



PRESIDIO
BANK

The Presidio *Post*

A newsletter for our clients, shareholders and the communities we serve

Message from the Chairman and CEO



James Woolwine, Chairman and CEO

“We surpassed the \$96 million mark in loans to clients and have grown overall assets above \$160 million.”

We are delighted to provide you with our first newsletter and we look forward to producing it on a quarterly basis. Our intent is to make the publication informative, with a focus on interesting and useful news about Presidio Bank. We will keep you up to date on our constantly expanding array of services, topical financial news, and also include profiles of some Bank customers. We welcome your feedback and look forward to making the newsletter better every quarter!

Since opening Presidio Bank's doors in July 2006, we have been able to differentiate ourselves from competitors with a locally based and managed team empowered to make decisions. Delivering services with this hands-on approach means our clients have the benefit of knowing not only their Relationship Manager and the support staff who service their accounts, but also the Executive Management at Presidio Bank. Having local decision-making translates to a more responsive and creative banking experience to help you meet the challenging needs your business faces in today's market.

Presidio Bank can deliver world-class non-lending services in the form of sophisticated cash management services and international banking products, such as hedging solutions for foreign currency purchases. In addition to our in-depth business and personal lending products, Fred Bailard, our top notch Head of Cash Management, continues to introduce customized leading-edge products and solutions for our commercial client base. We welcome your candid feedback on how we can improve upon our service, as we

continue to focus on introducing new product enhancements.

As of March 31, we surpassed the \$96 million mark in loans to clients and have grown overall assets above \$160 million. We are proud to state this ranks us 1st in terms of loan growth among the 24 banks that opened for business in California in 2006. More importantly, we believe the Presidio Bank "story" continues to resonate with Bay Area businesses and high net worth individuals. So, while it is too early to declare victory, the foundation we are building should hold a bright future for our bank.

And there is more good news. We recently have hired an outstanding team in Marin County, led by Todd Allen and Carla Stone. Todd and Carla have successfully operated in the Marin marketplace for many years and have "hit the ground running" with our May opening of a wonderful new Presidio Bank branch in the commercial district of downtown San Rafael.

I am very proud of the dedication and efforts of my teammates at Presidio Bank. Coupled with the outstanding support and loyalty we have received from our shareholders, Board of Directors, and clients, this will certainly continue to bring success to our bank.

James Woolwine
Chairman and CEO

A Resource for You

We are pleased to bring you The Presidio Post, our quarterly bank newsletter. This publication reflects the exciting direction our bank is heading and provides tips and tools for our clients. We want to improve your banking experience by providing time-saving products and services, and quick information to help you save time and money. The Presidio Post covers a range of business topics, from awareness of clients in our market to timely business outlooks and watching out for fraudulent activity. We hope you find The Presidio Post informative and valuable. If you have any questions, suggestions or comments about this publication, please contact us at 415.229.8400 or at response@presidiobank.com. You may also find a copy of this newsletter on our website at www.presidiobank.com.

No Sub Prime Loans at Presidio Bank

The cooling off of the housing market in many areas of the United States, including the Bay Area, combined with economic turbulence, has put subprime mortgage loans in the spotlight. Several high-profile, high-flying subprime lending companies have failed recently as a result of late payments and foreclosures among their borrowers.

The Independent Community Bankers of America (ICBA) recently said that in spite of turmoil in the credit markets, community banks are financially stable and healthy with money to lend to consumers and small businesses.

“Wall Street may be suffering but Main Street’s community banks are in solid shape and open for business,” said Camden Fine, ICBA president and CEO. “Community banks are the foundation of our nation’s

diversified financial system. A credit crunch like we’re seeing now is exactly why the nation needs the community banking industry to ensure that credit remains consistently and widely available in good times and bad. Today, consumers and communities can continue to rely on community banks for their financial needs.

“Community bankers make a difference in the lives of people within our communities every single day. We have made investing in our communities a way of life,” she said.

Most community banks, like Presidio Bank, don’t originate single family mortgages, let alone sub prime mortgages.

At Presidio Bank, our loan portfolio is comprised of commercial real estate and business loans, a few consumer loans,



and a few home equity lines. All the loans are completely analyzed and underwritten – “stated income” is not in our vocabulary.

We are proud of the contributions we have made to the economic growth in the areas we serve while maintaining a very strong loan portfolio.

At Presidio Bank, our loan philosophy is relationship based. We’re seeking long-term relationships with our clients.

Market Place: Good Economic News

San Francisco, Business Wire

The Bay Area Council Economic Institute released the biannual Bay Area Economic Profile on June 4th, which analyzes the Bay Area’s changing economy and benchmarks its performance against other major metropolitan centers.

The report finds that the region’s productive and educated workforce, deep venture capital pool, concentration of research organizations, culture of innovation, and receptivity to new ideas have made the Bay Area a major hub of the global economy. The Bay Area has

the fourth highest concentration of Forbes 1,000 Global Companies with 21, ranking after only Tokyo, London and New York.

“The fundamentals of the Bay Area remain very strong, despite the recent slowdown in the economy,” said Dr. Sean Randolph, President of the Bay Area Council Economic Institute.

The Bay Area’s economic strength is rooted in its high concentration of talented and highly educated workers that produce an average of \$122,000 of goods and services each year, 30% higher than the U.S. average.



“In a time where knowledge-based business and global accessibility are central to economic success, the Bay Area stands at the forefront,” said Jim Wunderman, President and CEO of the Bay Area Council.

Optimistic Highlights

The dollar continues to gain ground in June as U. S. economic data showed moderate growth, building on the boost following Federal Reserve Chairman Ben Bernanke’s remarks on June 3rd.



Also June 4th, the Institute for Supply Management said the service sector grew at a better-than-expected pace in May.

The Labor Department also reported that labor productivity increased 2.6% in the first quarter, up strongly from the 1.8% increase at the same time last year.

The U.S. Department of Agriculture announced that agricultural exports are expected to reach a record \$101 billion for 2008 or \$19 billion above 2007.

When it comes to
business banking ...

WE HAVE YOU COVERED!

Lending Products

- Lines of Credit
- Term Loans
- Asset-Based Loans
- Real Estate Loans
- Construction/Development
- Acquisition Financing
- Refinancing Existing Property
- Interim/Bridge Financing

Deposit Products

- Personal
 - Basic Checking
 - Presidio Plus Interest Checking
 - Savings/Time Deposits
- Business
 - Basic Checking
 - Now Accounts
 - Money Market
 - Automated Sweep Accounts
 - Savings/Time Deposits

Cash Management Products

- Personal
 - Online Banking
 - Bill Pay
 - Credit Cards
- Business
 - Online Banking
 - Remote Check Deposit
 - Wire Transfer
 - ACH Services
 - Merchant Card Processing
 - Credit Cards
 - International Services
 - Foreign Currency Wires
 - Hedging Products
 - Bill Pay
 - Tax Payments

Clients Making News

Did You Know?

San Francisco

Lydia Mondavi launched her 29 Cosmetics line at the Neiman Marcus Honolulu Hawaii store on March 8, 2008. The Age Protecting Color cosmetic line, which is sold exclusively at Neiman Marcus, uses red wine grape seed extract to protect and moisturize the skin. 29 Cosmetic products are now available in 11 Neiman Marcus locations throughout the U.S. including San Francisco, Chicago, Atlanta and San Diego.

TMG Partners ranked #1 among Bay Area Commercial Real Estate Developers in 2007 according to the *San Francisco Business Times*. The President of TMG Partners, Michael Covarrubias, also a Founder & Board Member of Presidio Bank, was named Dealmaker of the Year in 2007 in recognition of TMG Partners selling \$564 million of notable investment real estate projects in San Francisco last year.

East Bay

J. Stokes & Associates obtains as much as 30% more exposure for Subway Restaurants media dollars than other agencies, according to national media audits, and its media performance is rated among the highest in the country. J. Stokes & Associates was named "Agency of the Year" from among 40 Subway advertising & marketing agencies in 2007.

Monument Crisis Center in Concord, CA provides enough food for families in need to feed 49,000 people per year, and serves

as many as 100 people per day. In addition to providing food distribution to low income families in its service area, Monument Crisis Center also conducts English classes, offers tutoring programs, fosters nutrition awareness, and executes referrals to other providers serving the needs of low income families in its service area.

North Bay

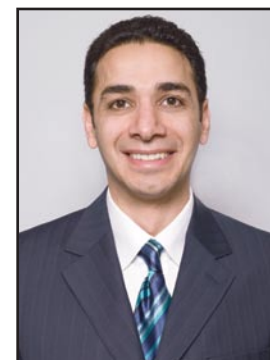
NAI BT Commercial Real Estate was voted *Best Commercial Real Estate Brokerage* in the North Bay for the fourth consecutive year by readers of *NorthBay Biz Magazine*. Locally owned, the firm has 15 offices and 325 team-members. In May 2008, Managing Partner Greg Moss was appointed as a director to Presidio Bank's Board.

Headed by its Managing Partner, John Mackie, the Santa Rosa law firm of **Carle, Mackie, Power & Ross** is celebrating its 10th anniversary as a premier business law firm in the North Bay, earning the 2008 Gold Medal Award in the *North Bay Biz Magazine* reader's poll. John Mackie, is a member of Presidio Bank's North Bay Advisory Board and a shareholder.

Willard (Bill) A. Carle III, North Bay Advisory Board member of Presidio Bank, was named the 2008 North Bay Business Community Leader by the *North Bay Biz Magazine* reader's poll, for his commercial and residential development activities, with emphasis on urban core development, and for his numerous roles in and contributions to the North Bay community. He is still of counsel to the law firm he co-founded, Carle, Mackie, Power & Ross, of Santa Rosa.

Employee Highlight

Abdalmohsen Nafchi, better known as "Nafchi," has been a member of the team at Presidio Bank since its formation in 2006. Serving as a Relationship Service Manager, Nafchi, provides exceptional support and assistance to many clients as well as to other Relationship Managers. Nafchi holds his title of "service" highly and invests 110% in every facet of his position. With more than seven years of banking experience, Nafchi has worked in many areas of banking and has held positions such as Customer Service Manager and Financial Services Officer. Nafchi was born in Kuwait and has been a San Franciscan for the past 11 years. Outside of work, Nafchi enjoys fine dining and entertaining friends with wine and cheese parties, drawing, reading and traveling.



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PRESIDIO BANK

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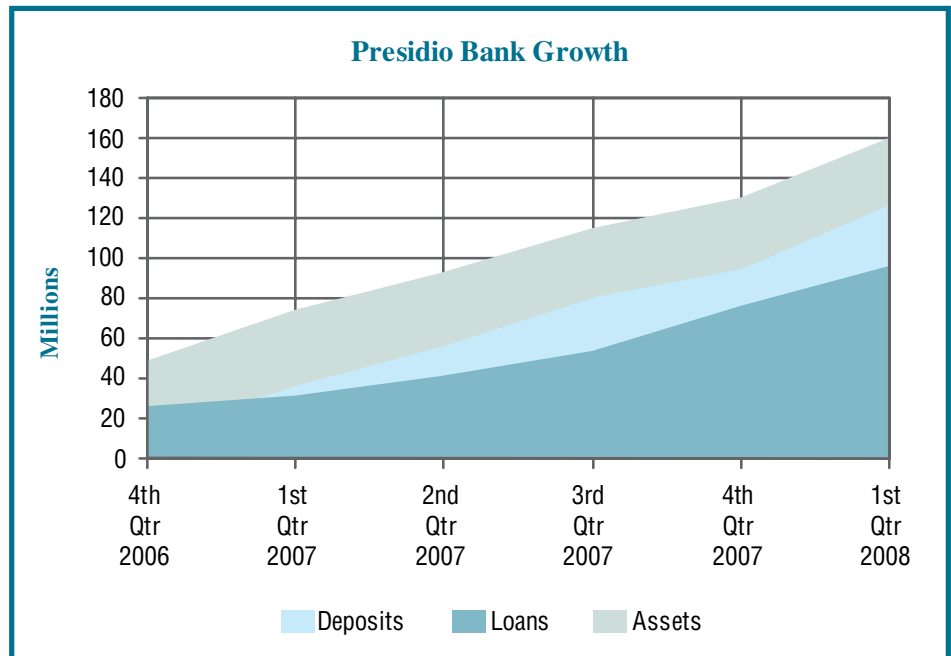
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We're Growing!

Thanks to YOU.

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