confidence that you have shown in our bank, its Board and the Management team.

Sincerely,



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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 branch 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.