

– 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
March 31, 2008**

To our shareholders and clients:

During the 1st Quarter of 2008, Presidio Bank experienced its fastest rate of growth since its opening on July 24, 2006. The quarter was marked by significant expansion in both the Bank's loan portfolio (up \$21 million from the end of the prior quarter) and deposit base (up \$30 million). As of March 31, 2008 the Bank had total assets of \$160 million, a \$30 million increase from December 31, 2007.

We believe that the acceleration in the Bank's growth rate is the result of a variety of factors, including (a) the diligent business development effort since the Bank's opening in July '06, (b) the addition in late '07 of several talented Relationship Managers (i.e. Mike Skubic in our Walnut Creek office, and Todd Allen and Dave Casassa in Marin), (c) the merger of several local competitor banks into larger institutions which has resulted in integration problems leading to less than satisfactory client experiences, and (d) refinancing opportunities in the commercial real estate loan market due to declining interest rates and less competition from Wall Street securitizations.

It is clear that the US economy has already entered into a recession or, at the least, slowed down significantly. Either way, we are not expecting the downturn to be short-lived. As a consequence, we expect many of our competitors to become increasingly inwardly focused as they deal with problems associated with their loan and investment portfolios. Credit has become and will continue to be harder to obtain in the marketplace.

We believe that this is an excellent opportunity for Presidio Bank to gain market share. Our target market consists of successful businesses and high net worth individuals which have the experience and healthy financial positions to ensure that they can survive an economic downturn. Our balance sheet is robust with excellent loan quality, excess capital, and excess liquidity. As such, our bank continues to be a very safe place for you and/or your friends to deposit your money.

We are pleased to report that we have obtained regulatory approval for the opening of a new full service branch in downtown San Rafael (999 5th Street, 3rd Floor). The build out of the office is proceeding on schedule and we anticipate having an official opening in early May. The new office will be our 4th (joining San Francisco, Walnut Creek, and Santa Rosa) and provides us with a solid footprint in the North Bay.

If not sooner, we look forward to seeing you at our Shareholder Meeting and Annual Party on May 8th at the City Club in San Francisco.

Sincerely yours,

Stephen A. Fleming
President & CEO

James R. Woolwine
Chairman

Board of Directors

Craig F. Andersen

Paula Collins

Michael A. Covarrubias

Alison Davis

Stephen A. Fleming

Robert B. Leet

Stephen D. Mayer

James R. Woolwine

Management Team

James R. Woolwine, Chairman

Stephen A. Fleming, President & CEO

Todd Allen, EVP & President, Marin

Fred Bailard, SVP & 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



**PRESIDIO
BANK**

It's About Time.

PRESIDIO BANK
First Quarter Report - March 31, 2008
Condensed Balance Sheet
(Unaudited)

Assets

Cash and due from banks	\$ 2,491,232
Federal funds sold	29,815,000
Cash and cash equivalents	32,306,232
Investment Securities	31,047,840
Total Loans	96,201,623
Less: allowance for loan losses	(1,381,000)
Net loans	94,820,623
Premises and equipment, net	821,557
Other assets and interest receivable	1,099,824

Total assets

Liabilities and Shareholders' Equity

Demand deposits	\$ 16,983,698
Money market	86,756,340
Interest checking	14,596,364
Savings	419,170
Time deposits	7,350,480

Total Deposits

Other liabilities and interest payable

Total liabilities

Common stock	41,043,715
Retained earnings	(6,633,849)
Net loss year to date	(990,888)

Total shareholder's equity

Total liabilities and equity

March 31, 2008

\$ 2,491,232
29,815,000
32,306,232
31,047,840
96,201,623
(1,381,000)
94,820,623
821,557
1,099,824
\$160,096,076

March 31, 2007

\$ 1,139,312
36,405,000
52,483,923
1,214,678
34,538,336
(414,000)
34,124,336
864,545
339,785
\$74,087,656

Book value per share	March 31, 2008	\$8.35	March 31, 2007	\$9.23
Earnings per share		(\$0.25)		(\$0.19)
Return on average assets		-0.70%		-1.19%
Return on average equity		-2.89%		-1.98%
Net interest margin		3.44%		4.98%
Efficiency ratio		147.19%		180.82%
Equity to Assets		20.87%		49.81%
Nonperforming assets to assets		0.00%		0.00%
Net charge offs to average loans		0.00%		0.00%
Loan loss reserves to loans		1.44%		1.20%

Condensed Statement of Operations
(Unaudited)

Interest and fees on loans	\$ 1,398,815
Interest on investments	545,992
Total interest income	1,944,807
Deposit interest expense	698,063
Net interest income	1,246,744
Provision for loan losses	313,000
Net interest income after provision	933,744
Other operating income	171,445
Salaries and benefits	1,463,319
FF&E and occupancy expense	216,317
Other	407,846
Total operating expenses	2,087,482
Income before income taxes	(982,293)
Provision for income taxes	0
Net income	\$ (982,293)

For the Three Months Ended March 31, 2008

\$ 1,398,815
545,992
1,944,807
698,063
1,246,744
313,000
933,744
171,445
1,463,319
216,317
407,846
2,087,482
(982,293)
0
\$ (982,293)

For the Three Months Ended March 31, 2007

\$ 592,359
406,394
998,753
224,287
774,466
112,000
662,466
2,740
925,829
174,854
304,653
1,405,336
(740,130)
0
\$ (740,130)

