

– Locations –

San Francisco

1 Montgomery Street
Suite 2300
San Francisco, CA 94104
415.229.8400

San Rafael

999 5th Avenue
Suite 300
San Rafael, CA 94901
415.456.6000

Santa Rosa

703 2nd Street
Suite 210
Santa Rosa, CA 95404
707.293.2950

Walnut Creek

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

Ticker Symbol: PDOB

www.presidiobank.com



Quarterly Report

**Period ended
September 30, 2008**

Dear Shareholders,

In this changing economic landscape, Presidio Bank is working hard on your behalf day in and day out as we continue to manage our affairs in a prudent, cautious and careful manner. While no institution is totally immune from the disruptions currently taking place in our industry, some markets have not been impacted to the degree of others and fortunately for us the Bay Area is one of those markets. The traditional banking approach to which Presidio Bank remains true continues to provide the platform for this year's success and operating results.

I am extremely pleased to provide you with some highlights of your Bank's performance during the first nine months of 2008.

Total assets increased to \$203 million a 55% increase since December 31, 2007. Loans invested in our communities were at \$180 million an increase of 140% this year. Deposits grew to \$149 million representing a 55% increase during 2008 and net interest income rose by 67% compared to the first nine months of 2007. When compared to our peer group of 23 banks in California we rank 1st in loan growth and 3rd in deposit growth. This has been achieved while maintaining our strong credit culture. We have no delinquent or non-performing loans and have had no loan losses since opening our doors in 2006.

During the quarter we also saw positive actions taken by the FDIC to strengthen confidence in the safety of banks included an increase in the insurance on deposits in banks. Accounts that were previously insured to \$100,000 are now insured for \$250,000 until December 31, 2009 and Owners can structure their accounts to substantially increase the amount covered. The FDIC also guaranteed that all non-interest bearing checking accounts will be fully insured regardless of the amount until December 31, 2009.

While the current banking environment continues to be extremely challenging for financial institutions we are favorably situated, as evidenced by our strong capital position and continued growth pattern, to not only weather the storm but also to take advantage of opportunities as they arise.

Let me assure you that we remain deeply committed to the values that have made us successful in the past and also to the values of the communities we serve in order to sustain our growth in the future. I am confident that Presidio Bank is well positioned to weather further economic pressures and, as a result, is an excellent choice for your banking options. We encourage you to direct business to your Bank and take advantage of our high-touch, personal service in promoting your Bank. Visit any of our convenient Bay Area location's, review our website at www.presidiobank.com or call anytime to discuss your banking needs and how we may help. We greatly appreciate your on-going support.

Sincerely

Jim Woolwine
Chairman & CEO

Board of Directors

Craig F. Andersen
Paula Collins
Michael A. Covarrubias
Alison Davis
Robert B. Leet
Stephen D. Mayer
Gregory J. Moss
James R. Woolwine

Management Team

James R. Woolwine, Chairman
Robert B. Leet, President
Todd Allen, EVP & President, Marin
Fred Bailard, EVP & Manager,
Cash Management Solutions
Mary Leonard-Wilson, EVP & CCO
Edward J. Murphy, EVP & CFO
Vern Padgett, EVP & President, East Bay
Sherry A. Price, EVP & COO
Michael A. Skubic, EVP & Head,
East Bay Commercial Banking

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.

Reference is made to the additional risks and factors described from time to time in Presidio Bank's reports and registration statements filed with the Securities and Exchange Commission. Presidio Bank undertakes no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.



**PRESIDIO
BANK**

It's About Time.



PRESIDIO BANK
Third Quarter Report - September 30, 2008
Condensed Balance Sheet

(Unaudited)

Assets

Cash and due from banks	\$ 1,679,141	\$ 875,413
Federal funds sold	19,680,000	12,990,000
Cash and cash equivalents	21,359,141	13,865,413
Investment Securities	2,036,550	46,272,967
Total Loans	179,823,883	54,499,318
Less: allowance for loan losses	(2,676,000)	(775,000)
Net loans	177,147,883	53,724,318
Premises and equipment, net	1,010,498	806,296
Other assets and interest receivable	1,135,820	597,205
Total assets	\$202,689,892	\$115,266,200

Liabilities and Shareholders' Equity

Demand deposits	\$ 21,880,630	\$ 9,421,743
Money market	82,814,833	59,733,510
Interest checking	15,876,816	3,526,441
Savings	275,251	303,281
Time deposits	27,831,803	6,677,106
Total Deposits	148,679,333	79,662,081
Other liabilities and interest payable	22,957,890	631,872
Total liabilities	171,637,223	80,293,953
Total shareholder's equity	31,052,669	34,972,247
Total liabilities and equity	\$202,689,892	\$115,266,200

Condensed Statement of Operations
(Unaudited)

	For the Nine Months Ended September 30, 2008	For the three Months Ended September 30, 2008
Interest and fees on loans	\$ 5,488,013	\$ 2,400,690
Interest on investments	1,016,080	142,780
Total interest income	6,504,093	2,543,470
Deposit interest expense	2,008,088	755,271
Net interest income	4,496,005	1,788,200
Provision for loan losses	1,608,000	618,000
Net interest income after provision	2,888,005	1,170,200
Other operating income	233,354	35,776
Salaries and benefits	4,515,229	1,408,939
FF&E and occupancy expense	734,854	263,662
Other	1,460,914	550,966
Total operating expenses	6,710,997	2,223,568
Income before income taxes	(3,589,638)	(1,017,592)
Provision for income taxes	0	0
Net income	\$ (3,589,638)	\$ (1,017,592)

	September 30, 2008	September 30, 2007
Book value per share	\$7.76	\$8.74
Equity to Assets	15.32%	30.34%
Nonperforming assets to assets	0.00%	0.00%
Loan loss reserves to loans	1.49%	1.42%

