

**FOR IMMEDIATE RELEASE**

**PRESS RELEASE**

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

Palo Alto, CA – April 25, 2012 – Avidbank Holdings, Inc., parent company of Avidbank, today announced its unaudited results for the first quarter of 2012.

"We are pleased with our continued solid financial performance in the first quarter of 2012," stated Chairman and Chief Executive Officer, Mark D. Mordell. "Our pretax income of \$1.27 million was up 40% compared to the same period of 2011. Due to our strong earnings over the past 12 quarters, we are now recording federal income tax expense on our operations which has caused our net income to decline 5% compared to the first quarter of 2011. The credit quality of our portfolio continues to improve while our totals are growing at the same time. Additionally, the significant decline in classified assets and specifically non-performing loans has been a very positive trend."

**Financial Results**

In thousands, except per share amounts (unaudited)

	<u>3/31/12</u>	<u>3/31/11</u>	<u>% Change</u>	<u>12/31/11</u>	<u>% vs. 12/31/11</u>
Total Assets	\$340,676	\$313,141	9%	\$342,204	0%
Loans	\$221,564	\$188,796	17%	\$207,964	7%
Deposits	\$300,159	\$280,873	7%	\$306,690	-2%
Classified Loans to Capital and Reserves	19%	35%	-46%	21%	-11%
Net Interest Margin	4.48%	4.27%	5%	4.09%	10%
Efficiency Ratio	67%	73%	-9%	72%	-7%
ALLL to Loans	1.96%	2.33%	-16%	2.10%	-7%
Shareholders' Equity	\$35,088	\$30,977	13%	\$33,695	4%
Common Shares	2,611	2,602	0%	2,602	0%
Book Value per Share	\$13.44	\$11.90	13%	\$12.95	4%
Book Value per Share excluding TARP	\$11.14	\$9.60	16%	\$10.64	5%
Tier 1 Leverage Ratio	9.96%	9.88%	1%	10.37%	-4%
Total Risk Based Capital Ratio	12.68%	13.68%	-7%	12.84%	-1%

	<u>Quarter Ending 3/31/12</u>	<u>Quarter Ending 3/31/11</u>	<u>% Change</u>
Revenue	\$4,310	\$3,979	8%
Interest Expense	\$501	\$645	-22%
Loan Loss Provision	\$0	\$0	0%
Non-Interest Expense	\$2,539	\$2,430	5%
Pretax Income	\$1,270	\$905	40%
Income Tax Expense	\$499	\$90	454%
Net Income	\$771	\$815	-5%
Earnings Per Share	\$0.26	\$0.19	39%

"The first quarter of 2012 extended our trend of healthy loan growth with an emphasis on quality credits," said Kenneth D. Brenner, the Company's President. "Our increased focus on commercial lending is producing results and helping us balance our loan concentrations."

**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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