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PRESS RELEASE

Avidbank Holdings, Inc. Releases Fourth Quarter and Annual Results

Palo Alto, CA - February 28, 2012 - Avidbank Holdings, Inc., parent company of Avidbank, today announced its unaudited results for the fourth quarter of 2011.

"Our profitability and the strength of our balance sheet improved significantly in 2011. It is important to note that \$962,000 of income relating to a deferred tax asset recognition is included in the fourth quarter. Our pre-tax earnings for the year were \$3.3 million, which is up approximately 36% over 2010," stated Chairman Mark D. Mordell. "These results are due to a healthier lending environment and strong management of our balance sheet and net interest margin. We have an excellent platform for 2012 and beyond."

Financial Results

In thousands, except per share amounts (unaudited)

	<u>12/31/11</u>	<u>12/31/10</u>	<u>% Change</u>
Total Assets	\$342,204	\$316,789	8%
Loans	\$207,964	\$208,542	0%
Deposits	\$306,690	\$284,688	8%
Net Interest Margin	4.09%	4.01%	2%
Efficiency Ratio	72%	75%	-4%
ALLL to Loans	2.10%	2.12%	-1%
Shareholders' Equity	\$33,695	\$30,354	11%
Common Shares	2,602	2,602	0%
Book Value per Share	\$12.95	\$11.66	11%
Book Value per Share excluding TARP	\$10.64	\$9.36	14%
Tier 1 Leverage Ratio	10.03%	9.18%	9%
Total Risk Based Capital Ratio	12.84%	12.88%	0%

	Quarter Ending <u>12/31/11</u>	Quarter Ending <u>12/31/10</u>	<u>% Change</u>	Year-to-Date <u>12/31/11</u>	Year-to-Date <u>12/31/10</u>
Revenue	\$3,874	\$4,094	-5%	\$15,495	\$15,685
Interest Expense	\$496	\$752	-34%	\$2,279	\$3,422
Loan Loss Provision	\$385	\$241	60%	\$435	\$824
Total Operating Expenses	\$2,450	\$2,426	1%	\$9,516	\$9,033
Net Income	\$1,416	\$606	134%	\$3,837	\$2,224
Earnings Per Share	\$0.51	\$0.20	156%	\$1.26	\$0.79

"The fourth quarter of 2011 was a strong one for loan growth as our business development efforts of the past year have come to fruition," said Kenneth D. Brenner, the Company's Chief Executive Officer. "At the same time, our ratio of problem loans to capital and reserves has dropped to its lowest level since the beginning of the financial crisis."

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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