

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

– Locations –

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

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, 2007**



**PRESIDIO
BANK**

It's About Time.



To our shareholders and clients:

The quarter ending September 30, 2007 completed the Bank's first full year of operations and was marked by total assets growing to over \$100 million. Indeed, as of quarter end the Bank had total assets of \$115 million, significantly increased from \$92 million at June 30, 2007. Most significant was the solid loan growth, as seen in the loan portfolio increase to \$54 million from \$38 million at June 30, and also a jump in deposits to \$79 million from \$55 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 a wonderful leadership team in San Rafael. Todd Allen has joined Presidio Bank as Marin Market President and Carla Stone will be the San Rafael Branch Manager. Todd and Carla held similar roles with Greater Bay Bank in San Rafael prior to its acquisition by Wells Fargo and have extensive experience in the Marin County marketplace. They are joined by Dave Casassa who is a commercial banker focused on developing relationships with small and medium sized businesses. The new team is working towards opening the Presidio Bank branch in San Rafael in the first quarter of 2008.

We are also delighted to announce the hiring of Fred Bailard who joined as the Head of Cash Management Solutions and brings deep expertise to the Bank; his prior work experience includes a variety of relevant roles, including Head of Cash Management at Bank of the West and Greater Bay Bank. The Bank's full suite of leading edge cash management products will only be enhanced with the addition of Fred, making us well positioned to help our clients in this area.

Finally, we want to report the recent addition of Ladan Lari who joins the Bank in the role of Relationship Manager for the San Francisco office. Ladan is a polished banker with a high energy level and extensive experience working with high net worth individuals and commercial clients, including a recent assignment as Senior Credit Officer and Northern California Credit Center Manager for Citibank's Commercial Banking.

Once again, we thank you for supporting your Bank and look forward to seeing you soon.

Sincerely yours,

Stephen A. Fleming
President & CEO

James R. Woolwine
Chairman

PRESIDIO BANK
Third Quarter Report - September 30, 2007
Condensed Balance Sheet
(Unaudited)

	<u>As of</u> <u>September 30, 2007</u>	<u>As of</u> <u>December 31, 2006</u>
Assets		
Cash and due from banks	\$ 875,413	\$ 418,363
Federal funds sold	12,990,000	22,300,000
Cash and cash equivalents	13,865,413	22,718,363
Investment Securities	46,272,967	1,200,000
Total Loans	54,499,318	25,171,537
Less: allowance for loan losses	(775,000)	(302,000)
Net loans	53,724,318	24,869,537
Premises and equipment, net	806,296	851,174
Other assets and interest receivable	597,205	282,666
Total assets	\$115,266,200	\$49,921,740
Liabilities and Shareholders' Equity		
Demand deposits	\$ 9,421,743	\$ 2,320,159
Money market	59,733,510	5,991,516
Interest checking	3,526,441	2,136,548
Savings	303,281	122,897
Time deposits	6,677,106	1,628,884
Total Deposits	79,662,081	12,200,005
Other liabilities and interest payable	631,872	342,294
Total liabilities	80,293,953	12,542,299
Common stock	40,806,955	40,316,463
Retained earnings	(2,937,022)	(1,503,366)
Net loss year to date	(2,897,687)	(1,433,655)
Total shareholder's equity	34,972,247	37,379,442
Total liabilities and equity	\$115,266,200	\$49,921,740

Condensed Statement of Operations
(Unaudited)

	<u>For the three</u> <u>Months Ended</u> <u>September 30, 2007</u>	<u>For the Nine</u> <u>Months Ended</u> <u>September 30, 2007</u>
Interest and fees on loans	\$ 917,170	\$ 2,229,028
Interest on investments	805,692	1,772,644
Total interest income	1,722,862	4,001,671
Deposit interest expense	683,467	1,312,076
Net interest income	1,039,395	2,689,595
Provision for loan losses	319,000	473,000
Net interest income after provision	720,395	2,216,595
Other operating income	3,107	8,246
Salaries and benefits	1,025,835	2,904,501
FF&E and occupancy expense	191,692	569,649
Other	855,670	1,648,378
Total operating expenses	2,073,197	5,122,528
Income before income taxes	(1,349,695)	(2,897,687)
Provision for income taxes	0	0
Net income	\$ (1,349,695)	\$ (2,897,687)