

### **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

### **– Locations –**

**San Francisco**  
1 Montgomery Street  
Suite 2300  
San Francisco, CA 94104  
415.229.8400

**Santa Rosa**  
703 2<sup>nd</sup> 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](http://www.presidiobank.com)



# Quarterly Report

**Period ended  
December 31, 2007**



**PRESIDIO  
BANK**

It's About Time.



To our shareholders and clients:

In spite of the present turmoil in the financial services industry, Presidio Bank continued its strong growth in the 4th Quarter of 2007. The quarter was marked by significant expansion in the Bank's loan portfolio and solid growth in deposits. As of quarter end, the Bank had total assets of \$130 million, a \$15 million increase from September 30, 2007. Most noteworthy was the solid loan growth, as seen in the loan portfolio increasing to \$74 million from \$54 million at September 30, and also a jump in deposits to \$95 million from \$79 million at the end of the prior quarter.

As Presidio Bank continues to expand in the Bay Area, we are very pleased to announce the hiring of Michael Skubic, Executive Vice President and Head of Commercial Banking in our Walnut Creek branch. Mike, an alumnus of UC Berkeley, brings a wealth of experience in East Bay commercial banking.

We believe that we have assembled an exceptionally talented team of bankers and have built a solid foundation to support the Bank's future growth. As such, our primary objectives for 2008 are to accelerate the pace of growth in acquiring new clients and to consistently provide our clients with an extraordinary experience.

Since last August the financial markets have taken on a heightened level of volatility. We want to assure you that your bank has no exposure to mortgage backed securities or to sub-prime mortgages. Our balance sheet is a fortress with excellent loan quality, excess capital, and excess liquidity. As such, it is a very safe place for you and/or your friends to deposit your money.

Approximately 30% of our shareholders are already clients of the Bank. If you are one of them, we thank you for supporting your Bank. If you are not already a client, please let us know what we can do to earn your business.

We look forward to seeing you soon.

Sincerely yours,

Stephen A. Fleming  
President & CEO

James R. Woolwine  
Chairman

**PRESIDIO BANK**  
**Fourth Quarter Report - December 31, 2007**  
**Condensed Balance Sheet**  
(Unaudited)

	<u>As of</u> <u>December 31, 2007</u>	<u>As of</u> <u>December 31, 2006</u>
<b>Assets</b>		
Cash and due from banks	\$ 591,733	\$ 418,363
Federal funds sold	19,110,000	22,300,000
Cash and cash equivalents	19,701,733	22,718,363
Securities and Time Deposits	35,992,392	1,200,000
Total Loans	74,810,596	25,171,537
Less: allowance for loan losses	(1,068,000)	(302,000)
Net loans	73,742,596	24,869,537
Premises and equipment, net	769,084	851,174
Other assets and interest receivable	709,037	282,666
<b>Total assets</b>	<b><u>\$130,914,842</u></b>	<b><u>\$49,921,740</u></b>
<b>Liabilities and Shareholders' Equity</b>		
Demand deposits	\$ 12,219,403	\$ 2,320,159
Money market	67,589,714	5,991,516
Interest checking	7,160,664	2,136,548
Savings	329,168	122,897
Time deposits	8,617,939	1,628,884
Total Deposits	95,916,888	12,200,004
Other liabilities and interest payable	709,658	342,294
<b>Total liabilities</b>	<b><u>96,626,546</u></b>	<b><u>12,542,298</u></b>
Common stock	40,922,145	40,316,463
Retained earnings	(2,937,022)	(1,503,366)
Net loss year to date	(3,696,827)	(1,433,655)
Total shareholder's equity	34,288,296	37,379,442
<b>Total liabilities and equity</b>	<b><u>\$130,914,842</u></b>	<b><u>\$49,921,740</u></b>

**Condensed Statement of Operations**  
(Unaudited)

	<u>For the three</u> <u>Months Ended</u> <u>December 31, 2007</u>	<u>For the Twelve</u> <u>Months Ended</u> <u>December 31, 2007</u>
Interest and fees on loans	\$ 1,177,368	\$ 3,406,396
Interest on investments	758,035	2,530,679
Total interest income	1,935,404	5,937,075
Deposit interest expense	760,128	2,072,204
<b>Net interest income</b>	<b><u>1,175,276</u></b>	<b><u>3,864,871</u></b>
Provision for loan losses	293,000	766,000
Net interest income after provision	882,276	3,098,871
<b>Other operating income</b>	<b><u>5,758</u></b>	<b><u>14,004</u></b>
Salaries and benefits	1,117,011	4,021,511
FF&E and occupancy expense	207,823	777,473
Other	362,340	2,010,718
<b>Total operating expenses</b>	<b><u>1,687,174</u></b>	<b><u>6,809,702</u></b>
Income before income taxes	(799,140)	(3,696,827)
Provision for income taxes	0	0
<b>Net income</b>	<b><u>\$ (799,140)</u></b>	<b><u>\$ (3,696,827)</u></b>