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**FOR IMMEDIATE RELEASE**

PRESS RELEASE

**Avidbank Holdings, Inc. Releases Third Quarter Results**

Palo Alto, CA - October 20, 2011 - Avidbank Holdings, Inc., parent company of Avidbank, today announced its unaudited results for the third quarter of 2011.

“Our continued profitability is derived from aggressively managing our infrastructure and balance sheet in what continues to be a challenging market for quality loans,” stated Chairman Mark D. Mordell. “Management has done an excellent job improving the quality of our loan portfolio while at the same time significantly reducing our cost of funds. This stable platform is allowing the Bank to pursue quality relationships and credits in an improving market.”

**Financial Results**

In thousands, except share and per share amounts (unaudited)

	<u>9/30/11</u>	<u>9/30/10</u>	<u>% Change</u>	<u>12/31/10</u>	<u>% vs. 9/30/11</u>
Total Assets	\$328,629	\$341,235	-4%	\$316,789	4%
Loans	\$185,067	\$214,323	-14%	\$208,542	-11%
Deposits	\$295,489	\$308,098	-4%	\$284,688	4%
Loans to Deposits	63%	70%	-10%	73%	-15%
Net Interest Margin	4.06%	3.92%	3%	4.01%	1%
Efficiency Ratio	72%	74%	-3%	74%	-3%
ALLL to Loans	2.09%	1.85%	13%	2.12%	-1%
Shareholders' Equity	\$32,223	\$30,676	5%	\$30,354	6%
Common Shares	2,602	2,602	0%	2,602	0%
Book Value per Share	\$12.38	\$11.79	5%	\$11.66	6%
Book Value per Share excluding TARP	\$10.08	\$9.48	6%	\$9.36	8%
Tier 1 Leverage Ratio	9.78%	9.06%	8%	9.18%	7%
Total Risk Based Capital Ratio	13.29%	12.62%	5%	12.88%	3%

  

	Quarter Ending <u>9/30/11</u>	Quarter Ending <u>9/30/10</u>	<u>% Change</u>	Year-to-Date <u>9/30/11</u>	Year-to-Date <u>9/30/10</u>
Revenue	\$3,930	\$4,104	-4%	\$11,620	\$11,591
Interest Expense	\$547	\$819	-33%	\$1,783	\$2,670
Loan Loss Provision	\$0	\$383	-100%	\$50	\$583
Total Operating Expenses	\$2,354	\$2,188	8%	\$7,067	\$6,607
Net Income	\$909	\$663	37%	\$2,421	\$1,618
Earnings Per Share	\$0.32	\$0.23	42%	\$0.76	\$0.57

“Over the past several months, we have invested in additional business development officers as we have seen renewed confidence in our markets and an increase in new lending activity,” said Kenneth D. Brenner, the Company’s Chief Executive Officer. “We plan to take advantage of opportunities as conditions improve.”

**About Avidbank**

*Our goal at Avidbank is to advance our clients’ success by offering innovative financial solutions and service. Our experienced people provide a unique and individualized banking experience based on mutual effort, ingenuity and trust, creating long-term banking relationships. Avidbank specializes in the following markets: commercial and industrial, corporate finance, technology and asset-based lending, real estate construction, commercial real estate lending and real estate bridge financing.*

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