

### **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

Mary Leonard-Wilson, EVP & CCO

Edward 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 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 June 30, 2007**



**PRESIDIO  
BANK**

It's About Time.



To our shareholders and clients:

We are delighted to report that your bank has made significant progress since its opening for business less than a year ago on July 24, 2006. Presidio Bank was the 1<sup>st</sup> new locally owned, locally managed business bank to open in San Francisco in over 20 years.

As of June 30, 2007 the Bank's total assets exceeded \$92 million, with total loans in excess of \$38 million and total deposits in excess of \$55 million.

We continue to move forward with our stated goal of being the best business bank in the Bay Area. Our original San Francisco and Walnut Creek branch offices were augmented by the opening of a branch office in Santa Rosa in the 2<sup>nd</sup> quarter of this year. More important than our physical locations is the high quality team of professional bankers who have already joined Presidio Bank. We are also confident that we will continue to attract top talent as we expand our operations.

We are very pleased with the reception that the Bank has received in the marketplace, thus validating our belief that there is a need for a "high touch" new bank in the Bay Area which provides exceptional service to medium sized closely held businesses and their owners. The Bank's remote check deposit product, which allows clients to deposit checks from their office, has been particularly well received and currently accounts for over 80% of the checks that are deposited with the Bank.

We regard our shareholder base as a key asset of the Bank and we were delighted when over 100 of you attended our 1<sup>st</sup> Annual Shareholder's Meeting in May. We will continue to ensure that you are kept informed of the Bank's progress and success. Furthermore, we are asking for your assistance in helping us sustain our momentum via any new or additional business that you can steer our way.

You have, no doubt, heard much news recently about the turbulence and liquidity concerns in certain segments of the credit markets, most notably the markets for sub-prime residential mortgages and highly leveraged corporate buyouts. Rest assured that Presidio Bank has no exposure to these segments in its loan portfolio, remains in a highly liquid position, and is actively seeking out attractive new loan opportunities.

Once again, thank you for supporting your Bank in such a meaningful way. We look forward to seeing you soon.

Sincerely yours,

James R. Woolwine  
Chairman

Stephen A. Fleming  
President & CEO

**PRESIDIO BANK**  
**Second Quarter Report - June 30, 2007**  
**Condensed Balance Sheet**  
(Unaudited)

	<u>As of</u> <u>June 30, 2007</u>	<u>As of</u> <u>December 31, 2006</u>
<b>Assets</b>		
Cash and due from banks	\$ 1,773,923	\$ 418,363
Federal funds sold	<u>50,710,000</u>	<u>22,300,000</u>
Cash and cash equivalents	52,483,923	22,718,363
Investment securities	1,169,100	1,200,000
Total loans	38,266,168	25,171,537
Less: allowance for loan losses	<u>(456,000)</u>	<u>(302,000)</u>
Net loans	37,810,168	24,869,537
Premises and equipment, net	857,255	851,174
Other assets and interest receivable	317,153	282,666
<b>Total assets</b>	<b><u>\$92,637,599</u></b>	<b><u>\$49,921,740</u></b>
<b>Liabilities and Shareholders' Equity</b>		
Demand deposits	\$ 7,282,336	\$ 2,320,159
Money market	38,792,917	5,991,516
Interest checking	2,787,937	2,136,548
Savings	225,132	122,897
Time deposits	6,761,759	1,628,884
Total deposits	55,850,080	12,200,005
Other liabilities and interest payable	<u>629,843</u>	<u>342,294</u>
<b>Total liabilities</b>	<b><u>56,479,923</u></b>	<b><u>12,542,299</u></b>
Common stock	40,642,690	40,316,463
Retained earnings	(2,937,022)	(1,503,366)
Net loss year to date	<u>(1,547,992)</u>	<u>(1,433,655)</u>
Total shareholder's equity	36,157,676	37,379,442
<b>Total liabilities and equity</b>	<b><u>\$92,637,599</u></b>	<b><u>\$49,921,740</u></b>

**Condensed Statement of Operations**  
(Unaudited)

	<u>For the three</u> <u>Months Ended</u> <u>June 30, 2007</u>	<u>For the six</u> <u>Months Ended</u> <u>June 30, 2007</u>
Interest and fees on loans	\$ 719,499	\$ 1,311,858
Interest on investments	565,704	966,952
Total interest income	1,285,203	2,278,809
Deposit interest expense	404,322	628,609
<b>Net interest income</b>	<b>880,881</b>	<b>1,650,201</b>
Provision for loan losses	42,000	154,000
Net interest income after provision	838,881	1,496,201
<b>Other operating income</b>	<b>2,088</b>	<b>5,139</b>
Salaries and benefits	952,836	1,878,666
FF&E and occupancy expense	202,788	377,957
Other	488,056	792,709
<b>Total operating expenses</b>	<b><u>1,643,680</u></b>	<b><u>3,049,332</u></b>
Income before income taxes	(802,712)	(1,547,992)
Provision for income taxes	0	0
<b>Net income</b>	<b><u>\$ (802,712)</u></b>	<b><u>\$ (1,547,992)</u></b>